



**Wednesday, January 25, 2012**  
**12:00 Noon**  
*(Lunch Provided for Board Members)*

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

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

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

**AGENDA TOPICS**

**RECOMMENDATION**

1. **Call to Order**  
Chairman Eduardo Garcia
2. **Flag Salute**
3. **Roll Call**
4. **Presentations**
5. **Finalization of Agenda**
6. **Correspondence**  
None.

**7. Public Comments****Receive Comments**

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

**NON AGENDA ITEMS**

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

**AGENDA ITEMS**

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

**8. Board Member Comments****Receive Comments**

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

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

**9. Consent Calendar****Approve**

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

- a) Minutes of the December 7, 2011 Board of Directors Meeting (Pages 1-6)
- b) Checks over \$1,000 for November, December 2011 (Pages 7-10)
- c) Credit card statement for November, December 2011 (Pages 11-16)
- d) Monthly Budget Report for November, 2011 (Pages 17-18)
- e) Contract Report – November, 2011 (Page 19).
- f) Ridership Report for November, December 2011 (Pages 20-23)
- g) SunDial Operational Notes for November, December 2011 (Pages 24-25)

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**10. General Counsel (C. Mikel Oglesby)****Approve**

Request to the Board to accept resignation of SunLine Transit Agency/SunLine Services Group Legal Counsel, approve appointment of interim Legal Counsel. (Page 26)

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

**12. Next Meeting Date**

February 22, 2012

12 o'clock Noon – Kelly Board Room

32-505 Harry Oliver Trail

Thousand Palms, CA 92276

**13. Adjourn**

**MINUTES**  
**SunLine Transit Agency**  
**Board of Directors Meeting**  
**December 7, 2011**

A regular meeting of the SunLine Transit Agency Board of Directors was held at 12:00pm on Wednesday, December 7, 2011 in the Kelly Board Room at SunLine Transit Agency, 32-505 Harry Oliver Trail, Thousand Palms, CA 92276.

1. **Call to Order**  
The meeting was called to order at 12:00 p.m. by Chairman Eduardo Garcia.
2. **Flag Salute**  
Chairman Garcia led all in a salute to our flag.
3. **Roll Call**  
Completed.

**Members Present**

Eduardo Garcia, Chairman, Mayor, City of Coachella  
Robert Spiegel, Vice Chairman, Mayor Pro Tem, City of Palm Desert  
Yvonne Parks, Mayor, City of Desert Hot Springs  
Steve Pougnet, Mayor, City of Palm Springs  
G. Dana Hobart, Mayor, City of Rancho Mirage  
Bud England, Councilmember, City of Cathedral City  
Bill Powers, Mayor Pro Tem, City of Indian Wells  
Glenn Miller, Mayor Pro Tem, City of Indio  
John J. Benoit, Supervisor, County of Riverside

**Members Absent**

Don Adolph, Mayor, City of La Quinta

**Guests:**

Joseph Pradetto- Supervisor John Benoit's Office  
Joe Perez- Ralphs Grocery Store  
Peter Kurzon- American Cab  
Bruce Klopstock- American Cab  
Kevin Folwer- American Cab  
Greg Kennedy- American Cab  
Lars Thane- American Cab  
Elliot Pike- American Cab  
Harry Incs – American Cab  
Scott Russo- Legal Counsel for American Cab  
K.D. Labana- Airport Taxi  
Mabu Hossain- Airport Taxi  
Gadi Srulovitz- Yellow Cab

Bill Meyer- Yellow Cab  
Michal Brock- Yellow Cab  
Carlos Cruz- Yellow Cab  
Christopher Flicker- KESQ  
Marc Blaine- KESQ  
Keith Matheny- Reporter, Desert Sun  
James Braico- VIP Transportation  
Terry Berger- Express Transportation  
Peter Angone- Public  
Kimberly Webb- Public

**Staff:**

C. Mikel Oglesby, General Manager  
Maria Aarvig, Legal Counsel  
Carolyn Rude, Special Asst. to the General Manager/Clerk of the Board  
Tommy Edwards, Director of Maintenance  
Tommy Green, Director of Safety & Security  
Polo Del Toro, Director of Operations  
Naomi Nightingale, Director of Administration & Human Resources/EEO/Taxi Administrator  
Joe Forgiarini, Director of Planning  
Rudy LeFlore, Procurement Consultant  
Cis LeRoy, Interim Director of Finance  
Jack Stevens, Human Resources Manager  
Mike Morrow, Maintenance Manager  
Michael Jones, Manager Taxicab Administration  
Manny Garcia, Operations Senior Supervisor  
David Manriquez, Safety Specialist  
Dave Robin, Assistant Taxicab Supervisor II  
Diann Chumney, Marketing Specialist II  
Mannie Thomas, Manager of Operations  
Francine DePalo, Administrative Assistant  
Vanessa Mora, Administrative Assistant  
Amy Heilman, Coin Counter

**4. Presentations**

Naomi Nightingale, Director of Administration & Human Resources/EEO, presented to Mr. Joe Perez, a representative from Ralphs, Palm Springs, a plaque in appreciation of their participation in the Agency's annual "Fill-the-Bus" charity food drive. Ms. Nightingale stated that the Ralphs in Bermuda Dunes and two Stater Bros. stores participated as well. The contributions went to the Coachella Valley Rescue Mission, the Galilee Center in Coachella and to the Soup Kitchen in Desert Hot Springs. Over ten and a half tons of food was delivered to the three agencies. A round of applause was given by the Board.

**5. Finalization of Agenda**

Legal Counsel, Maria Aarvig requested that agenda item 18a, Closed Session – Conference on Labor Negotiation – be pulled. Vice Chairman Spiegel moved to finalize agenda with requested change. Councilmember England seconded the motion and agenda was approved by a unanimous vote.

**6. Correspondence**

None.

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

None.

**AGENDA ITEMS:**

None.

**8. Board Member Comments**

Mayor Pro Tem Miller thanked SunLine staff, as well as Chairman Garcia, for attending the grand opening of the new bus route in Indio. He stated that a tour of the new Line was provided which will take residents back and forth from north Indio to south Indio or from the heart of the City to shopping centers. He stated that the new line is very well received from residents.

**9. Finance Department Update**

Interim Finance Director, Cis LeRoy addressed the Board with an update on the three annual audits – the FTA's annual National Transit Database Report, the audit by RCTC's auditors and the State Controller's Annual Report. She stated that they are in progress and everything is going well. Ms. LeRoy stated that they are almost complete with very few comments.

**10. Transit Monthly Budget Report Update**

Interim Finance Director, Cis LeRoy addressed the Board stating that a new finance report format that will be presented to the Board monthly, now shows local revenue, state revenue and federal operating revenue. She stated that at a previous Finance Committee meeting a Board member had questions about Measure A revenue. A new report format was created. The new report has a new line item – grant revenue, and an additional page that shows all revenue.

**11. Consent Calendar**

Vice Chairman Spiegel moved for approval of the consent calendar. The motion was seconded by Mayor Pro Tem Miller and approved by a unanimous vote.

**12. Construction Management Contract Approval**

Mikel Oglesby addressed the Board requesting that authorization be given to the General Manager to negotiate and execute a contract for construction management services subject to review and approval as to form by SunLine Legal Counsel. He stated that the Administrative building project will use FTA funding and requires an

engineering firm on property. SunLine does not have an engineering dept. or engineering staff to provide technical construction oversight. The cost is included in the capital project budget and will be funded from a combination of Prop. 1B and FTA funds. Mayor Pro Tem Powers moved for approval. The motion was seconded by Vice Chairman Spiegel and approved by a unanimous vote.

**13. Purchase of Fuel Cells**

Mikel Oglesby addressed the Board stating that he has great news – two days after the unveiling of the American Fuel Cell Bus, the FTA announced the award of grant funding to SunLine for two additional American Fuel Cell buses. He stated that the Agency will make history once again by adding two additional American Fuel Cell buses to the Agency fleet. Oglesby requested that the Board grant authorization to the General Manager to negotiate and execute a contract with Ballard Power Systems for two fuel cells. Oglesby stated that the total amount of the contract is approximately \$1.2 million. Mayor Pro Tem Powers moved for approval. The motion was seconded by Vice Chairman Spiegel and approved by a unanimous vote.

**14. Approval to Open New Bank Account**

Interim Finance Director, Cis LeRoy addressed the Board stating that previously the Board approved establishing a bank account for an Employee Relief Fund, which is funded entirely by employee donations. She stated that staff recommends to open a new bank account at Robobank where SunLine has no other account to keep the program completely separate. Supervisor Benoit moved for approval. The motion was seconded by Councilmember England and approved by a unanimous vote.

**15. Approval of New ACCESS Advisory Committee Member**

Director of Operations, Apolonio Del Toro addressed the Board requesting approval of a new member on the ACCESS Advisory Committee, who was approved by the current Committee members. Councilmember England moved for approval. The motion was seconded by Mayor Pro Tem Miller and approved by a unanimous vote.

**16. General Manager's Report**

Mikel Oglesby reminded the Board of the Agency's holiday gala, which will be held Friday, December 9<sup>th</sup> from 6:00pm – 11:00pm at the Westin in Rancho Mirage. He stated that employees appreciate Board member's attendance.

Oglesby provided a powerpoint presentation to the Board highlighting the accomplishments this year by the Agency. Oglesby stated that the Agency hosted the Annual "State of Public Transit" Luncheon with keynote speaker Bill Millar and Dr. John Wu as guest speaker. He stated that in the upcoming year, staff is attempting to bring a surprise speaker as we will be celebrating the Agency's 35<sup>th</sup> anniversary. Oglesby stated that we provided transportation for the Valley's "Farewell to Betty Ford" which required many vehicles; our sister agencies came on board to assist in providing the community an opportunity to pay their respect. Oglesby stated that we are doing some great things in relation to SunFuels. We have unique facilities where we sell CNG and hydrogen to the public. Oglesby

stated that our technology is actually beyond Weights and Measures when it comes to figuring out how much to charge per gallon equivalent. They have actually worked with our staff to come up with a solution not only for SunLine, but for all hydrogen fueling stations in the industry and the United States. SunLine received a temporary permit to sell hydrogen per gallon equivalent, which is huge. Oglesby stated that those who sell hydrogen per gallon equivalent will use SunLine's model. Another first! Oglesby stated this is big in the industry and when we get the permanent permit, he will let the Board know.

Oglesby shared additional Agency accomplishments:

- Dedication of the new Maintenance Bay Expansion – used federal funding and promoted jobs.
- Launch of the Taxi Voucher Program – shows there is unification; staff will look to find another grant and funds to further support the program.
- Annual “Fill-the-Bus” food drive – collected 10.5 tons of donations for three local charity organizations.
- Partnered with the City of Indio implementing the Line 80 changes just in time for the holidays.
- The unveiling of the seventh generation hydrogen bus, the American Fuel Cell Bus.
- Announcement of funding by the FTA for two more American Fuel Cell Buses.
- Heading into the 35<sup>th</sup> Anniversary.

#### 17. **Next Meeting Date**

Chairman Garcia announced that the next regular meeting of the Board of Directors will be held on January 25, 2012 at 12 noon – Kelly Board Room, 32-505 Harry Oliver Trail, Thousand Palms, CA 92276.

At 12:20pm Chairman Garcia announced that the Board recess the SunLine Transit Board Meeting and open SSG Board meeting.

At 1:16pm Chairman Garcia announced to reconvene SunLine Transit Agency meeting and move into closed session.

#### 18. **Closed Session**

Item 18a pulled from agenda

- a) Closed Session - Conference on Labor Negotiations pursuant to Government Code Section 54957.6: C. Mikel Oglesby and Tom Hock (via phone conference). Employee Organization: Amalgamated Transit Union, Local 1277 representing drivers, mechanics and other trades.
- b) Closed session to review the employee performance evaluation of Legal Counsel, pursuant to Government Code Section 54957 of the California Government Code.
- c) Closed session to review the employee performance evaluation of the General Manager, pursuant to Government Code Section 54957 of the California Government Code.

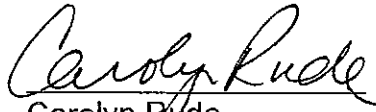


At 1:46 pm, Chairman Garcia announced that the Board will resume open session of SunLine Transit Agency. Legal Counsel reported no reportable action on 18b. Ms. Aarvig stated that on agenda item 18C, the Board approves unanimously a performance incentive, per the contract of the General Manager calculated on the basis of 6.68%.

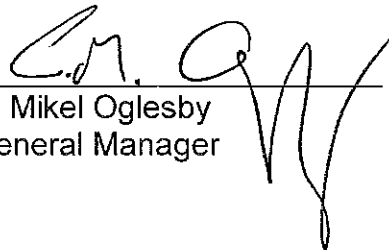
**19. Adjourn**

Chairman Garcia adjourned the meeting at 1:47p.m.

Respectfully Submitted

  
Carolyn Rude  
Clerk of the Board

Approved By:

  
C. Mikel Oglesby  
General Manager

Date: 1/17/12

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

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

<b>Vendor Name</b>	<b>Description</b>	<b>Check #</b>	<b>Check</b>	<b>Amount</b>
HEALTH NET	Group Health Ins Prem	652433	11/8/2011	\$193,824.67
HEALTH NET	Group Health Ins Prem	652489	11/10/2011	\$193,660.09
SO CAL GAS CO.	Utilities	652619	11/18/2011	\$90,435.73
UNION BANK	Pension Deposits	652519	11/10/2011	\$78,759.43
PERMA	Gnrl Liab / Wker Comp	652611	11/18/2011	\$74,486.65
<b>IBI GROUP</b>	<b>Engineer Services</b>	<b>652586</b>	<b>11/18/2011</b>	<b>\$43,168.51</b>
GOODYEAR TIRE & RUBBER COMPANY,	Bus Tire Lease	652573	11/18/2011	\$20,866.02
IMPERIAL IRRIGATION DIST	Utilities	652587	11/18/2011	\$20,518.08
<b>TRAPEZE GROUP</b>	<b>WIP-Trapeze Software Upgrade</b>	<b>652663</b>	<b>11/22/2011</b>	<b>\$14,569.00</b>
<b>LEFLORE GROUP LLC, THE</b>	<b>Projects Management</b>	<b>652494</b>	<b>11/10/2011</b>	<b>\$12,777.50</b>
COACHELLA VALLEY ECONOMIC	Membership & Subscriptions	652476	11/10/2011	\$10,000.00
<b>DESERT ALARM, INC.</b>	<b>WIP-Maint Bldg Rehab-ARRA</b>	<b>652415</b>	<b>11/8/2011</b>	<b>\$9,625.00</b>
SOUTHWEST NETWORKS, INC.	Network Consultants	652511	11/10/2011	\$9,600.00
GFI GENFARE	Farebox	652488	11/10/2011	\$8,296.75
CREASON & AARVIG, LLP	Legal Services	652479	11/10/2011	\$7,574.00
<b>COLONIAL LIFE &amp; ACCIDENT</b>	<b>Supplemental Insurance</b>	<b>652410</b>	<b>11/8/2011</b>	<b>\$6,437.82</b>
<b>METLIFE SBC</b>	<b>Dental Insurance</b>	<b>652440</b>	<b>11/8/2011</b>	<b>\$5,983.93</b>
<b>MIKE COX ELECTRIC, INC. THE</b>	<b>WIP-Seismic Warning System</b>	<b>652595</b>	<b>11/18/2011</b>	<b>\$5,810.40</b>
IMW INDUSTRIES, INC.	CNG Parts	652588	11/18/2011	\$4,800.76
TRANSIT PRODUCTS & SERVICES	Repair Parts	652628	11/18/2011	\$4,703.08
MOORE MAINTENANCE & JANITORIAL	Janitorial Servs	652596	11/18/2011	\$4,633.00
ZACHARY WAYNE JOHNSON	Directors Workshop	652639	11/18/2011	\$4,476.79
<b>SOUTHWEST NETWORKS, INC.</b>	<b>Network Consultants</b>	<b>652458</b>	<b>11/8/2011</b>	<b>\$4,425.00</b>
<b>AMALGAMATED TRANSIT UNION</b>	<b>Union Dues</b>	<b>652469</b>	<b>11/10/2011</b>	<b>\$4,306.12</b>
G & K SERVICES	Uniform service	652569	11/18/2011	\$4,125.96
<b>SOUTHWEST NETWORKS, INC.</b>	<b>Network Consultants</b>	<b>652659</b>	<b>11/22/2011</b>	<b>\$4,031.25</b>
RESORT MARKETING	Public Relations Mgmt	652615	11/18/2011	\$3,625.00
CUMMINS CAL PACIFIC, LLC	Bus Repair Parts	652551	11/18/2011	\$3,516.22
TELEPACIFIC COMMUNICATIONS	Telephone Service	652660	11/22/2011	\$3,367.62
TELEPACIFIC COMMUNICATIONS	Telephone Service	652461	11/8/2011	\$3,259.86
CARQUEST OF THE DESERT	Repair Parts	652542	11/18/2011	\$3,214.04
IMPERIAL IRRIGATION DIST	Utilities	652491	11/10/2011	\$3,108.36
CIS LeROY	Interim Finance Dir/Consultant	652545	11/18/2011	\$3,009.92
<b>ERIC COREY FREED</b>	<b>Engineer Services</b>	<b>652556</b>	<b>11/18/2011</b>	<b>\$3,000.00</b>
<b>KAMINSKY PRODUCTIONS, INC</b>	<b>Marketing Consultants</b>	<b>652591</b>	<b>11/18/2011</b>	<b>\$2,909.38</b>
FIESTA FORD, INC.	Repair Parts/Support	652565	11/18/2011	\$2,667.11
VERIZON WIRELESS	Wireless Cell Service	652522	11/10/2011	\$2,624.23
ALLIEDBARTON SECURITY SERVICES	Security Services	652403	11/8/2011	\$2,491.44
KENNY STRICKLAND, INC.	Lubricants & Oils	652650	11/22/2011	\$2,489.20
BURRTEC WASTE & RECYCLING	Facility Trash Removal	652534	11/18/2011	\$2,345.03
NEW FLYER	Bus Parts	652604	11/18/2011	\$2,182.31

