

MINUTES OF REGULAR MEETING
OF
BOARD OF DIRECTORS
OF
SOUTHERN CALIFORNIA REGIONAL TRANSIT TRAINING CONSORTIUM

May 11, 2006
Cypress College (FA) Fine Arts Bldg., Staff Conference Room, 9200 Valley View,
Cypress, CA. 90630

The Board of Directors of the Southern California Regional Transit Training Consortium (the "Corporation" or "consortium") held a regular meeting on May 11, 2006, at Cypress College, 9200 Valley View, Cypress, California.

The following directors were present for the meeting:

Kevin J. Anderson	Cal Macy
Tom Barrio	Ralph Merced
Jim Ditch	Mike Slavich
Steven Donley	Milo Victoria

Directors Dan Encinas and Al Pierce were absent.

Also present were the following individuals:

Marion Jane Colston (L.A. Metro)
Alan L. Fox (Secretary of the Corporation)
David M. Stumpo (APTREX INSTITUTE)
Marcy Malaster (Santa Monica Big Blue Bus)

I. Welcome and Introductions

Milo Victoria, Chair, called the meeting to order at approximately 10:05 a.m. Chair Victoria welcomed all meeting participants, and warmly thanked Steven Donley and Cypress College for their willingness to host the meeting and for the gracious accommodations and clear directions in locating the meeting place. Chair Victoria proceeded to take roll of the Corporation's directors, eight of whom were present.

II. Approval of Minutes

Chair Victoria requested comments or discussion regarding the proposed minutes of the February 9, 2006, regular meeting of the consortium, copies of which had been posted on the consortium website in advance of the meeting. Upon

motion by Steve Donley, and seconded by Mike Slavich, the minutes of the meeting of February 9, 2006, were unanimously approved.

III. Financial Report

Chair Victoria referred to a written financial report, entitled "Southern California Regional Transit Training Consortium Fees and Expenses For the Period February 1, 2006---April 30, 2006", provided to the Board members in advance of the meeting and outlining the current status of the consortium's financial position. Chair Victoria raised certain questions regarding fee income shown as having been received on behalf of the consortium during the period. Dave Stumpo responded by explaining that the income represented revenue received from a transit agency representing the City of Commerce, and from Cerritos College. Chair Victoria read from the financial report, specifically noting and emphasizing the balance of the consortium's assets as of March 31, 2006, as \$14,328.00. Chair Victoria summarized the discussion and report as information only, for the benefit of the Board.

IV. Secretary Report

Alan Fox, Secretary, described previous Board discussions regarding possible amendments to the consortium's by-laws to bring the by-laws into conformity with current Board practices, and the formal recommendations of the Organization Committee to make such changes. Specifically, Fox reported that the by-laws could be amended to reflect that the Board meet "at least" four times per year rather than the mandatory (i.e., "not less than...") six times per year as currently written [Article 7.7], that the "Officers" section could be amended to make the election of a Chief Financial Officer discretionary rather than mandatory (i.e., "may" elect, rather than "shall" elect...)[Article 9.1], and that the procedure for election of the Board each year might be changed to eliminate the potential for self-perpetuation on the part of incumbent Board members [Article 7.3].

Upon the motion of Steven Donley, as seconded by Mike Slavich, and after discussion, the Board unanimously approved amending Article 7.7 of the by-laws to direct that there be at least four meetings of the Board per year.

Upon the motion of Mike Slavich, as seconded by Cal Macy, the Board unanimously approved amending Article 9.1 of the by-laws to make the appointment of a Chief Financial Officer of the consortium discretionary rather than mandatory.

Kevin Anderson inquired regarding the identity of those who are currently handling the finances and financial reporting for the consortium. Dave Stumpo responded that Long Beach Transit is handling the finances at the present time, as indicated in the Board Reports prepared and distributed by Stumpo prior to the meeting.

The Board then considered, and discussed, various ways of

ensuring that all interested parties are informed in advance of and encouraged to run for Board election as appropriate, including informing all consortium members in advance by electronic messaging or otherwise of the opportunity to run and requesting expressions of interest for nomination. Upon motion by Cal Macy, as seconded by Steven Donley, and after considerable discussion, the Board unanimously approved an amendment to the by-laws to require that future elections be preceded by notice to all members of anticipated Board elections, with confirmation of receipt, and asking and encouraging all members as possible to become more involved and to respond with interest before the following Board meeting of their possible desire or intention to run for election to the Board.