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

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

<b>Vendor Name</b>	<b>Description</b>	<b>Check #</b>	<b>Check</b>	<b>Amount</b>
<u>CALIFORNIA STATE DISBURSEMENT</u>	Employee Garnishment	652472	11/10/2011	<u>\$2,171.60</u>
<u>EYE MED</u>	Employee Benefits	652484	11/10/2011	<u>\$2,158.40</u>
NEW FLYER	Bus Parts	652444	11/8/2011	\$2,132.29
FLEET-NET CORPORATION	Software & Licenses	652485	11/10/2011	\$2,040.00
TOTALFUNDS BY HASLER	Postage Meter Supplies	652626	11/18/2011	\$2,000.00
<b><u>OFFICE DEPOT</u></b>	<b><u>F/A-Office Furn/Equip</u></b>	<b><u>652607</u></b>	<b><u>11/18/2011</u></b>	<b><u>\$1,997.47</u></b>
HOME DEPOT CRD SRVS	Facility Maintenance	652585	11/18/2011	\$1,942.71
TRANSIT PRODUCTS & SERVICES	Repair Parts	652463	11/8/2011	\$1,931.53
<b>KAMAN INDUSTRIAL TECHNOLOGIES</b>	<b>F/A-SunFuels Equip</b>	<b>652437</b>	<b>11/8/2011</b>	<b>\$1,776.64</b>
GFI GENFARE	Fare box	652647	11/22/2011	\$1,711.18
CAL-TEST, INC.	D&A Onsite Testing	652473	11/10/2011	\$1,707.45
ALLIEDBARTON SECURITY SERVICES	Security Services	652527	11/18/2011	\$1,660.96
FACTORY MOTOR PARTS COMPANY	Repair Parts	652560	11/18/2011	\$1,612.48
ROMAINE ELECTRIC CORP.	Repair Parts	652616	11/18/2011	\$1,566.39
FIESTA FORD, INC.	Repair Parts/Support	652423	11/8/2011	\$1,554.70
NAOMI NIGHTINGALE	APTA Conference	652502	11/10/2011	\$1,552.15
VERIZON	Communications	652521	11/10/2011	\$1,529.01
SIGN A RAMA	Signage	652510	11/10/2011	\$1,412.62
VALLEY OFFICE EQUIPMENT, INC.	Fax/Copier Supplies	652464	11/8/2011	\$1,405.95
CREATIVE BUS SALES, INC.	Bus Repair Parts	652412	11/8/2011	\$1,387.69
PARKHOUSE TIRES INC	Revenue/Non-Rev Tires	652609	11/18/2011	\$1,374.98
EMC	Medical-Exams and Testing	652555	11/18/2011	\$1,350.00
NEW FLYER	Bus Parts	652654	11/22/2011	\$1,314.75
<u>SHERIFF'S COURT SERVICES - EAST</u>	Employee Garnishment	652509	11/10/2011	<u>\$1,305.44</u>
CREATIVE BUS SALES, INC.	Bus Repair Parts	652549	11/18/2011	\$1,274.35
UTC POWER CORPORATION	Fuel Cell Bus Parts	652633	11/18/2011	\$1,241.28
OFFICE DEPOT	Office Supplies	652655	11/22/2011	\$1,229.86
KENNY STRICKLAND, INC.	Lubricants & Oils	652592	11/18/2011	\$1,160.61
GOODYEAR TIRE & RUBBER COMPANY,	Bus Tire Lease	652648	11/22/2011	\$1,156.35
SAFETY-KLEEN CORPORATION	Solvent Tank Service	652617	11/18/2011	\$1,118.07
ACCONTEMPS	Temporary Help	652400	11/8/2011	\$1,116.00
ACCONTEMPS	Temporary Help	652468	11/10/2011	\$1,116.00
VALLEY OFFICE EQUIPMENT, INC.	Fax/Copier Supplies	652665	11/22/2011	\$1,084.93
PROMOTIONAL, INC.	Employee of Qtr. Recognition	652505	11/10/2011	\$1,047.26
CARQUEST AUTO PARTS - INDIO	Repair Parts	652538	11/18/2011	\$1,016.34
OSBORNE RINCON, CPA'S	CPA-Consultant-ERF	652447	11/8/2011	\$1,000.00

<b>Total of Checks Over \$1,000</b>	<b>\$939,862.70</b>
<b>Total of Checks Under \$1,000</b>	<b>\$51,814.22</b>
<b>Total of All Checks for the Month</b>	<b>\$991,676.92</b>
<b>Total Amount of Checks Prior Years Same Month</b>	<b>\$868,171.22</b>

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

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<b>Vendor Name</b>	<b>Description</b>	<b>Check #</b>	<b>Check</b>	<b>Amount</b>
<u>HEALTH NET</u>	Group Health Ins Prem	652777	12/9/2011	\$208,661.07
<u>UNION BANK</u>	Pension Deposits	652997	12/22/2011	\$82,419.73
<u>UNION BANK</u>	Pension Deposits	652693	12/1/2011	\$79,278.36
<u>UNION BANK</u>	Pension Deposits	652837	12/9/2011	\$78,293.18
GOODYEAR TIRE & RUBBER COMPANY,	Bus Tire Lease	652774	12/9/2011	\$21,147.45
IMPERIAL IRRIGATION DIST	Utilities	652961	12/22/2011	\$19,387.22
<b>TRAPEZE GROUP</b>	<b>WIP-Trapeze Software Upgrade</b>	<b>652692</b>	<b>12/1/2011</b>	<b>\$13,808.00</b>
HST LESSEE MISSION HILLS LP	Holiday Gala Employee Event	652959	12/22/2011	\$13,433.20
<b>C.V.A.G.</b>	<b>Federal JARC Funding</b>	<b>652938</b>	<b>12/22/2011</b>	<b>\$13,278.39</b>
<b><u>LEFLORE GROUP LLC, THE</u></b>	<b><u>Projects Management</u></b>	<b><u>652785</u></b>	<b><u>12/9/2011</u></b>	<b><u>\$11,349.22</u></b>
<u>HARTFORD LIFE</u>	Employee Benefits	652677	12/1/2011	\$10,403.66
TRAPEZE GROUP	Consultant for Planning Dept	652994	12/22/2011	\$10,317.10
<b>BLUWAYS USA, INC.</b>	<b>WIP-THOR/AT BUS</b>	<b>652670</b>	<b>12/1/2011</b>	<b>\$10,000.00</b>
SOUTHWEST NETWORKS, INC.	Network Consultants	652987	12/22/2011	\$7,931.25
SOUTHWEST NETWORKS, INC.	Network Consultants	652821	12/9/2011	\$7,856.25
<b>COLONIAL LIFE &amp; ACCIDENT</b>	<b>Supplemental Insurance</b>	<b>652673</b>	<b>12/1/2011</b>	<b>\$6,437.82</b>
<b>ERIC COREY FREED</b>	<b>Engineer Services</b>	<b>652952</b>	<b>12/22/2011</b>	<b>\$6,000.00</b>
<u>METLIFE SBC</u>	Dental Insurance	652681	12/1/2011	\$5,946.09
PROFESSIONAL TRANSIT	Legal-Labor Counsel	652685	12/1/2011	\$5,815.51
CIS LEROY	Interim Finance Dir./Consultant	652737	12/9/2011	\$5,306.24
G & K SERVICES	Uniform service	652767	12/9/2011	\$5,081.92
MOORE MAINTENANCE & JANITORIAL	Janitorial Servs	652790	12/9/2011	\$4,633.00
KENNY STRICKLAND, INC.	Lubricants & Oils	652966	12/22/2011	\$4,605.65
<u>AMALGAMATED TRANSIT UNION</u>	Union Dues	652710	12/9/2011	\$4,361.30
<u>AMALGAMATED TRANSIT UNION</u>	Union Dues	652930	12/22/2011	\$4,361.30
<u>AMALGAMATED TRANSIT UNION</u>	Union Dues	652668	12/1/2011	\$4,339.96
<b>TRAPEZE GROUP</b>	<b>Upgrade Software</b>	<b>652834</b>	<b>12/9/2011</b>	<b>\$4,176.90</b>
CARQUEST OF THE DESERT	Repair Parts	652731	12/9/2011	\$4,110.86
RESORT MARKETING	Public Relations Mgmt	652811	12/9/2011	\$4,000.00
ACCOMTEMPS	Temporary Help	652926	12/22/2011	\$3,794.40
TRAPEZE GROUP	Subscription Software Mtce	652995	12/22/2011	\$3,737.00
COMTO	Membership	652945	12/22/2011	\$3,500.00
TELEPACIFIC COMMUNICATIONS	Telephone Service	652990	12/22/2011	\$3,282.19
DESERT AIR CONDITIONING, INC.	A/C Repairs	652747	12/9/2011	\$3,032.00
NAME WITHHELD	Insurance Losses	652745	12/9/2011	\$2,775.37
NEW FLYER	Bus Parts	652972	12/22/2011	\$2,587.99
PERMA	Pass through Payment	652978	12/22/2011	\$2,539.90
<u>CALIFORNIA STATE DISBURSEMENT</u>	Employee Garnishment	652939	12/22/2011	\$2,445.97
<u>CALIFORNIA STATE DISBURSEMENT</u>	Employee Garnishment	652725	12/9/2011	\$2,445.97

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

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

<b>Vendor Name</b>	<b>Description</b>	<b>Check #</b>	<b>Check</b>	<b>Amount</b>
FACTORY MOTOR PARTS COMPANY	Repair Parts	652757	12/9/2011	\$2,275.64
<u>CALIFORNIA STATE DISBURSEMENT</u>	<u>Employee Garnishment</u>	<u>652671</u>	<u>12/1/2011</u>	<u>\$2,272.89</u>
<u>EYE MED</u>	<u>Employee Benefits</u>	<u>652754</u>	<u>12/9/2011</u>	<u>\$2,185.44</u>
NEW FLYER	Bus Parts	652797	12/9/2011	\$2,048.03
FLEET-NET CORPORATION	Software & Licenses	652762	12/9/2011	\$2,040.00
BURRTEC WASTE & RECYCLING	Facility Trash Removal	652934	12/22/2011	\$1,939.66
TRANSIT PRODUCTS & SERVICES	Repair Parts	652832	12/9/2011	\$1,851.80
<u>SHERIFF'S COURT SERVICES - EAST</u>	<u>Employee Garnishment</u>	<u>652818</u>	<u>12/9/2011</u>	<u>\$1,842.02</u>
ALLIEDBARTON SECURITY SERVICES	Security Services	652929	12/22/2011	\$1,660.96
<u>SHERIFF'S COURT SERVICES - EAST</u>	<u>Employee Garnishment</u>	<u>652984</u>	<u>12/22/2011</u>	<u>\$1,648.02</u>
OFFICE DEPOT	Office Supplies	652800	12/9/2011	\$1,609.46
FIESTA FORD, INC.	Repair Parts/Support	652954	12/22/2011	\$1,592.43
ALLIEDBARTON SECURITY SERVICES	Security Services	652709	12/9/2011	\$1,542.32
CALSTART, INC.	Membership Fee	652940	12/22/2011	\$1,500.00
<u>SHERIFF'S COURT SERVICES - EAST</u>	<u>Employee Garnishment</u>	<u>652688</u>	<u>12/1/2011</u>	<u>\$1,473.57</u>
<b><i>CLASSIC PARTY RENTALS</i></b>	<b><i>WIP-AFCB Project</i></b>	<b><i>652738</i></b>	<b><i>12/9/2011</i></b>	<b><i>\$1,372.18</i></b>
VERIZON	Communications	652841	12/9/2011	\$1,365.34
SWRCB ACCOUNTING OFFICE	Annual Storm Water Fee	652831	12/9/2011	\$1,359.00
CREATIVE BUS SALES, INC.	Bus Repair Parts	652742	12/9/2011	\$1,355.08
<b><i>PRINTING PLACE, THE</i></b>	<b><i>WIP-AFCB Project</i></b>	<b><i>652806</i></b>	<b><i>12/9/2011</i></b>	<b><i>\$1,333.95</i></b>
MARY BORDERS	Holiday Gala Raffle Gifts	652695	12/5/2011	\$1,300.00
SUN CHEMICAL	Bus & Facility Cleaner	652826	12/9/2011	\$1,284.68
VERIZON WIRELESS	Wireless Cell Serv	652842	12/9/2011	\$1,282.23
SMART CHEMISTRY CORPORATION	Hydrogen Samples	652820	12/9/2011	\$1,250.00
ABBA PHOTOGRAPHY	Employee Event	652701	12/9/2011	\$1,200.00
OFFICETEAM	Temporary Services	652974	12/22/2011	\$1,132.47
OFFICETEAM	Temporary Services	652801	12/9/2011	\$1,127.40
ACCOUNTEMPS	Temporary Help	00652667	12/1/2011	\$1,116.00
ACCOUNTEMPS	Temporary Help	00652705	12/9/2011	\$1,116.00
CUMMINS CAL PACIFIC, LLC	Bus Repair Parts	00652743	12/9/2011	\$1,114.25
VIP PROMOTIONAL SERVICES	Advertising	00652844	12/9/2011	\$1,061.76
APPLEBEE'S	Holiday Gift Cert	00652716	12/9/2011	\$1,000.00

<b>Total of Checks Over \$1,000</b>	<b>\$735,134.00</b>
<b>Total of Checks Under \$1,000</b>	<b>\$54,770.16</b>
<b>Total of All Checks for the Month</b>	<b>\$789,904.16</b>

**Total Amount of Checks Prior Years Same Month**

\$2,310,500.01 <sup>10</sup>



**November Statement** for activity from Oct. 21, 2011 through Nov. 21, 2011  
 SUNLINE TRANSIT  
 C MIKEL OGLESBY (CPN 000648533)

**Inquiries: 1-866-552-8855**  
 BUS 7 13 Page 1 of 2

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

Activity Summary	
Previous Balance .....	\$3,615.70
Payments .....	\$3,615.70CR
Other Credits .....	\$0.00
Purchases .....	\$1,478.45
Balance Transfers .....	\$0.00
Advances .....	\$0.00
Other Debits .....	\$0.00
Past Due Amount .....	\$0.00
Fees Charged .....	\$0.00
Interest Charged .....	\$0.00
<b>New Balance .....</b>	<b>\$1,478.45</b>
Credit Line .....	\$34,000.00
Available Credit .....	\$32,521.55
Statement Close Date .....	Nov. 21, 2011
Days in Billing Cycle .....	32

Payment Information	
New Balance .....	\$1,478.45
Minimum Payment Due (Current Month)	\$15.00
Minimum Payment Due (Past Due)	\$0.00
<b>Total New Minimum Payment Due</b>	<b>\$15.00</b>
Payment Due Date .....	Dec. 17, 2011
<b>Late Payment Warning:</b> If we do not receive your minimum payment by the date listed above, you may have to pay up to a \$39.00 Late Fee and your APRs may be increased up to the Penalty APR of 28.99%.	