V. Legislative Committee Report

A. Congressional Appropriations/Earmark

Marcy Malaster of Santa Monica Big Blue Bus, at the request of Chair Victoria, explained the status of efforts to activate the previously announced congressional appropriation for the consortium. She then described various problems involving, and made suggestions for, the continued handling of the application process for the appropriation. Marcy explained, preliminarily, the relationship between the City of Santa Monica and Santa Monica Bus, and related that the City's Finance Department was reluctant to allow the Bus Company to assume or take on accounting, reporting, and related custodial responsibility for the consortium's finances, including the responsibility for continuing with the application process for the appropriation. Marcy suggested that a member community college or another transit agency assume responsibility for being the named "grantee" for the appropriation in light of the difficulties in Santa Monica in her employer's maintaining such responsibilities. She further recommended the possible retention by the consortium of a separate financial organization such as an outside accounting firm to proceed with the appropriation application. Kevin Anderson and Cal Macy asked whether Marcy was in fact recommending finding a new fiscal agent for the handling of the appropriation grant, and Marcy answered in the affirmative, adding that the responsibilities should include not just acting as fiscal agent but also assuming reporting responsibilities for the Federal Transportation Administration (the "FTA").

Marcy proceeded to outline a number of detailed recommendations for what would need to be done in order to successfully complete the appropriations application, including the appointment of a specific, delegated individual with authority for dealing with the FTA, written confirmation of the Chair's authorization to enter into and execute contracts, various Board resolutions authorizing the consortium's ability to confirm the application, the preparation and presentation to the FTA of an opinion of counsel that everything is in order to carry through with the appropriation, the establishment and confirmation of a satisfactory financial grantee, and related specific requirements. General discussion ensued regarding the willingness and ability of various member organizations to assume the fiscal agent responsibilities, with, at various times, Kevin Anderson, Steven Donley, Mike Slavich, Milo Victoria and Cal Macy offering to

approach their respective employer organizations for appropriate authority, and Jim Ditch and Mike Slavich suggesting that probably one of the local transit agencies should take on the fiscal agent tasks initially.

Jim Ditch inquired of Marcy and the Board generally how much more time would be required in connection with the completion of the appropriation application. Marcy responded that the process would require at least another month, and perhaps several more weeks to get it done. Upon motion by Kevin Anderson, and seconded by Mike Slavich, the Board unanimously approved giving Chair Victoria or his designee all necessary authority to move the FTA application process forward, including the authority to appoint a new fiscal agent for the consortium, in order to successfully complete the application process. Marcy indicated that she would forward to Dave Stumpo the various requirements including suggested drafts of certifications and related resolutions and written opinion descriptions necessary to complete the process. Jim Ditch commented that he had already spoken with Long Beach Transit about its ability to act as fiscal agent if necessary, and that, although he would love to persuade OCTA to take on such fiscal agent tasks, he felt that Long Beach Transit could and would as necessary assume appropriate responsibility. It was suggested, and Dave Stumpo concurred and assured the Board that he would take responsibility, that weekly updates be provided to the Board of the progress being made in completing the application.

The Board as a whole agreed that completion of the appropriations application with the FTA should be a matter of first priority for the consortium. Alan Fox encouraged the individual members of the Board to assume personal responsibility for ensuring that the momentum for application completion is underway, and that completion is achieved as quickly as possible.. The Board agreed in general that rather than pursue other legislative alternatives at the present time or otherwise diffuse its efforts, the consortium should concentrate its energies on finalizing the earmark appropriations process with the FTA.

The Board took a break from the meeting at approximately 11:30 a.m.

VI. Special Presentation

Chair Milo Victoria, introducing the subject out of order by commenting that many consortium members, participants and individuals have worked hard to make the consortium succeed, declared that there is little question concerning who has been and will be the leader of the principal efforts on behalf of the consortium. Chair Victoria then announced that the Board wanted to give special recognition to Jim Ditch for his services to make the consortium grow and prosper, and proceeded to present Jim Ditch with a “couple of items” reflecting the Board’s appreciation and gratitude for Ditch’s services. Tom Barrio presented Jim Ditch with a specially inscribed plaque, and proceeded to read aloud the inscription on the plaque expressing the consortium’s gratitude for Ditch’s services and friendship. Finally, Chair Victoria presented Ditch with a similarly inscribed, colorful, large, customized bus fare box tastefully adapted into a lamp. Ditch

briefly remarked on the honor he felt at the special recognition, and admitted to blushing at the praise of the presenters.

The Board and audience members posed for several group photographs with Jim Ditch.

It was noted and made a matter of record that no consortium funds were used in the preparation and presentation of such above-referenced gifts, and accompanying snacks.

VII. Management Report

A. ITS America Presentation Update

Dave Stumpo reported that he had traveled to Philadelphia the previous week on behalf of the consortium, and that he had met with representatives of ITS America as well as the FTA. Stumpo commented that there was great interest in the consortium on the part of the FTA. Stumpo further commented that ITS America is as well interested in the possible development of a similar consortium of transit agencies and interested organizations in northern California, and that it wants to include any similarly emerging group in northern California within its overall development plans. Stumpo reported that ITS representative Ron Giguere had visited southern California, met with consortium representatives, and observed some of the work product of the consortium, and was reportedly highly impressed with the feedback he had received. Stumpo announced that ITS America was committed to Phase III of its contract work with the consortium, with anticipated additional funding of approximately \$100,000. Stumpo explained how the payment structure of the ITS contract works. Jim Ditch remarked that the ITS America work effectively provides the consortium with a form of “seed money” to continue its programs until the FTA appropriations monies begin to be received. Stumpo summarized his remarks by stating that it had been a successful and effective business trip to Philadelphia.