To reduce or avoid paying additional fees and interest charges on your purchase balance, pay the total new balance of \$1,478.45 by 12/17/11. Any cash balance or balance transfer balance will continue to accrue daily interest until the date your payment is received.

**Transactions**

Post Date	Trans Date	Ref. Nbr	Description of Transaction	Amount	Notation
<b>Payments and Other Credits</b>					
11/04			PAYMENT THANK YOU .....	\$3,615.70CR	-----
<b>Purchases and Other Debits</b>					
10/24	10/21	4162	CONFERENCE/EVENT REGIS 916-3692880 CA .....	\$275.00	-----
11/07	11/05	4101	MARRIOTT 337Z4 SAN JOS SAN JOSE CA .....	\$869.96	-----
			10/31/11 FOR 05 NIGHTS FOLIO: 1610020400003		
11/07	11/05	1651	MARRIOTT 337Z4 SAN JOS SAN JOSE CA .....	\$33.49	-----

Continued on Next Page

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

0047985100448091310000015000001478457

**Automatic Payment**

Your Account Number: 4798 5100 4480 9131  
 Your new full balance of \$1,478.45 will be automatically deducted from your account on 12/05/11.

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

000031169 1 MB 0.390 106481346653344 P

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





**November Statement** for activity from Oct. 21, 2011 through Nov. 21, 2011  
 SUNLINE TRANSIT  
 C MIKEL OGLESBY (CPN 000648533)

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

**Transactions**

Post Date	Trans Date	Ref. Nbr	Description of Transaction	Amount	Notation
11/21	11/18	0380	TRANSITNEWS.NET 407-2071870 FL.....	\$300.00	-----

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

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

Signature/Approval: \_\_\_\_\_ Accounting Code: \_\_\_\_\_

**Interest Charge Calculation**

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

\*\*APR for current and future transactions.


Balance Type	Balance By Type	Balance Subject to Interest 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	\$1,478.45	\$0.00	YES	\$0.00	13.99%		YES
**ADVANCES	\$0.00	\$0.00	YES	\$0.00	20.99%		NO


**Important Messages**

Your payment of \$1478.45 will be automatically deducted from your bank account on 12/05/2011


Save time and money by consolidating all your debt into one monthly payment. Check your mail for a great offer or call Cardmember Service today for information on a great rate.

**To contact us regarding your account... 4798 5100 4480 9131**

 **By Telephone:**  
**Every Hour! Every Day!**  
 Voice: 1-866-552-8855  
 TDD: 1-888-352-6455  
 Fax: 1-866-807-9053

 **Send Inquiries to:**  
 Cardmember Service  
 P.O. Box 6353  
 Fargo, ND 58125-6353

 **Send Payments to:**  
 Cardmember Service  
 P.O. Box 790408  
 St. Louis, MO 63179-0408

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

Pacific Western Bank  
 SunLine Transit Agency Visa Credit Card Statement  
 Closing Date: November 21, 2011

Detail:

10/24/11	Conference Event	CTA Conference registration – Operations Manager	\$ 275.00
11/07/11	Marriott – San Jose	CTA Conference – hotel – General Manager	\$ 869.96
11/07/11	Marriott – San Jose	CTA Conference – hotel – General Manager	\$ 33.49
11/21/11	TRANSITNEWS.NET	Subscription – Transit News – one year	\$ 300.00

Credit:

11/04/11	Payment		\$3615.70CR
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Note: All travel is currently funded in the Board approved FY 2012 budget.





December Statement for activity from Nov. 22, 2011 through Dec. 21, 2011  
 SUNLINE TRANSIT  
 C MIKEL OGLESBY (CPN 000648533)

Inquiries: 1-866-552-8855  
 BUS 7 13 Page 1 of 2

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

Activity Summary	
Previous Balance .....	\$1,478.45
Payments .....	\$1,478.45CR
Other Credits .....	\$0.00
Purchases .....	\$695.00
Balance Transfers .....	\$0.00
Advances .....	\$0.00
Other Debits .....	\$0.00
Past Due Amount .....	\$0.00
Fees Charged .....	\$0.00
Interest Charged .....	\$0.00
<b>New Balance .....</b>	<b>\$695.00</b>
Credit Line .....	\$34,000.00
Available Credit .....	\$33,305.00
Statement Close Date .....	Dec. 21, 2011
Days in Billing Cycle .....	30

Payment Information	
New Balance .....	\$695.00
Minimum Payment Due (Current Month)	\$10.00
Minimum Payment Due (Past Due)	\$0.00
<b>Total New Minimum Payment Due</b>	<b>\$10.00</b>
Payment Due Date .....	Jan. 17, 2012
<b>Late Payment Warning:</b> If we do not receive your minimum payment by the date listed above, you may have to pay up to a \$39.00 Late Fee and your APRs may be increased up to the Penalty APR of 28.99%.	

To reduce or avoid paying additional fees and interest charges on your purchase balance, pay the total new balance of \$695.00 by 01/17/12. Any cash balance or balance transfer balance will continue to accrue daily interest until the date your payment is received.

**Transactions**

Post Date	Trans Date	Ref. Nbr	Description of Transaction	Amount	Notation
Payments and Other Credits					
12/05			PAYMENT THANK YOU .....	\$1,478.45CR	-----
Purchases and Other Debits					
12/14	12/13	6784	AMERICAN PUBLIC TRANS 202-4964800 DC .....	\$695.00	-----

Continued on Next Page

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

0047985100448091310000010000000695007

**Automatic Payment**

Your Account Number: 4798 5100 4480 9131

Your new full balance of \$695.00 will be automatically deducted from your account on 01/04/12.

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

000031279 1 MB 0.390 106481392095147 P

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





**December Statement** for activity from Nov. 22, 2011 through Dec. 21, 2011  
 SUNLINE TRANSIT  
 C MIKEL OGLESBY (CPN 000648533)

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

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

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

Signature/Approval: \_\_\_\_\_ Accounting Code: \_\_\_\_\_

**Interest Charge Calculation**

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

\*\* APR for current and future transactions.


Balance Type	Balance By Type	Balance Subject to Interest 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	\$695.00	\$0.00	YES	\$0.00	13.99%		YES
**ADVANCES	\$0.00	\$0.00	YES	\$0.00	20.99%		NO


**Important Messages**


Your payment of \$695.00 will be automatically deducted from your bank account on 01/04/2012


Save time and money by consolidating all your debt into one monthly payment. Check your mail for a great offer or call Cardmember Service today for information on a great rate.

**To contact us regarding your account... 4798 5100 4480 9131**

 **By Telephone:**  
**Every Hour! Every Day!**  
 Voice: 1-866-552-8855  
 TDD: 1-888-352-6455  
 Fax: 1-866-807-9053

 **Send Inquiries to:**  
 Cardmember Service  
 P.O. Box 6353  
 Fargo, ND 58125-6353

 **Send Payments to:**  
 Cardmember Service  
 P.O. Box 790408  
 St. Louis, MO 63179-0408

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

Pacific Western Bank  
SunLine Transit Agency Visa Credit Card Statement  
Closing Date: December 21, 2011

Detail:

12/14/11	AMERICAN PUBLIC TRANS	APTA CEO Conf. Registration – General Manager	\$ 695.00
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Credit:

12/05/11	Payment		\$1478.45CR
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Note: All travel is currently funded in the Board approved FY 2012 budget.

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

	Unaudited FY 10/11	Total FY 11/12 Budget	Current Month			Year to Date		
			Actual	Budget	Favorable (Unfavorable)	YTD Actual	YTD Budget	Favorable (Unfavorable)
<b>Operating Revenue:</b>								
Passenger Fares	2,893,849	2,950,000	254,638	245,833	8,805	1,278,547	1,229,167	49,381
Advertising Revenue	27,024	25,000	0	2,083	(2,083)	16,983	10,417	6,567
Rebate for CNG Production	1,035,857	375,000	59,805	62,500	(2,695)	330,392	312,500	17,892
Interest Revenue	8,573	10,000	183	833	(651)	1,339	4,167	(2,827)
Outside Fueling Revenue (SunFuels)	219,868	180,137	20,795	14,382	6,413	129,142	73,648	55,495
Pass-Through Operating revenue	69,777	258,800	16,246	21,567	(5,321)	32,371	107,833	(75,462)
Other Operating Revenue	107,833	343,137	11,409	28,595	(17,186)	42,463	142,974	(100,511)
Grant Revenue	17,004,918	19,225,376	1,261,330	1,261,330	0	7,887,601	7,887,601	0
<b>Total Revenue</b>	<b>21,367,700</b>	<b>23,367,450</b>	<b>1,624,405</b>	<b>1,637,123</b>	<b>(12,718)</b>	<b>9,718,839</b>	<b>9,768,306</b>	<b>(49,467)</b>
<b>Expenses:</b>								
SunFuels (10)	219,868	180,137	22,571	14,382	(8,188)	130,994	73,648	(57,346)
Operations-Fixed Route (11 & 12)	8,453,305	8,670,062	697,612	703,178	5,566	3,535,088	3,598,489	63,401
Operations-Dial-A-Ride (13 & 14)	2,232,339	2,450,562	203,050	198,399	(4,651)	980,160	999,202	19,042
Security (15)	514,549	458,833	36,378	36,283	(95)	187,215	186,582	(633)
Maintenance (21 & 22)	5,212,682	5,517,967	425,231	449,566	24,335	2,204,373	2,279,230	74,857
Facility Maintenance-T.P. (23)	567,807	573,218	48,300	47,514	(786)	251,940	237,073	(14,867)
Facility Maintenance-Indio (24)	81,905	83,472	4,693	6,956	2,263	30,937	34,780	3,843
Bus Stops/Shelters (25)	416,057	459,965	36,053	36,879	825	172,294	188,192	15,897
Marketing (31)	261,442	356,354	23,714	28,901	5,187	113,500	146,744	33,244
Human Resources (32)	451,763	407,998	29,459	33,021	3,563	128,687	167,560	38,873
General Administration (40)	1,032,497	1,483,415	111,978	121,312	9,335	585,243	614,794	29,551
Finance (41)	755,754	753,377	70,365	59,435	(10,931)	294,937	288,967	(5,969)
Information Technology (42)	289,135	367,125	22,159	30,344	8,185	120,539	152,674	32,136
Planning & Agency Development (49)	599,879	851,833	39,671	71,594	31,924	178,016	328,580	150,564
<b>Total expenses</b>	<b>21,088,982</b>	<b>22,614,318</b>	<b>1,771,233</b>	<b>1,837,764</b>	<b>66,531</b>	<b>8,913,922</b>	<b>9,296,514</b>	<b>382,592</b>

Minimum Farebox ratio = 17.80%

YTD Farebox ratio

20.54%

Preliminary Statement Prior To Audit Field Work

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

<b>Operating Revenue</b>	<u>11/30/11</u>	<u>YTD</u>
Passenger Fares	254,638	1,278,547
Advertising Revenue	-	16,983
Rebate for CNG Production	59,805	330,392
Interest Revenue	183	1,339
Outside Fueling Revenue (SunFuels)	20,795	129,142
Pass-Through Operating Revenue	16,246	32,371
Other Operating Revenue	11,409	42,463
<b>Total Operating Revenue</b>	<b>\$ 363,075</b>	<b>\$ 1,831,238</b>
<b>Grant Revenue</b>		
Local Transportation Funds (LTF)	777,166	5,096,041
Measure A Funds	354,740	1,773,700
FTA Section 5307 <sup>1</sup>	125,000	585,094
FTA Section 5304	-	4,077
FTA Section 5311	-	-
FTA Section 5316	-	7,362
FTA Section 5317	-	3,851
CMAQ	-	-
Other Grant Revenue <sup>2</sup>	4,424	417,476
<b>Total Grant Revenue</b>	<b>\$ 1,261,330</b>	<b>\$ 7,887,601</b>
<b>TOTAL REVENUE</b>	<b>\$ 1,624,405</b>	<b>\$ 9,718,839</b>
<b>Operating Expenditures by Department</b>		
SunFuels (10)	22,571	130,994
Operations-Fixed Route (11 & 12)	697,612	3,535,088
Operations-Dial-A-Ride (13 & 14)	203,050	980,160
Security (15)	36,378	187,215
Maintenance (21 & 22)	425,231	2,204,373
Facility Maintenance-T.P. (23)	48,300	251,940
Facility Maintenance-Indio (24)	4,693	30,937
Bus Stops/Shelters (25)	36,053	172,294
Marketing (31)	23,714	113,500
Human Resources (32)	29,459	128,687
General Administration (40)	111,978	585,243
Finance (41)	70,365	294,937
Information Technology (42)	22,159	120,539
Planning & Agency Development (49)	39,671	178,016
<b>TOTAL OPERATING EXPENDITURES</b>	<b>\$ 1,771,233</b>	<b>\$ 8,913,922</b>
<b>OPERATING INCOME/(LOSS)</b>	<b>(146,828)</b>	<b>804,917</b>

<sup>1</sup> Includes \$125,000 accrual of Preventative Maintenance funds totalling \$1,250,000 annually

<sup>2</sup> Includes \$360,380 for 2009 Funds Receivable

**Contracts Signed Under General Manager Authorization**

January 2012

Vendor	Product/Service	Need	GM Authoriztion	Cost
Advance Web Offset Printing	Bus Schedule Booklets	Printing Services	Part of Board approved FY2011/2012 Budget	\$38,000.00



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

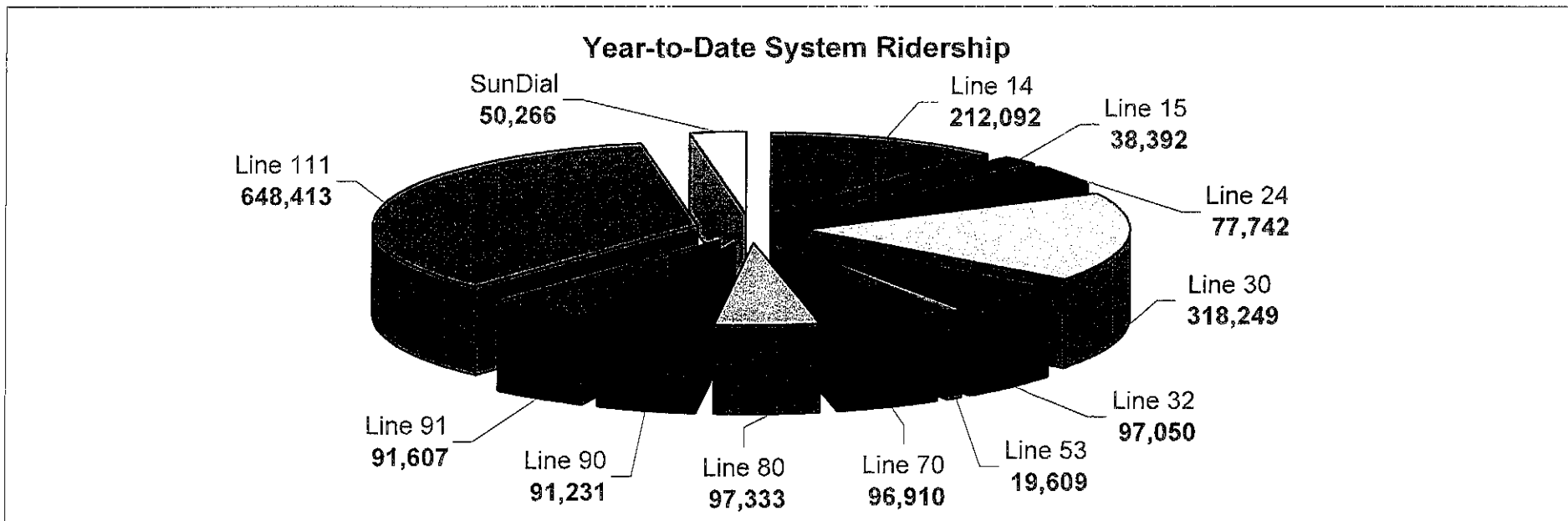
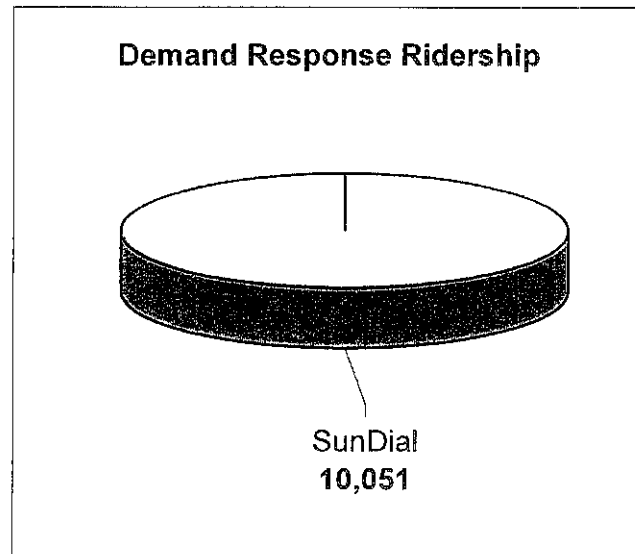
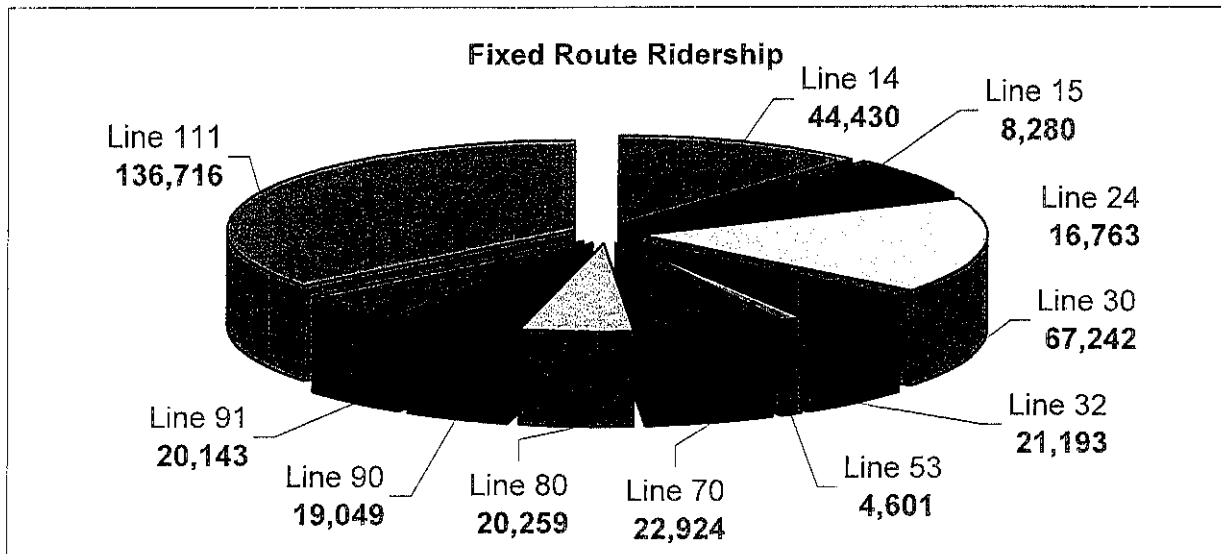
FY  
2011 & 2012

		Nov 2011	Nov 2010	Oct 2011	Month Var.	% Var.	FY 2012 YTD	FY 2011 YTD	YTD Var.	% Var.	Bikes		Wheelchairs		
Fixed Route												Monthly	YTD	Monthly	YTD
Line 14	DHS/PS	44,430	39,569	47,911	4,861	12.3%	212,092	201,151	10,941	5.4%	1,045	6,244	453	2,264	
Line 15	DHS	8,280	6,258	9,169	2,022	32.3%	38,392	18,862	19,530	103.5%	148	682	61	588	
Line 24	PS/CC	16,763	14,706	19,322	2,057	14.0%	77,742	67,183	10,559	15.7%	273	1,394	101	648	
Line 30	CC/PS	67,242	62,688	72,520	4,554	7.3%	318,249	289,348	28,901	10.0%	1,748	9,379	589	2,478	
Line 32	PD/TP/PS	21,193	17,997	22,319	3,196	17.8%	97,050	77,368	19,682	25.4%	696	3,899	101	459	
Line 53	PD/IW	4,601	3,996	4,853	605	15.1%	19,609	11,347	8,262	72.8%	118	482	21	62	
Line 70	La Quinta	22,924	19,162	24,898	3,762	19.6%	96,910	82,428	14,482	17.6%	747	3,921	16	62	
Line 80	Indio	20,259	19,246	21,919	1,013	5.3%	97,333	91,806	5,527	6.0%	230	1,412	255	1,038	
Line 90	Coachella/Ind	19,049	16,903	21,060	2,146	12.7%	91,231	81,866	9,365	11.4%	421	2,462	180	769	
Line 91	Cch/Th/Mecca	20,143	15,173	21,352	4,970	32.8%	91,607	68,034	23,573	34.6%	369	2,001	45	222	
Line 111	PS/Indio	136,716	124,433	142,431	12,283	9.9%	648,413	581,488	66,925	11.5%	4,599	22,671	901	4,446	
<b>Fixed route total</b>		<b>381,600</b>	<b>340,131</b>	<b>407,754</b>	<b>41,469</b>	<b>12.2%</b>	<b>1,788,628</b>	<b>* 1,581,447</b>	<b>207,181</b>	<b>13.1%</b>	<b>10,394</b>	<b>54,547</b>	<b>2,723</b>	<b>13,036</b>	
<b>Demand Response</b>															
SunDial		10,051	8,658	10,667	1,393	16.1%	50,266	45,349	4,917	10.8%					
<b>System total</b>		<b>391,651</b>	<b>348,789</b>	<b>418,421</b>	<b>42,862</b>	<b>12.3%</b>	<b>1,838,894</b>	<b>1,626,796</b>	<b>212,098</b>	<b>13.0%</b>					

**Please note:**

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

# SunLine Transit Agency Monthly Ridership Report November - 2011







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

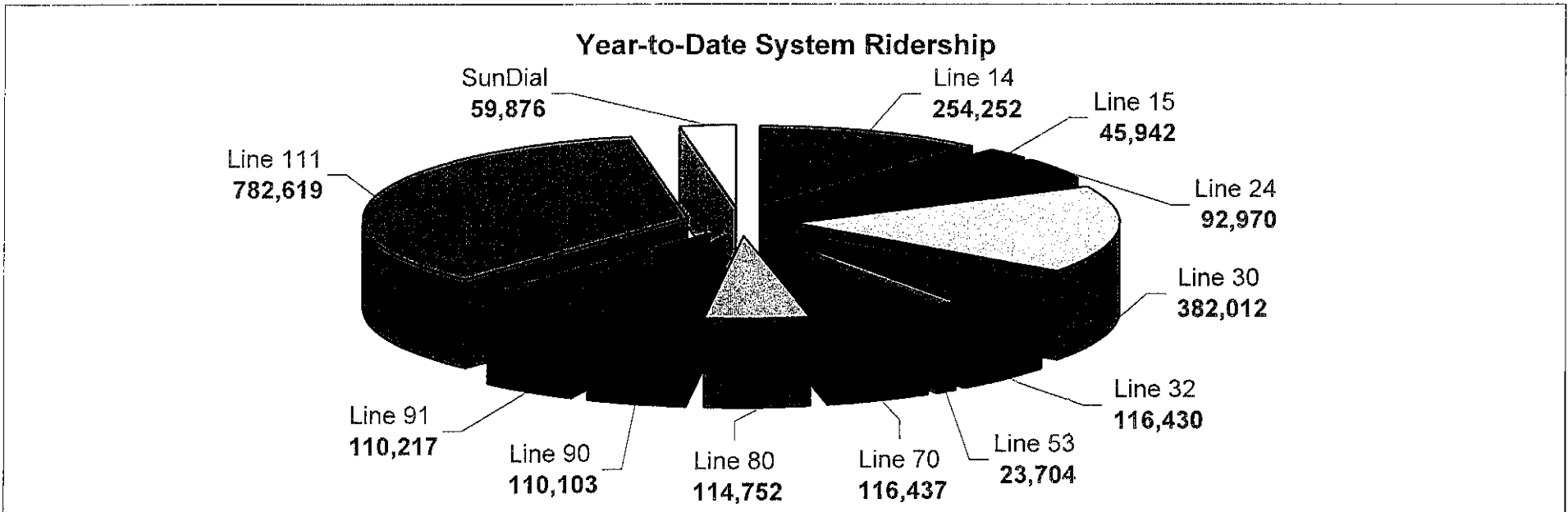
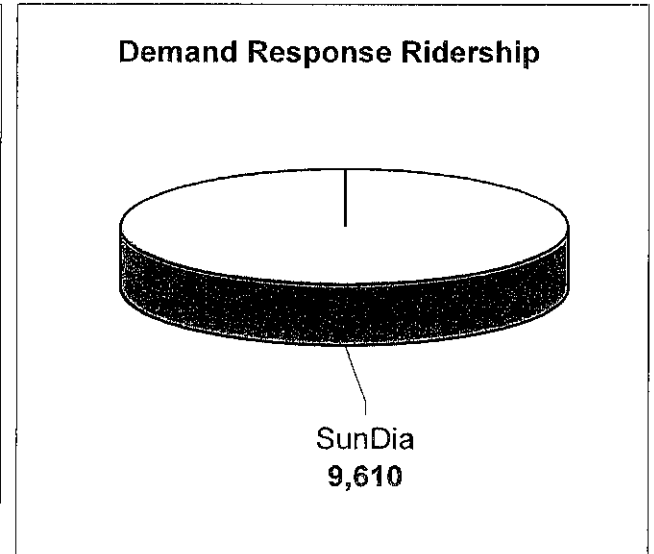
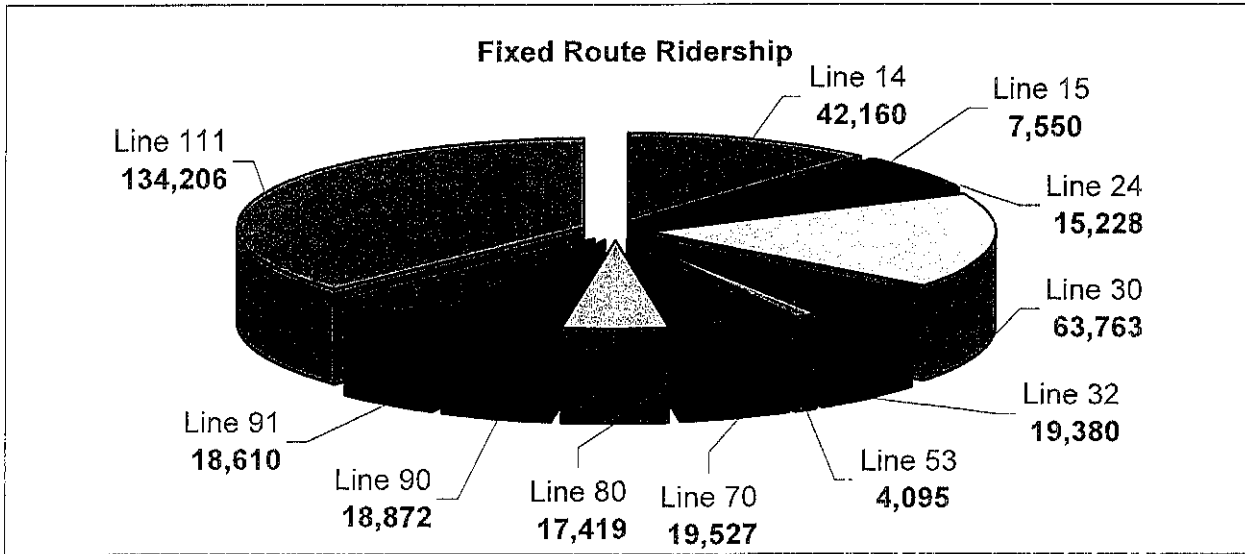
FY  
2011 & 2012

	Dec 2011	Dec 2010	Nov 2011	Month Var.	% Var.	FY 2012 YTD	FY 2011 YTD	YTD Var.	% Var.	Bikes		Wheelchairs	
										Monthly	YTD	Monthly	YTD
<b>Fixed Route</b>													
Line 14 DHS/PS	42,160	36,914	44,430	5,246	14.2%	254,252	238,065	16,187	6.8%	979	7,223	390	2,654
Line 15 DHS	7,550	6,568	8,280	982	15.0%	45,942	25,430	20,512	80.7%	70	752	38	626
Line 24 PS/CC	15,228	12,922	16,763	2,306	17.8%	92,970	80,105	12,865	16.1%	292	1,686	139	787
Line 30 CC/PS	63,763	57,880	67,242	5,883	10.2%	382,012	347,228	34,784	10.0%	1,629	11,008	591	3,069
Line 32 PD/TP/PS	19,380	17,438	21,193	1,942	11.1%	116,430	94,806	21,624	22.8%	630	4,529	82	541
Line 53 PD/IW	4,095	3,744	4,601	351	9.4%	23,704	15,091	8,613	57.1%	133	615	21	83
Line 70 La Quinta	19,527	17,375	22,924	2,152	12.4%	116,437	99,803	16,634	16.7%	684	4,605	14	76
Line 80 Indio	17,419	17,912	20,259	(493)	-2.8%	114,752	109,718	5,034	4.6%	235	1,647	181	1,219
Line 90 Coachella/Ind	18,872	16,995	19,049	1,877	11.0%	110,103	98,861	11,242	11.4%	323	2,785	173	942
Line 91 Cch/Th/Mecca	18,610	14,607	20,143	4,003	27.4%	110,217	82,641	27,576	33.4%	333	2,334	52	274
Line 111 PS/Indio	134,206	122,676	136,716	11,530	9.4%	782,619	704,164	78,455	11.1%	4,086	26,757	1,015	5,461
<b>Fixed route total</b>	<b>360,810</b>	<b>325,031</b>	<b>381,600</b>	<b>35,779</b>	<b>11.0%</b>	<b>2,149,438</b>	<b>*1,906,478</b>	<b>242,960</b>	<b>12.7%</b>	<b>9,394</b>	<b>63,941</b>	<b>2,696</b>	<b>15,732</b>
<b>Demand Response</b>													
SunDial	9,610	8,687	10,051	923	10.6%	59,876	54,036	5,840	10.8%				
<b>System total</b>	<b>370,420</b>	<b>333,718</b>	<b>391,651</b>	<b>36,702</b>	<b>11.0%</b>	<b>2,209,314</b>	<b>1,960,514</b>	<b>248,800</b>	<b>12.7%</b>				

**Please note:**

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

## SunLine Transit Agency Monthly Ridership Report December - 2011





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

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**SunDial Operational Notes**  
**November 2011**

1. ON-TIME PERFORMANCE

<u>Last Year</u>	<u>This Year</u>	
92.5%	88.7%	Total trips carried in the on-time window
637	1,177	Total trips late during the month
8,014	9,870	Total trips

2. RIDERSHIP and MILEAGE

<u>Last Year</u>	<u>This Year</u>	
8,658	10,051	Total passengers for the month
67,397	85,346	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>	
1	0	Total ride-a-long evaluations
1	7	Total onboard inspections
2	3	Total safety evaluations

5. DENIALS

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

6. WHEELCHAIR BOARDINGS

<u>Last Year</u>	<u>This Year</u>	
1,329	1,606	Total mobility device boarding's

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



**SunDial Operational Notes**  
**December 2011**

1. ON-TIME PERFORMANCE

<u>Last Year</u>	<u>This Year</u>	
90.9%	90.4%	Total trips carried in the on-time window
777	898	Total trips late during the month
8,015	9,439	Total trips

2. RIDERSHIP and MILEAGE

<u>Last Year</u>	<u>This Year</u>	
8,687	9,610	Total passengers for the month
71,016	84,524	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	1	Total ride-a-long evaluations
2	11	Total onboard inspections
2	1	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>	
1,224	1,456	Total mobility device boarding's

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

**SunLine Transit Agency**

**DATE:** January 25, 2012 **ACTION**  
**TO:** Finance Committee  
Board of Directors  
**FROM:** General Manager  
**RE:** General Counsel

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**Recommendation**

Recommend that the Board of Directors: a) accept Legal Counsel's request to be relieved from the remainder of their contract with SunLine Transit Agency/SunLine Services Group; **and** b) approve appointment of interim Legal Counsel.

**Background**

General Counsel appointment by the Board of Directors is provided in the SunLine Transit Agency Joint Powers Agreement. SunLine staff relies on Counsel to support the ongoing operations of the Agency. On December 9, 2011, SunLine received a letter from its General Counsel requesting that they be released from the remainder of the contract period. The contract for General Counsel was executed on November 9, 2009.

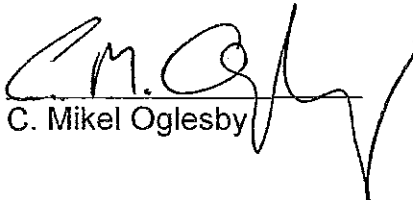
The terms of the contract are for one year with four additional 1-year options.

The Board of Directors evaluates General Counsel and provides direction to staff on an annual basis.

Mr. Robert W. Hargreaves of Best, Best & Krieger LLP was sought as interim counsel but was not available. He instead referred staff to Rutan & Tucker, LLP as being familiar with the types of issues currently being considered by the Board.

**Financial Impact**

Staff has included funds for General Counsel in its operating budget. Rutan's charges exceed the hourly rate being paid for current legal support.

  
C. Mikel Oglesby



**SUNLINE SERVICES GROUP  
BOARD MEETING AGENDA**

**Wednesday, January 25, 2012  
12:00 Noon  
Kelly Board Room  
32-505 Harry Oliver Trail  
Thousand Palms, CA 92276**

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

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

**AGENDA TOPICS**

**RECOMMENDATION**

- 1. **Call to Order**  
Chairman Eduardo Garcia
- 2. **Roll Call**
- 3. **Finalization of Agenda**
- 4. **Presentations**
- 5. **Correspondence**  
None.

- 6. **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.

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

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

8. **Consent Calendar** **Approve**  
All items on the Consent Calendar will be approved by one motion, and there will be no discussion of individual items unless a Boardmember requests a specific item be pulled from the calendar for separate discussion. The public may comment on any item.
- a) Minutes of the December 7, 2011 Board of Directors Meeting (Pages 1-16)
  - b) SSG/SRA checks over \$1000 issued November, December 2011 (Pages 17-18)
  - c) SSG/SRA Monthly Budget Report for November, 2011 (Page 19)
  - d) Taxi Vehicle/Rides Analysis (Pages 20-21)

9. **General Counsel (C. Mikel Oglesby)** **Approve**  
Request to the Board to accept resignation of SunLine Transit Agency/SunLine Services Group Legal Counsel, approve appointment of interim Legal Counsel. (Page 22)

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

10. **Questions and Responses of American Cab (Naomi Nightingale)** **Information**  
Continued from December 7, 2011 Board Meeting. Report to the Board concerning staff questions to American Cab and American Cab responses. (Pages 23-30)

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

11. **Application for Change in Ownership of Franchise (Naomi Nightingale)** **Approve**  
Continued item from December 7, 2011 Board meeting. Request of American Cab, LLC for approval of a proposal to provide taxicab services. (Page 31-32)

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**12. Next Meeting Date**

February 22, 2012, or meet as needed.

12 o'clock Noon – Kelly Board Room

**13. Adjourn**



**MINUTES**  
**SunLine Services Group**  
**Board of Directors Meeting**  
**December 7, 2011**

A regular meeting of the SunLine Services Group Board of Directors was held on Wednesday, December 7, 2011 in the Kelly Board Room at SunLine Transit Agency, 32-505 Harry Oliver Trail, Thousand Palms, CA 92276.

**1. Call to Order**

The meeting was called to order at 12:20 p.m. by Chairman Eduardo Garcia.

**2. Roll Call**

Completed.

**Members Present**

Eduardo Garcia, Chairman, Mayor, City of Coachella  
Bob Spiegel, Vice Chairman, Mayor Pro Tem, City of Palm Desert  
Yvonne Parks, Mayor, City of Desert Hot Springs  
Steve Pougnet, Mayor, City of Palm Springs  
G. Dana Hobart, Mayor, City of Rancho Mirage  
Bud England, Mayor, City of Cathedral City  
Bill Powers, Mayor Pro Tem, City of Indian Wells  
Glenn Miller, Mayor Pro Tem, City of Indio  
John J. Benoit, Supervisor, County of Riverside

**Members Absent**

Don Adolph, Mayor, City of La Quinta

**Guests:**

Joseph Pradetto- Supervisor Benoit's Office  
Joe Perez- Ralphs Grocery Store  
Peter Kurzon- American Cab  
Bruce Klopstock- American Cab  
Kevin Folwer- American Cab  
Greg Kennedy- American Cab  
Lars Thane- American Cab  
Elliot Pike- American Cab  
Harry Incs – American Cab  
Scott Russo- Legal Counsel for American Cab  
K.D. Labana- Airport Taxi  
Mabu Hossain- Airport Taxi  
Gadi Srulovitz- Yellow Cab  
Bill Meyer- Yellow Cab  
Michal Brock- Yellow Cab  
Carlos Cruz- Yellow Cab  
Christopher Flicker- KESQ  
Marc Blaine KESQ  
Keith Matheny- The Desert Sun  
James Braico- VIP Transportation

Terry Berger- Express Transportation  
Peter Angone- Public  
Kimberly Webb- Public

**Staff:**

C. Mikel Oglesby, General Manager  
Maria Aarvig, Legal Counsel  
Carolyn Rude, Special Asst. to the General Manager/Clerk of the Board  
Tommy Edwards, Director of Maintenance  
Tommy Green, Director of Safety & Security  
Polo Del Toro, Director of Operations  
Naomi Nightingale, Director of Administration & Human Resources/EEO/Taxi Administrator  
Joe Forgiarini, Director of Planning  
Cis LeRoy, Interim Director of Finance  
Rudy LeFlore, Procurement Consultant  
Jack Stevens, Human Resources Manager  
Mike Morrow, Maintenance Manager  
Michael Jones, Manager Taxicab Administration  
Manny Garcia, Operations Senior Supervisor  
David Manriquez, Safety Specialist  
Dave Robin, Assistant Taxicab Supervisor II  
Diann Chumney, Marketing Specialist II  
Mannie Thomas, Manager of Operations  
Francine DePalo, Administrative Assistant  
Vanessa Mora, Administrative Assistant  
Amy Heilman, Coin Counter

**3. Finalization of Agenda**

Legal Counsel, Maria Aarvig, recommended, per the direction of the Executive Committee, that the Board approve Agenda Items #4, 5 & 11 be pulled from the Agenda and continued so that the Board can establish a date for a special meeting of the full Board to hear and consider the application of American Cab, offering the applicant a full opportunity to be heard on the merits of the application and the Board an opportunity to question the applicant and consider as a whole and as a group, all of the documents that have been generated in connection with the application.

Mayor Hobart stated the following: "I think that we should take these one at a time, the way they are listed here – they all have different issues and I suggest that we start with the concept of continuing, as Counsel is indicating, but there should be discussion on each of those items." Chairman Garcia stated: "I don't see any problem with entertaining report of order; however, I think that we did exercise this action – it's a recommendation from the Taxi Committee as well as coming from the Executive Committee. I would be happy to have anyone from the Executive Committee chime in on this." Mayor Hobart stated the following: "At the Taxi Committee meeting I asked a specific question – will these be raised as motions – were these raised as motions and the answer was yes. They are clearly individual motions." Vice Chairman Spiegel

stated: "Let's take them one at a time then." Councilmember England moved to continue agenda item# 4.

Mayor Pro Tem Miller stated: "I have a question. Are we taking them on the advice of the Taxicab Committee or the Executive Committee – or a combination of the two?" Chairman Garcia stated "It would be both at this time. The Executive Committee made the recommendation and the Taxi Committee entertained the recommendation and continued these same items in the Taxi Committee meeting." Mayor Pro Tem Miller asked: "When were these two meetings held? One was today and when was the Executive Committee held?" Chairman Garcia stated: "December 5<sup>th</sup> and those present was myself, Mr. Spiegel, Mr. Powers, as well as Mr. Adolph. Earlier I mentioned that Mr. Adolph would not be here and out of courtesy to him, he did ask that we also consider continuing these items so that he could be present for the deliberation and discussion of these items." Vice Chairman Spiegel stated: "The reason the Executive Committee made that decision was that when you only speak for three minutes, you really can't say very much and this is an important item that all of us would like to hear more about – a little bit more in depth discussion. So it should be a separate meeting. That's all we do at that separate meeting and if it lasts two or three hours, it lasts two or three hours. That will give American Cab the opportunity to say everything they want to say and it gives staff the opportunity to say everything they want to say and then we can make a decision."

"Mayor Pro Tem Miller stated: "I just wasn't aware of the Executive meeting and when it took place; I didn't know if it took place today, last week – this is the first I am hearing of an Executive meeting personally, so I just wanted to know who was in it and where it went. Secondly, I don't have a problem with that. Are we going to have some criteria scoped out what is going to happen with this next meeting – how much time – is there going to be any more information?" Chairman Garcia stated "I think Mr. Spiegel explained it quite well. The idea is to have ample time to review the application, an opportunity for the applicants to address the Board collectively on the merit of the application – the Board to ask questions that we feel necessary to be able to deliberate whether or not it will be an acceptable application. That is the intent of the continuance and at the same time to establish the hearing." Mayor Pro Tem Miller stated "I went through all this – if there is going to be new information." Chairman Garcia stated "I don't believe there will be new information, it will just be set at a different time and date where you will be able to really utilize the information that you have read and ask the questions." Mayor Pro Tem Miller asked: "Will that be a final decision then?" Chairman Garcia answered: "We anticipate that it would be." Mayor Pro Tem Miller stated: "So whenever the presentation to the Board and the Board makes a decision it will be a final decision among the Board as a whole." Chairman Garcia stated: "Yes."

Mayor Pougnet asked: "And most importantly, by continuing this item, I know the answer to this question, it will not impact service at all?" Chairman Garcia answered: "That is correct." Councilmember England asked: "I just wanted to know if we have set a date? Is it sometime in January?" Chairman Garcia stated: "One of the recommendations that I would like to make is that we stick to the date that we traditionally have the SunLine Board meeting so that there is not a whole lot of moving

around of calendars. That would be the one item – the only item to take action on.” Mayor Parks stated: “Right now we are looking at January 25<sup>th</sup> – starting at what time?” Chairman Garcia stated: “We could do the 10:00am Taxi Committee or we could do the noon. We will do the normal noon meeting if that works for everyone.” Mayor Pro Tem Miller stated: “We need to make sure we all clear our calendars so we are all here and we might be here until whenever – so somebody does not get up and leave.” Legal Counsel stated: “An important element of this is that as much time be afforded as American Cab wants. That would be very important - that the Board members are able to commit to that.”

Mayor Hobart stated the following: “I will read this because it is more succinct that way. The City of Rancho Mirage, as a member of the SunLine Service Group JPA, hereby formally objects to staff having noticed an Executive Committee meeting that was held Monday, December 5<sup>th</sup> at 10:00am in a secret closed session meeting, A), in violation of the Brown Act and B), without the entire Board of Directors having been provided official advance notice of the meeting, which all our rules and regulations require. Responsibility for this error doesn’t lie with the Board members, but with the SunLine staff and Legal Counsel. To hold a meeting in secret denies each JPA member the right to represent his or her City or County with an opportunity to have been heard before the session began or to try to halt the illegal meeting before it began. The Closed Session meeting was held under the assertion by Ms. Aarvig that it was authorized by Government Code Section 54956.9, subsection b, as the notice states: ‘Closed session conference with Legal Counsel regarding significant exposure to litigation pursuant to subdivision (b) of the Government Code Section 54956.9 – one potential case.’ The Brown Act requires all business meetings with or without legal advice being given to be conducted in open session except for a very limited number of exceptions related to pending litigation. Government Code Section just quoted in paragraph b is the exclusive authority for making an exception to the open hearing requirements concerning receiving legal advice. Because legal advice may be given does not justify a closed session or it would require closed sessions every time a city attorney or agency attorney gave advise in a public session. Not only were six of the Board members and the general public not informed in advance of the intent to hold a closed Executive Committee session concerning the litigation matter, the public also lost their right to comment on the issues raised. Interested Board members were also denied the opportunity to attend and comment, all of which would have been permitted by an open session. If as I suspect it did, the closed session involved American Cab as Chairman Garcia indicated today at the Taxi Committee meeting that it did, the use of a secret meeting”. Chairman Garcia stated “I am going to have to interrupt you there because that was not the statement that was made and we will clarify why the meeting was actually called – go ahead and continue.” Mayor Hobart further stated: “I wrote it down somewhere that you said that they made the recommendation for the hearing that was scheduled for today to be moved to a different date and that is what I am referring to. The second subject was also discussed. At that meeting they discussed the subject they are not permitted by law to discuss in closed session. They discussed my conduct centered around my writing a fifteen page analysis that was critical of a twelve page analysis of our Legal Counsel. The official notice of the Executive Committee agenda did not disclose that a review of my conduct would be on the agenda. The secret meeting called by Mr. Oglesby and Legal Counsel did not inform

the public with proper notice." Chairman Garcia stated "I'm going to have to interrupt you again and correct you that the meeting was called by myself as the Chairman; I called the Executive Committee to discuss matters that I think you also addressed at the administrative letter." Mayor Hobart stated: "I don't deny certainly that you played a major role." Chairman Garcia stated: "I am Chairman of the Agency – absolutely." Mayor Hobart stated: "I'm convinced that you did. I accept what you say. But you weren't alone in putting that together. I will say that as well." Chairman Garcia stated: "There are four other members of the Executive Committee; Mr. Spiegel, Mr. Powers and Mr. Adolph. That's correct." Mayor Hobart stated "And there were two members, at least, of staff who were there, if not three or four. The official notice of the Executive Committee did not disclose that a review of my conduct would be on the agenda. The Brown Act was violated with this notice, and this failure to give notice, and by the misuse of Government Section quoted as the basis for the meeting saying Government Code Section we mentioned before, subsection b. The Executive Committee, which is Chaired by Mayor Garcia of Coachella, no doubt with the guidance of Mr. Oglesby and Legal Counsel, decided to tell every member of our Board of Directors that by sending out my analysis debunking much of staff's purported evidence against American Cab, that I violated the Brown Act. I believe this effort is to deter Board members from reading my fifteen page analysis at all, thus, leaving attorney Aarvig's analysis to stand alone without rebuttal. I believe that such effort by our General Manager and Legal Counsel, and Chair serve to stifle free speech and open discussion. In my view, there is no place for this type of hyperactive involvement by a member of staff regarding exerting influence from those who have the obligation of making intelligent votes. The charge of a Brown Act violation is a serious charge to make against a public official, but it is being recklessly thrown around in this matter. Those who know the law, know that I did not violate the Brown Act. I wish to invite all Board members to read the analysis I sent them. If it has been misplaced, let me know and I will send you another one. I have not disclosed that analysis to anyone other than Board members because at the moment the Brown Act requires it. If the Board will waive the attorney client privilege, and other claim privilege regarding my analysis and the Aarvig analysis, which I strongly advocate, then it can be made available for all interested persons to read. There is no justification for keeping the idea secret. The general public is entitled under the Brown Act to know the reasoning that went into any decision that we make. They are also entitled to know the legal advice that an Agency receives to help them better understand why the representative voted the way they do. I would like quote from Government Code Section 54960, subparagraph A – 'The District Attorney, or any interested party, may commence an action by mandamus, injunction or declaratory relief for the purpose of stopping or preventing violations or threatened violations of this chapter or to determine the applicability of this chapter to actions or threatened future action of a legislative body, or to determine whether any rule or action by the legislative body to penalize or otherwise discourage the expression of one or more of its members is valid or invalid under the laws of the State of California. Each member of the legislative body who attends a meeting of a legislative body where action is taken in violation of any provision of this chapter in where the member intends to deprive the public of informing to which member knows, or has reason to know, that the public is entitled to under this chapter, is guilty of a misdemeanor.' The Government Code Section that I refer to next is Government Code Section 54957,

which states, clearly – subsection b – the chapter is entitled – the first paragraph talks about how the chapter will be construed – subsection b (1) subject to paragraph 2 – ‘Nothing contained in this chapter shall be construed to prevent the legislative body of a local agency from holding closed sessions during a regular or special meeting to consider the appointment, employment, evaluation or performance of a public employee. As a condition to holding a closed’... strike that, I don’t have to read it all. Paragraph (4) ‘For purposes of this subdivision, the term "employee" shall include an officer or an independent contractor who functions as an officer or an employee, but shall not include any elected official, member of a legislative body or other independent contractors.’ So your review of me was in violation of this code section, violation of the Brown Act, not to mention defamatory. You can get any of this stuff on the internet with respect to the Brown Act, but it clearly states all actions taken and all votes taken in a closed session must be publicly reported orally in writing. Nobody reported anything out of that meeting. Closed sessions are not allowed for discussing and they list several things, one of which is the performance of any elected official or member of the Board. The reason for that of course is people are entitled to have a hearing where they can defend themselves against people who are partisans against them.” Chairman Garcia stated: “Okay, I think your point has been made.” Mayor Hobart stated: “No, my point is almost made. The section that was cited for the meeting, Section 54956.9 (b), permits closed session in certain legal situations involving litigation. It says ‘Litigation exceptions to the Board Act open meeting requirements must be strictly construed’. I will skip down to the Attorney General opinion 71/96 – it says ‘However, the mere possibility of litigation’ in other words, we are not in litigation with anybody now and we don’t meet the criteria of that subsection (b) as there is no permission to have a closed hearing or the subject of litigation where the act hasn’t even occurred – we have not voted on the matter that has been now put over until later – and as a court has stated – as the Attorney General has stated, ‘the mere possibility of litigation would not satisfy subdivision (b)(1); the only subdivision from which one might argue for the existence of such authority’ – otherwise the exception would swallow up the rule and a new closed session exception would arise for quasi judicial boards or any board while acting quasi judicially, which is what we are doing. In our view, the possibility that a petition for judicial review by mandate might be filed is not sufficient facts and circumstances to conclude there is a significant exposure to litigation. The California Appellate Decision Sacramento Newspaper Guild states as follows, briefly: ‘Private clients relatively free of regulation may set relatively wide limits on confidentiality. Public Board members sworn to uphold the law, may not arbitrarily or unnecessarily inflate confidentiality with a purpose of deflating the spread of a public meeting law. Neither the attorney’s presence nor the happenstance of some kind of a lawsuit be served as a pretext with secret consultations whose revelation will not injure the public interest.’ I object to the amount of misuse of our closed session notifications. I object on behalf of Rancho Mirage to the closed session – secret session – to which we were not even notified of a so call Executive Committee. I would like Counsel to explain to me where there is even an Executive Committee authorized to do anything in our rules. We have no by-laws I have been told by everybody. I have asked Legal Counsel; I have asked staff. We don’t have by-laws. Where do we have something that authorizes an Executive Committee to do what it did in this case? Maybe there is an answer, but I don’t know what it is. And

even if there is an answer, the discussion of me was not disclosed and it was a violation of the Brown Act. Thank you Mr. Chairman."

Chairman Garcia asked Legal Counsel to response. Maria Aarvig stated the following: "Opinions expressed by Counsel for the Agency have been communicated to all members of the Board in privileged context and I decline the invitation to elaborate upon those or in any way rob the Agency of the privilege to which it is entitled from my communications. I won't do that. Secondly, I'm asked to explain the basis for the closed session that was held on Monday. Again, I can't do that without violating the terms and conditions of the Brown Act on circumstances under which the meeting was brought. I am not going to accept that invitation. I will say for the record that the closed session was based upon my recommendation that the circumstances justified it and I stand by that recommendation. With respect to the existence of the Executive Committee, the Executive Committee is a standing committee that has existed for many years. It is on the Board's website; it has existed as long as I have been here. Its membership is determined at the beginning of every year by the Board Chairman and its functions and purposes are set forth on the web page and is publicly posted as to what it convenes." Mayor Hobart asked: "Is there any authority for it? That was my question." Ms. Aarvig stated "There is no question in my mind that the Chairman has the right to create an Executive Committee and that has been exercised for many years before. It wasn't created for the purpose of anything on Monday." Chairman Garcia stated: "The Executive Committee is also approved and adopted by this Board when the assignments are given." Ms. Aarvig stated: "I believe that process occurred last summer and that all members of the Board participated in the formation of the various committees including the Executive Committee. That's all I can really say about that in public format." Mayor Hobart stated "For the record I didn't ask you to waive anything. You don't have the privilege to waive. The waiver comes from..." Chairman Garcia stated: "I would like to not get into a back and forth. I think that Legal Counsel that represents the Agency has addressed some of the points that you have made to a degree that they can be discussed without violating the closed session Brown Act violations, which I think at the core of what you points are and have been well taken. I would like to bring the meeting back to the issue at hand which is that you have asked that we take an action on each item to continue it to address the issue at hand, which is American Cab transfer of ownership. We will look at Item 4."

Mayor Pougnet stated the following: "I have to weigh in on this. Aren't you supposed to post an agenda for an Executive Committee meeting?" Chairman Garcia stated "Yes and there was one posted." Mayor Pougnet asked "There was one posted 72 hours in advance?" Chairman Garcia stated "Yes". Clerk of the Board stated the following: "A Special Committee meeting is 24 hours in advance." Mayor Pougnet stated "So that was done. The second point, I am a tad troubled by the Executive Committee and what they did with Mr. Hobart. My City Attorney – the Brown Act violation is very serious. We all take that very seriously when we take our oath. My City Attorney disagrees with this. There is not a violation by Mr. Hobart of the Brown Act. And so I am going to be looking at this very closely today with my City Attorney. I think taking that action is a great leap for the Executive Committee and I am disappointed." Chairman Garcia asked Mayor Pougnet the following: "Can you elaborate more in terms in what isn't in violation of the Brown Act?" Mayor Pougnet stated: "The very first

point in Ms. Aarvig's letter, which of course came to us late, sending an e-mail is not." Ms. Aarvig stated: "My letter..." Mayor Pougnet asked to finish and continued by stating: "sending an e-mail is not a violation of the Brown Act. You then went into certain comments about information from closed session, etc. So I putting you on watch that the City of Palm Springs is going to look at this very seriously. I think that the Executive Committee perhaps has overstepped some very serious boundaries." Chairman Garcia asked Mayor Pougnet: "The context of Mr. Hobart's letter that discloses private communication between Legal Counsel in closed session is not a violation in the Brown Act – is that what you are saying?" Mayor Pougnet stated "There are four points – as I told you, my initial read is that it is not a violation. Somebody in my City Council during closed session..." Chairman Garcia stated "So the disclosure of ..." Mayor Hobart stated: "There was no disclosure of closed session information. That is such malarkey I can't tell you." Mayor Pougnet stated: "So when somebody from my City Council... today at 4:30 when we are sitting in that room and one of those people say something out of closed session and talks to somebody in the public on it, that there in fact is not a violation of the Brown Act – something they shouldn't have done, but not a violation of the Brown Act. The initial point and the lead point of Ms. Aarvig's e-mail was the sending of an e-mail – that is not accurate. It is not a violation of the Brown Act." Chairman Garcia stated: "It goes beyond the sending of the e-mail. I think it's the context of the e-mail. I will ask anyone of the Executive Committee to weigh in if they feel necessary." Mayor Hobart stated "Well how about somebody who knows the Brown Act to weigh in? (To Ms. Aarvig:) Tell me, do you stand by your assertion that my merely mailing out that 15 page document to Board members is a violation of the Brown Act?" Ms. Aarvig stated: "I do." Mayor Hobart stated: "I suggest that what you do is that you read the article that is on line by Best, Best & Krieger." "Ms. Aarvig stated "I did." Mayor Hobart stated "Because I sent it to you...that says you are dead wrong. Plain language in the Brown Act says you are dead wrong."

Chairman Garcia stated that there is a motion on the table that agenda item #4 – Questions and Responses of American Cab, be continued by Councilmember England. Mayor Pro Tem Powers seconded the motion and was approved by a unanimous vote.

Agenda item# 5 - Closed Session. Councilmember England made a motion to continue agenda item #5 to January 25, 2012 Board meeting. Vice Chairman Spiegel seconded the motion by a unanimous vote with the exception of Mayor Hobart. He stated that he objects to any further closed session based on the code section that is identified.

Agenda item# 11 – Application for Change in Ownership of Franchise. Councilmember England made a motion to continue to January 25, 2012 meeting. Mayor Hobart stated: "Wait – I think we should be discussing this. I would like to talk about the rules and procedures that are going to be adopted for this hearing." Chairman Garcia stated: "The frame work is going to be very similar to the way it has been presented in this Agenda today only it will be the only item and there will be no limits to 3 minute speaking opportunities. We are not going to gear away from our standard hearing process; we are just going to allow for a significant amount of time to address this



specific issue.” Mayor Hobart stated “Mr. Chairman, I submit to you a document now that I would like to have introduced on the record. That document lists a variety....” Chairman Garcia stated: “Why don’t we look at this document after we take action.” Mayor Hobart stated: “It won’t be relevant after we take action; it is relevant now because we are discussing the subject.” Chairman Garcia stated: “We can collectively set the rules of engagement for the January 25<sup>th</sup>...”. Mayor Hobart stated: “No, we can’t; we have to follow Robert’s Rules of Order in our organization. That is on the table now as the motion to table this matter to a hearing probably conducted on that date. The issue of how the hearing is going to be conducted – for example, the first thing I have got is the Chair should neither be Mr. Oglesby, Ms. Nightingale, you or me. I think we should have input on who is going to be the Chair. I don’t think we should leave that to a so-called Executive Committee or anybody else.” Chairman Garcia stated: “We are not asking to change anything but the date of discussion. We are not asking to restructure how we run the meetings. Let me speak as the Chair. We are not trying to change the way we conduct our meetings for this particular item before us. What we are saying is that we want to allow ample time to review the application and to be able to ask enough questions to be able to have the information for us to make a good, educated decision on this matter and allow American Cab significant amount of time to address whatever question may arise. So we are not going to restructure.” Mayor Hobart asked: “Restructure what?” Chairman Garcia stated: “Who chairs the meeting, how it is run...” Mayor Hobart stated: “We have never had a meeting on this subject before. We have never conducted a hearing on this subject before. We don’t have a precedent to follow. We want to know how much time is going to be involved. All the issues that I have got here that are listed are important issues – testimony will be taken under oath; formal rules of evidence will not apply; all proceedings will be recorded; no time limits imposed on either side to present their cases; witness statements admissible; our attorney is in a position to cross examine American Cab’s offers of evidence; their attorney is in a position to cross examine our items of evidence.” Chairman Garcia stated: “You have a point (*in the document*) that states ‘no further staff reports’ which I would object to. I think it’s important that staff...” Mayor Hobart stated: “Why? This is a moving target. How do they prepare?”

Mayor Pro Tem Miller stated: “Can I say one thing? You two are going back and forth on something none of the rest of us has seen. I would like to be able to see what Dana has. Either get it to us so we can see what we are talking about and if we are going to do the rules, we need to calm down, first off, and talk about the issues and then we need to come up with what we are going to do.” Chairman Garcia stated: “The intent here is not to change how we conduct our meetings, the intent is to continue the items so we give American Cab ample time and the Board to be able to vet this issue out in public and be able to ask the questions that either remain unanswered or that continue to be raised. At the same time, it allows American Cab with no time limit to speak on the issue and quite frankly, I’m appalled that we would want to restructure how we run our meeting for this particular item. We are not asking...” Mayor Hobart asked: “Who is going to be the Chairman? You?” Chairman Garcia stated: “Yes, I am going to be the Chairman.” Mayor Hobart stated “Oh that is great. I’m sure will be comforting to American Cab or anybody else who is concerned about objectivity.” Chairman Garcia stated: “I would hope that the comfort would come by the opportunity that we are giving to actually speak on the issue without any time constraints and the ability to

make their case before the Board, as a whole, in public." Mayor Hobart stated: "When you say we are not going to change our procedures, we don't have any procedures that you have alluded to. What are the procedures you are talking about us not changing?" Chairman Garcia stated: "Mr. Hobart, we are not asking to redesign how we are going to do a hearing." Mayor Hobart asked: "What is our design that exists now?" Chairman Garcia stated: "It's right here, sir" (pointing to the agenda). It is the only item that will be on the agenda." Mayor Hobart stated: "We know what is on the agenda – what is the proceeding for the hearing going to be that you don't want to have changed? Tell us what it is." Chairman Garcia stated: "We will have public comments, with no time constraints on the part of American Cab; we will have staff give a report; we will have an opportunity to ask questions of staff, of American Cab, as we would today if this item wasn't being continued. The only thing we are doing is moving it from today to January 25<sup>th</sup> to focus on this specific issue." Mayor Hobart asked: "Will we have the opportunity of cross examining staff?" Chairman Garcia stated: "They will have an opportunity to ask questions of us and asking questions of staff, and we will have the opportunity to ask questions of staff and them (American Cab) as well. We are not changing the way we operate our meetings." Mayor Hobart stated: "This is a hearing; this is a due process hearing where somebody could lose hundreds of thousands of dollars and you say we are just going to treat it like it is just like a regular agenda item?" Chairman Garcia stated: "That is how we are treating it today and that is how we should treat it at all times." Mayor Hobart stated: "I don't think that's how we should." Chairman Garcia stated "It's not an unfair way of giving American Cab ample time to make their case before the Board."

Vice Chairman Spiegel asked Mayor Hobart how he thinks we should do it. Mayor Hobart stated: "I think we should have an impartial person – for example, the Vice Chair should do it, not you (referring to Chairman Garcia). I don't think I should do it because I am obviously well identified now with the other side of staff's position. I think there should be some rules as I have got outlined in here – some rules of who presents evidence, who can cross examine on the evidence, like our attorney can cross examine them, they can cross examine us; we the Board can interject and ask questions at any time we want to. Some of the other stuff is just technical procedural, but it produces an appropriate result in the end."

Legal Counsel, Maria Aarvig stated: "I would just like to suggest for the Board's consideration that a list of procedures and rules could be written so this is devised as though it was an adversarial hearing, but that's not what it is. It is an opportunity to relieve the time constraints and open the floor to American Cab and to the Board to ask questions, get information, let American Cab ask what they want, until everybody is satisfied that they have asked what they want to ask and they have had an opportunity to be heard on what they want to say. It does not need to be a formal adversarial proceeding. This is not an adversarial proceeding at all." Mayor Hobart asked: "It isn't?" Chairman Garcia stated: "No." Ms. Aarvig stated: "What Mayor Hobart is suggesting is that I would cross examine American Cab. I'm not an advocate; I represent SunLine. I am not an advocate. It would be inappropriate to put staff or myself in a position of advocating one way or another." Mayor Hobart stated: "What are you talking about? Staff has already made recommendations. You have made recommendations. They are all against American Cab." Ms. Aarvig stated:

"Mayor Hobart, you may recall that this was originally presented by staff without a recommendation." Mayor Hobart stated: "Staff made a recommendation in August of this year. That was before the October meeting. They made a recommendation to deny." Ms. Aarvig stated: "Respectfully, there was no recommendation in August and that was objected to which is why there was one in October. It is either here nor there; the point of the matter is the purpose for moving this - all the Board members are offering to make sure that they don't have time constraints - simply to hear everybody out; not to create a formal adversarial process."

Mayor Pro Tem Powers stated: "You know listening to the two of you argue back and forth, going through stacks of this, plus two other binders I have left back, this is going to continue, I can tell, when we go to the 25<sup>th</sup>, it could go for 24 hours. You guys are obviously are at odds with each other and the procedures and everything else, which is ridiculous. I would recommend that we start over. Why don't we just do a simple RFP and let American Cab apply on an RFP with anybody else and follow the rules of the RFP - period. That way we don't have to say 'he said - she said'. Everything in there contradicts a lot of stuff that is already out there. If we start over, a clean slate, forget all this stuff and just do an RFP." Mayor Hobart stated: "I would certainly object to that and I'm sure that anybody else would object to that who is concerned. These people have spent a year on this. And to say now - we are going to skip it and have an RFP where they have no input? Where RFP's are going to be guided by our side, by staff's side who has already recommended against them on multiple occasions?" Mayor Pro Tem Powers stated: "You can argue all you want Dana, but I don't agree with you." Mayor Hobart stated: "No, and I'm saying I don't agree with you, Bill." Mayor Pro Tem Powers stated: "We have to clean it up." Mayor Hobart stated: "No, we have to have a hearing. For example, I said put a six hour limitation on the hearing. Or some hours." Mayor Pro Tem Powers stated: "None of us are lawyers like you. None of us are used to doing these kinds of things. It's a total different ballgame for us. We understand RFPs and we understand if they would have done an RFP at the beginning and followed the rules, we would not be here today." Mayor Parks stated: "Exactly."

Councilmember England stated: "I am in agreement with Mr. Powers. I had always thought that we should go out for an RFP. However, that was removed from our ability to do so because of the court proceedings that had taken place. So we were forced to change how we do business - normal business practices - we would go out for an RFP, open it back up, everybody would be judged on the amount of information, the type of information that was coming in and allow staff, through the RFP process to make the correct determination. We are here because of something that took place outside of the Board from the court proceedings. I'm in agreement. I always thought that we should go out for an RFP and if you want to take a look at it Dana, American Cab has nine months or a years worth of perfect due - their RFP." Mayor Hobart stated: "They have to come to us; that's the problem. They have to come to our staff that has already on at least three occasions recommended denial against them. There is hostility here." Councilmember England stated: "I don't want to get into that argument one way or the other because you are pitting staff against other people and I don't believe as a Board, we should be engaging. We have two employees - Ms. Aarvig and Mr. Oglesby and we need to focus on them. If we have a problem with

staff, we need to take that into their office and say this what my problem is. They are a protected species here. And to lay blame at their foot, I don't think that is something we should be going down. However; the RPF process does not pit staff against a group of people or a group of businesses. What it does is put the competition on other businesses that are also filling out the RFP and that is what I believe we should be doing because there is a lot of... we have gone down this road before. There is a lot of history. If we can reset this, go back to our normal operating procedures, open it back up globally to who ever wants to come in and fill out an RFP to provide taxi service here and let the best company prevail." Chairman Garcia stated: "I don't object to the idea, but I think in all fairness to the applicant, I think the approach that we are moving in to have a proceeding, a Board meeting where we consider the application with no time constraints on their ability to present and our ability to ask the questions would be the most fair approach and if in fact the outcome is an RFP goes from that direction, that is the decision of the Board. But I think at this point, this is the most equitable way to approach the application that is before us and continue to January 25<sup>th</sup>."

Mayor Pro tem Miller asked: "I thought at the last Board meeting we discussed that we were going to ask them for three or four items that they did not come into compliance with on their actual original application for change of ownership and give them a certain amount of time to rectify those problems, or they were out. What happened to that? If they didn't give audited financial records – if they couldn't prove that they could work in California ... I thought we asked three or four questions, they had so much time and that was is. What happened to those questions?" Ms. Aarvig stated: "I would be happy to answer that. This Board has yet to deliberate on the application on American Cab. There have been Committee discussions, but there has never been a full presentation to everybody to discuss as group what it is that they presented. There was a list sent to them (American Cab) of additional questions and there was additional information provided. What that means is something the Board is going to have to decide. There has not been a group dialogue among the members of the Board about what that information is or if it means anything to the members of the Board at all. And that is what we are looking for. The concept that they would appeal a decision, if there was an up or down vote today, was discussed. Good points were made - that is not really an appropriate way to about it. It's better that the entire Board make the decision rather than have an appeals committee decide after the Board has decided it. So the idea of having a special meeting just for American Cab comes with the notion that there has not been a public record generated nor a public discussion among the members of this Board as to the significance, if any, to the information that American Cab has provided."

Mayor Pro Tem Miller asked: "So they did do the information – they were sent out, but we have not... was the Executive Committee privy to this? Has American Cab responded to those questions?" Chairman Garcia stated: "American Cab was not a topic of discussion with the Executive Committee". Mayor Pro Tem Miller stated: "As far as I am concerned, give them their thing and let's move on to something else. We have more important things to do like quality of transportation throughout the Valley." Vice Chairman Spiegel stated: "We are a bus company; we are not a taxi company."

The motion was again made by Councilmember England to continue agenda item# 11 to the January 25, 2012 Board meeting. Vice Chairman Spiegel seconded the motion. The motion was carried by a unanimous vote with the exception of the City of Palm Springs who opposed.

6. **Presentations**

None.

7. **Correspondence**

None.

8. **Public Comments**  
**AGENDA ITEMS**

Scott Russo, Attorney for American Cab – stated the following: “I think given everything that has happened here, there is not a lot more to say. I look forward to a fair hearing on January 25<sup>th</sup> and we will do our best to respond to any questions that you have. If there is anything in the interim that the Board members request of us that hasn’t been provided, we hope to get that through Counsel. We look forward to our fair hearing.

Peter Kurzon – American Cab – stated the following: “I’m just going to be seated real quick. I worked in politics for fifteen year in Sacramento, Austin and Washington D.C. with people who had influence that went far outside the geography of this Valley. I worked for some good people and I worked for some scoundrels. But even the scoundrels understood that they were presiding over the public trust pursuant with democratic covenant based on a piece of paper that sits in the Smithsonian Institute and frankly what I have seen in the last three or four meetings that I have been here is an abomination. I have heard one voice of reason and yes, Mr. Powers, that one voice of reason came from the one attorney who has an understanding of the law. What I have seen is this Board continuously defer their public obligation to a further date. I have also seen a man that has sterling legacy willing to taint it for some quixotic quest that is based on a personality disagreement with an individual whose name is mentioned throughout these documents. And that is very disappointing. I have also seen a Chairman who has acted more like a petty ... from a banana republic than an elected official of 5,000 voters in the City of Coachella. That is very disappointing. That is extremely disappointing.” Chairman Garcia stated: “Wow, I’m a banana republic.” Mr. Kurzon further stated: “Yes, I see a certain arrogance and aloofness and disregard of this man’s earnest effort to bring some reason to this Board. And with all due respect, Ms. Aarvig, I have seen some real specious legal counsel here and I am just a cab driver. But I have seen some legal counsel that is outside of the whelm of what is normal protocol, outside of the whelm which is normal case law in this and I can only hope that before the 25<sup>th</sup>, either tomorrow in Indio, or in the 2<sup>nd</sup> week at the Federal Court in Riverside, they take away from you, the responsibility of regulating this industry.” Chairman Garcia stated: “Your time is up Mr. Kurzon.”

Bill Meyers – Yellow Cab of the Desert - stated the following: “I will stand up. I almost didn’t have anything to say, but that’s not happening. By American Cab not completing

their RFP in a timeframe set forth by the SRA, they gained an unfair advantage again competing with Yellow Cab and Airport Cab on the street for taxicab customers. The RFP and the SRA regulations need to be enforced evenly and fairly, not giving any company any leeway; a level playing field for all is needed. I know everybody remembers Dennis Rosenberg from City Cab. He lost his RFP bid by filing one day late. Obviously, City Cab and Dennis would have been better served by filing an incomplete RFP instead of late because eight months later, we are still debating whether or not American Cab should have a permit. If what we are doing is considered 'brown nosing', Harry, then I am proud to say that Yellow Cab and Airport both are complying with the SRA regulations and becoming successful and profitable. It is SunLine's Board of Directors duty to enforce these regulations evenly. Please do that."

Kimberly Webb – citizen – stated the following: "Just a question to the Chairman – at this new meeting that has been postponed once again - will the public be allowed to address at that time?" Chairman Garcia stated: "There will an opportunity for public comments, yes." Ms. Webb continued by stating the following: "Unbeknownst to me following last months meeting of which I was in attendance and it was heated as well, so this is nothing new for us, American driver, Peter Kurzon, who just spoke, stated amongst a group of American drivers, which included Harry Incs, 'So there is Kimberly; someone needs to take a baseball bat to both of her knees.'" Peter Kurzon stated the following: "That's a lie. This is highly...I never said that to you." Ms. Webb further stated: "It's been confirmed." Chairman Garcia stated "If we need to have security in to control the comments." Mr. Kurzon stated; "Well, this is a slanderous thing that is on a television camera and I never said..." Chairman Garcia stated: "You are out of order, Mr. Kurzon; Kimberly has the floor. You (Kimberly) have two and a half minutes left." Ms. Webb continued as follows: "Thank you sir. I interpret this as just blowing off steam. But it was not until that I spoke with another driver last week who warned me to look out for a particular driver. As it turned out, I was warned to watch out for Peter because he was out to get me. This driver did know of the incident that happened outside these doors and when I told him, he said I should be filing a police report of which I guess obviously need to do. Although I have not had direct contact with Greg Klibinov in almost ten months since not having been with American Cab, that night of the meeting – I believe it was October 26, I received a text message from Greg. The next night, I received another text message from Greg. Two days later I received a text message in the morning and also at night in another attempt to obviously intimidate me. The decision that you folks make is so important – I'm sticking myself out here for these drivers who are so fearful to come before you. They are terrified. The only ones who spoke on the radio station last night were those that are in Harry and Greg's little nucleus. They have contacted the radio station outside and asked them for anonymity – they will discuss what is happening. The decisions that you are making here, you have no idea and you don't give the drivers an opportunity because they are fearful. Another driver, he was just released out of his lease last week because he brought safety issues of his vehicle to SunLine, who in turn, went back to American and told them they needed to make these repairs. They were made – the driver two weeks later, is no longer driving for American. You have got their lives in your hands. Another thing – in reference to RFP." Chairman Garcia stated "You have 30 seconds". Ms. Webb finished by saying: "On my list there is a company, which many of you are

probably already aware, that has already put a proposal before SunLine. Please...please. If you are going to drag this out, go ahead and put out an RFP. Let this company come in. They have 40 cars already allocated. They already had a temporary spot to start with. The only other thing is – I have interviewed 32 drivers – word of mouth – who they want to work for. There are 32 current drivers who will leave overnight and start with this new company. Think of the drivers.”

## 9. **Board Member Comments**

Councilmember England stated: “We started working on a policy on how to conduct itself as far as Board members. I know we started that when Mayor Pougnet was Chairman of the Board. I was wondering where we are at in this point in time. I know some work has been done; we have lots of things going on – lots of balls in the air. But in some point in time can we bring this thing forward to get a Board member policy brought to the table to discuss? And secondly, on top of that, because of all of the different changes that are going on, do we need to have a committee adopted to go through all of these different items that would be brought to the Board?” Legal Counsel stated the following: “I started a project about a year ago collecting all the policies that exist determining which of them are still viable and which of them need to be rewritten. I have started drafting proposed policies, but have not yet reviewed them with the Board. There are more that could be added. I have a “To Do” pertaining to policies. With direction from the Board I can carry out the project.” Councilmember England stated: “The reason I bring this up – it has nothing to do with Mayor Hobart – we had an incident a couple of years go with another Board member and we didn’t have those documents. It was recognized that we needed to have something. I would like to see if we can get this done.” Ms. Aarivg stated: “I actually started it 14-15 months ago and there is a draft that needs more review and some kind of plan on how to pursue it. I took the individual Board member’s various city policies, took the best of them to come up with one that I thought the Board would find reflective of its policies.”

Mayor Hobart stated: “Bud’s comment that began with ‘Mr. Hobart’ kind of injected me into this. I would like to remind people that who have lost track of it, that the so called Executive Committee, which illegally reviewed my conduct, took the position that I have not been – they didn’t use the word courteous – but that my dialogue had been something that bothered the Executive Committee. I would only say I believe in rules of decorum very much and support whatever we come up with. It’s difficult for me after being charged with criminal behavior by the attorney of this organization to – and by staff – what’s going on in the background; not that they have accused me of criminal behavior, but anybody that has accused me of violating the Brown Act, whoever that includes, which is a misdemeanor – it’s very difficult to deal with people who are running rapid trying to destroy my good name when my only concern is now, and always has been, providing due process of law for American Cab’s application. I think that anybody that thinks that it is easy to remain calm and temperate in the face those kinds of comments and charges is avoiding reality.” Chairman Garcia stated: “I’m with you on that. I can sympathize. Let me ask you – would you okay with a third party legal analysis done by the letter that you disclosed to determine whether or not there is a Brown Act violation? I don’t think we are going to get to a consensus or agreement whether our legal counsel who represents the Agency believes you did. I don’t want to call it an investigation, but would that be something that you would be...” Mayor Hobart

stated: "There is not a chance in the world that I would submit to anything that would have to do with the organization being involved in any way. Our City Attorney is a third party and he says I violated nothing. Their City Attorney says I violated nothing and I am an attorney and believe me I was careful in everything I did because I understand what the law of the Brown Act is. I don't need somebody out there to say again that I didn't violate." Chairman Garcia stated: "Maybe it's something the Board as a whole can decide if that's something we want to do to get clarification." Mayor Hobart stated: "I don't think that's the jurisdiction. If you think you have an issue, report me to the appropriate public facilities. We will deal with it in that manner. And if anybody does that to me, believe me, I have given you a lot of information – it would not be a one-way street."

**10. Consent Calendar**

Vice Chairman Spiegel moved for approval of the consent calendar. The motion was seconded by Mayor Pro Tem Miller and was approved by a unanimous vote.

**11. Application for Change in Ownership of Franchise**

Continued to January 25, 2012 Board meeting. (See above.)

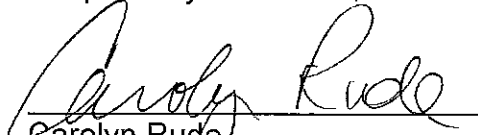
**11. Next Meeting Date**

Chairman Garcia announced that the next regular meeting of the Board of Directors will be held January 25, 2012 at 12 noon – Kelly Board Room, 32-505 Harry Oliver Trail, Thousand Palms, CA 92276.

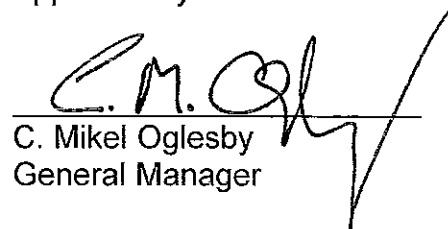
**12. Adjourn**

Chairman Garcia adjourned meeting at 1:16p.m.

Respectfully Submitted,

  
\_\_\_\_\_  
Carolyn Rude  
Clerk of the Board

Approved by:

  
\_\_\_\_\_  
C. Mikel Oglesby  
General Manager

Date: 1/17/12



**SunLine Regulatory Administration**

**Checks \$1,000 and Over**

**For the month of November 2011**

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

<b>Vendor Name</b>	<b>Description</b>	<b>Check #</b>	<b>Check</b>	<b>Amount</b>
SUNLINE TRANSIT AGENCY	Operating Expense Allocation	089446	11/22/2011	\$21,929.21
SUNLINE TRANSIT AGENCY	Payroll Liabilities Expense	089442	11/10/2011	\$11,698.95
LEFLORE GROUP LLC, THE	Projects Management	089439	11/10/2011	\$3,610.00
CREASON & AARVIG, LLP	Legal Services	089438	11/10/2011	\$3,458.00
<b>Total of Checks Over \$1,000</b>				<b>\$40,696.16</b>
<b>Total of Checks Under \$1,000</b>				<b>\$4,123.85</b>
<b>Total of All Checks for the Month</b>				<b>\$44,820.01</b>
<b>Total Amount of Checks Prior Years Same Month</b>				<b>\$43,210.83</b>

**SunLine Regulatory Administration**

**Checks \$1,000 and Over**

**For the month of December 2011**

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

Underlined check payments represent "shared" payments with SunLine and specific vendors/employees.

<b>Vendor Name</b>	<b>Description</b>	<b>Check #</b>	<b>Check</b>	<b>Amount</b>
SUNLINE TRANSIT AGENCY	Payroll Liabilities Expense	089449	12/1/2011	\$14,880.11
SUNLINE TRANSIT AGENCY	Payroll Liabilities Expense	089458	12/9/2011	\$9,136.39
SUNLINE TRANSIT AGENCY	Operating Expense Allocation	089448	12/1/2011	\$9,071.58
SUNLINE TRANSIT AGENCY	Payroll Liabilities Expense	089462	12/23/2011	\$6,602.00
LEFLORE GROUP LLC, THE	Projects Management	089453	12/9/2011	\$5,510.00
SUNLINE TRANSIT AGENCY	Payroll Liabilities Expense	089456	12/9/2011	\$1,638.57

**Total of Checks Over \$1,000** \$46,838.65

**Total of Checks Under \$1,000** \$2,126.33

**Total of All Checks for the Month** **\$48,964.98**

**Total Amount of Checks Prior Years Same Month** \$53,422.81

**SRA--Taxi  
Statement of Activities  
November 2011**

	Audited FY 10/11	Total FY 11/12 Budget	Current Month			Year to Date		
			Actual	Budget	Favorable (Unfavorable)	Actual	Budget	Favorable (Unfavorable)
<b>Revenue:</b>								
Meter Readings	95,800	297,123	32,658	29,276	3,382	74,929	80,358	(5,429)
Revenue Fines	106,661	5,000	630	417	213	3,810	2,083	1,727
Vehicle Inspections	15,703	14,300	600	1,192	(592)	5,650	5,958	(308)
New Driver Permits	4,150	5,000	250	417	(167)	1,900	2,083	(183)
Driver Transfers	4,800	5,800	300	483	(183)	1,550	2,417	(867)
Driver Renewals	7,050	6,100	450	508	(58)	3,600	2,542	1,058
Driver Permit Reinstatement/Replacement	135	200	5	17	(12)	70	83	(13)
Vehicle Transfers	(50)	1,500	0	125	(125)	0	625	(625)
Vehicle Permits	82,828	78,000	14,306	6,500	7,806	33,006	32,500	506
Operator Shared Revenue Fee	195,135	0	0	0	0	3,492	0	3,492
Operator Application Fee	0	10,500	0	875	(875)	3,000	4,375	(1,375)
Interest	152	0	2	0	2	43	0	43
Other	47	25,629	21	0	21	41	0	41
<b>Total revenue</b>	<b>\$ 512,411</b>	<b>\$ 449,152</b>	<b>\$ 49,223</b>	<b>\$ 39,809</b>	<b>\$ 9,414</b>	<b>\$ 131,092</b>	<b>\$ 133,025</b>	<b>\$ (1,933)</b>
<b>Expenses:</b>								
Salaries and wages	183,112	197,422	17,010	15,796	(1,214)	79,309	81,372	2,063
Fringe benefits	136,280	134,281	17,994	10,642	(7,352)	63,583	54,040	(9,543)
Services	91,182	100,800	9,808	7,683	(2,124)	40,710	38,417	(2,294)
Supplies and materials	5,793	4,500	286	475	189	2,959	2,375	(584)
Miscellaneous	17,903	12,150	1,728	1,629	(99)	13,596	8,146	(5,450)
<b>Total expenses</b>	<b>\$ 434,270</b>	<b>\$ 449,152</b>	<b>\$ 46,826</b>	<b>\$ 36,226</b>	<b>\$ (10,600)</b>	<b>\$ 200,158</b>	<b>\$ 184,350</b>	<b>\$ (15,808)</b>
<b>Total Operating Surplus/Deficit</b>	<b>\$ 78,141</b>	<b>\$ (0)</b>	<b>\$ 2,397</b>	<b>\$ 3,584</b>	<b>\$ 20,014</b>	<b>\$ (69,066)</b>	<b>\$ (51,325)</b>	<b>\$ 13,875</b>

Preliminary Statement Prior To Audit Field Work

**TRIP vs. VEHICLE ANALYSIS**

**TRIP vs. VEHICLE ANALYSIS**

	FY 04/05			FY 05/06			FY 06/07			FY 07/08			FY 08/09		
	CABS	TRIPS	TRIP/VEH	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			FY			FY		
	CABS	TRIPS	TRIP/VEH	CABS	TRIPS	TRIP/VEH	CABS	TRIPS	TRIP/VEH	CABS	TRIPS	TRIP/VEH	CABS	TRIPS	TRIP/VEH
JUL	170	26,487	156	151	31,211	207	125	30,391	243						
AUG	155	23,671	153	148	29,238	198	123	29,459	240						
SEP	158	29,239	185	150	31,807	212	131	34,446	263						
OCT	153	37,468	245	117	40,222	344	139	43,009	309						
NOV	153	40,466	264	126	40,494	321	144	44,173	307						
DEC	160	32,084	201	128	36,226	283	143	39,180	274						
JAN	155	38,276	247	133	45,232	340			0						
FEB	157	36,557	233	132	42,331	321			0						
MAR	159	44,219	278	138	48,942	355			0						
APR	167	57,645	345	141	60,821	431			0						
MAY	157	42,074	268	142	43,910	309			0						
JUN	156	29,940	192	120	31,088	259			0						
<b>TOTALS</b>	<b>1900</b>	<b>438,126</b>	<b>231</b>	<b>1626</b>	<b>481,522</b>	<b>296</b>	<b>805</b>	<b>220,658</b>	<b>274</b>	<b>0</b>	<b>0</b>	<b>#DIV/0!</b>	<b>0</b>	<b>0</b>	<b>#DIV/0!</b>

	<b>FY 04/05</b>		<b>FY 05/06</b>		<b>FY 06/07</b>		<b>FY 07/08</b>		<b>FY 08/09</b>	
<b>HIGHEST TRIPS</b>	Apr	53,980	Mar	51,373	Mar	54,598	Feb	50,594	APR	59,997
<b>LOWEST TRIPS</b>	Aug	25,911	Aug	24,445	Aug	24,010	Jul	25,681	DEC	26,942
<b>MOST VEHICLES</b>	Apr	206	Apr	269	May	271	Jul	269	M, A, M	186
<b>LEAST VEHICLES</b>	Aug	185	Jul	205	Jul	240	Jun	183	JAN	183
<b>MOST TRIPS/VEH</b>	Apr	262	Mar	213	Mar	214	Feb	246	MAY	323
<b>LEAST TRIPS/VEH</b>	Aug	140	Aug	117	Aug	100	Jul	95	JULY	148
	<b>FY 09/10</b>		<b>FY 10/11</b>		<b>FY 11/12</b>		<b>FY 12/13</b>		<b>FY 13/14</b>	
<b>HIGHEST TRIPS</b>	APR	57,645	APR	60,821	NOV	44,173				
<b>LOWEST TRIPS</b>	AUG	23,671	AUG	29,238	AUG	29,459				
<b>MOST VEHICLES</b>	JUL	170	JULY	151	NOV	144				
<b>LEAST VEHICLES</b>	NOV	153	OCT	117	AUG	123				
<b>MOST TRIPS/VEH</b>	APR	345	APR	1004	JUL	768				
<b>LEAST TRIPS/VEH</b>	AUG	153	AUG	198	DEC	107				

**SunLine Services Group**

**DATE:** January 25, 2012 **ACTION**  
**TO:** Finance Committee  
Board of Directors  
**FROM:** General Manager  
**RE:** General Counsel

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**Recommendation**

Recommend that the Board of Directors: a) accept Legal Counsel's request to be relieved from the remainder of their contract with SunLine Transit Agency/SunLine Services Group; **and** b) approve appointment of interim Legal Counsel.

**Background**

General Counsel appointment by the Board of Directors is provided in the SunLine Transit Agency Joint Powers Agreement. SunLine staff relies on Counsel to support the ongoing operations of the Agency. On December 9, 2011, SunLine received a letter from its General Counsel requesting that they be released from the remainder of the contract period. The contract for General Counsel was executed on November 9, 2009.

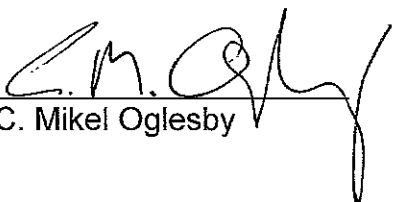
The terms of the contract are for one year with four additional 1-year options.

The Board of Directors evaluates General Counsel and provides direction to staff on an annual basis.

Mr. Robert W. Hargreaves of Best, Best & Krieger LLP was sought as interim counsel but was not available. He instead referred staff to Rutan & Tucker, LLP as being familiar with the types of issues currently being considered by the Board.

**Financial Impact**

Staff has included funds for General Counsel in its operating budget. Rutan's charges exceed the hourly rate being paid for current legal support.

  
C. Mikel Oglesby

**\*ITEM CONTINUED FROM DECEMBER 7, 2011 BOARD MEETING\***

**SunLine Services Group**

**DATE:** December 7, 2011 **INFORMATION**

**TO:** Taxi Committee  
Board of Directors

**FROM:** Director of Administration & Human Resources/EEO  
Taxi Administrator

**RE:** Questions and Responses of American Cab

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**Background**

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

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

**General Standards**

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

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

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

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

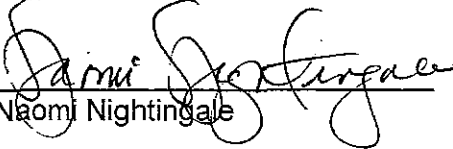
- (2) Any misdemeanor conviction within the past 7 years of any crime listed in section (vii) (a)2. above, and any conviction (felony or misdemeanor) involving theft or dishonesty, including, but not limited to, burglary, theft, shoplifting or other crime related to fraud or intentional dishonesty.
-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

### Summary

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

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

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

  
Naomi Nightingale



## Exhibit A

### STAFF QUESTION

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

Answer:

### RUSSO ANSWER

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

### KLIBANOV DECLARATION UNDER OATH

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

### CONCLUSION

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

### STAFF QUESTION

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

Answer:

### RUSSO ANSWER

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

### KLIBANOV DECLARATION UNDER OATH

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

### CONCLUSION

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

### STAFF QUESTION

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

Answer:

### RUSSO ANSWER

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

### KLIBANOV DECLARATION UNDER OATH

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

### CONCLUSION

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

**STAFF QUESTION**

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

**Answer:** **RUSSO ANSWER**

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

**applied for its SSG franchise, or any time afterwards.**

**KLIBANOV DECLARATION UNDER OATH**

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

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

**CONCLUSION**

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

**STAFF QUESTION**

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

**Answer:** **RUSSO ANSWER**

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

## KLIBANOV DECLARATION UNDER OATH

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

### CONCLUSION

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

### STAFF QUESTION

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

Answer:

#### RUSSO ANSWER

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

### CONCLUSION

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

**STAFF QUESTION**

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

**RUSSO ANSWER**

**Answer:**

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

**STAFF QUESTION**

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

**RUSSO ANSWER**

**Answer:**

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

**STAFF QUESTION**

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

**Answer:**

**RUSSO ANSWER**

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

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

## **CONCLUSION**

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

## SunLine Services Group

**DATE:** January 25, 2012 **ACTION**  
**TO:** Board of Directors  
**FROM:** General Manager  
**RE:** Application for Change in Ownership of Franchise

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### **Recommendation**

The Board of Directors: a) approve of American Cab LLC's ownership change or b) disapprove of American Cab's ownership change.

If the Board approves the change of ownership of American Cab LLC, the Franchise will continue its operations in accordance with the Franchise Agreement and SSG Ordinance in meeting with the administrative requirements of franchise operation.

If the Board does not approve the change of ownership, the Board will authorize the release of an RFP for a franchise to which American Cab LLC can submit a proposal and be considered in the evaluation process. The Board will also decide the effective date of the termination of the American Cab LLC franchise.

### **Background**

American Cab LLC has requested that the SunLine Services Group (SSG) Board of Directors approve its transfer of ownership from the Saini's to Rykal LLC.

This decision is the exclusive jurisdiction of the SSG Board or Directors. Staff stands ready to implement the decision of the Board.

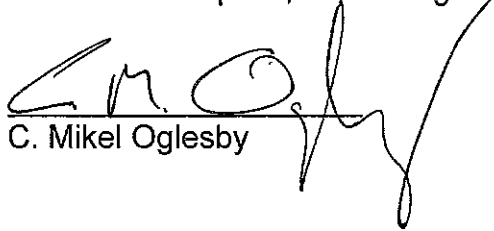
Prior to the December 7, 2011 SSG Board meeting, all relevant information from staff was sent to the Board of Directors for consideration.

SunLine Services Group Ordinance Section 1.030 (H) states in relevant part...., "Such nonexclusive Franchises shall not be sold, leased, transferred, assigned or otherwise disposed of, either in whole or in part, whether by forced sale, merger, consolidation, bankruptcy, reorganization under bankruptcy laws or otherwise, without the prior written consent of SSG.

The SunLine Services Group Board of Directors has carried over this item from the October 26, 2011 and the December 7, 2011 Board meetings in part to afford American Cab an opportunity to present to the Board information it would like considered prior to the Board's decision.

**Fiscal Impact**

There may be an unspecified reduction in taxicab revenue as a result of rejecting the transfer request, depending on the timing of the franchise termination.

A handwritten signature in black ink, appearing to read 'C. M. Oglesby', written over a horizontal line. The signature is stylized and extends above and below the line.

C. Mikel Oglesby