B. Board Reports for ACTION

Earmark/Documentation Board Report. Dave Stumpo suggested tabling any additional report and deferring action on the earmark/appropriation process pending a determination regarding which organization will handle the files, serve as fiscal agent, and act as responsible and named agency for the earmark

SCR TTC Space MOU---Board Report. Dave Stumpo introduced the issue of providing the requisite office space for the consortium in connection with the requirements of the Federal Earmark appropriations process, and he referred the Board to his previously distributed “Report Summary” dated May 11, 2006, covering “MOU for Office Space”. Questions arose whether LAMTA or OCTA or Long Beach Transit, by way of examples, might provide the required space. Chair Victoria volunteered that

LAMTA would have no problem in making such space available. To Jim Ditch's further questions concerning actual requirements and the reasons for them, Dave Stumpo explained that the FTA, as part of the earmark application process, would need an address, phone number(s), and a designated person or persons to be identified as contact persons for the application, together with necessary office and administrative space. Upon motion by Mike Slavich, as seconded and accepted by Jim Ditch, the Board unanimously approved the offer of LAMTA to provide such required space and related services, as "in-kind" contributions to the SCR TTC, in line with and pursuant to the suggested memorandum of understanding contained in the above-referenced "Report Summary".

C. Membership Fees--Board Report

Dave Stumpo introduced the important subject of how the consortium should handle membership fee requirements going forward by referring Board members to the previously distributed Report Summary of Membership Fees, consisting of one of several board reports he had prepared and distributed to the Board in advance of the meeting. Specifically, Stumpo reviewed the recent history of formal and informal Board and Committee discussions and recommendations, and characterized the Board Report as flowing from recommendations from staff and the Organization Committee.

Stumpo generally described the recommendations for membership fees as consisting of a structured, tiered fee format, made up of 1) annual fees; 2) initiation fees, for new members; and 3) affiliation fees, for third party vendors, suppliers and manufacturers. He suggested that the Board review, and, as appropriate and desired, adopt the recommendations as a model, with the understanding that the Board determine each year the appropriate proportions for fee components, and within such components individual percentages (based in part on revenue fleet size) to impose as fees for the particular year, based on the particular circumstances applicable to the consortium in the given year. He referred the Board to his Report Summary for particulars, which Summary contains suggested examples for fees such as \$2,500 as initiation fee for new members and \$5,000 for affiliate members. To Cal Macy's question whether Stumpo's proposal suggests a possible sliding scale for annual fees depending on need, Stumpo responded that the annual fees would be set each year by the Board. In response to questions from Milo Victoria and others whether adoption of Stumpo's suggestions would amount to acceptance of affiliate members in the consortium, Stumpo answered in the negative, explaining that affiliate members would have to be approved by the Board on an individual case basis and that the consortium by-laws should as necessary be accordingly amended to allow inclusion of affiliate members on a case-by-case basis upon approval by the Board. Stumpo further suggested that the criterion for affiliate membership be referred to the Organization Committee for consideration and recommendation to the Board.

As moved by Mike Slavich, and seconded by Kevin Anderson, and after further discussion, the Board unanimously approved Dave Stumpo's suggestions for the establishment of membership fees, as specifically referenced in his "Membership Fees

Report Summary” and as subject to the approval of the Board on a year-by-year basis concerning specific fees. The Board further referred the definition of criteria for affiliate membership to the Organization Committee as a subcommittee assignment.

VIII. Finance Committee Report

Committee Chair Kevin Anderson presented brief follow up comments on the congressional earmark appropriations application status, underlined the Committee’s support for Dave Stumpo’s previous characterization of funding activities, and reiterated the Finance Committee’s charge of identifying and attracting other funding sources for the consortium than governmental and congressional sources which are the focus of Legislative Committee responsibilities.

Anderson generally characterized college grant applications as seemingly having the highest current chances for success in connection with funding for the consortium. Steven Donley provided an update on Cypress College’s successful QuickStart grant application, the details of which he described and through which he indicated the college was attempting to determine how the consortium can be integrated into its program. Mike Slavich reported that he and Rio Hondo College are again currently working on an IRRC application for this year, and he provided an update on the IRRC grant. Kevin Anderson in turn indicated that San Bernardino Valley College is working on a QuickStart grant involving manufacturing. Chair Anderson then outlined and described two additional grant opportunities applicable to colleges and coming up for deadline, including several additional Career Exploration Grants similar to what Cypress College has received, and a Strengthening Career Technical Education grant requiring partnerships with high schools. Chair Anderson commented that it was appropriate and timely to organize another Finance Committee meeting in the near future, and that he and the Committee would look on such a meeting as an action item to be completed promptly.

Cal Macy inquired concerning which colleges among the current consortium membership have paid their \$500 membership fees, and commented that the consortium leadership should do something to delineate those which have paid and those which have not, and how to deal with non-paying colleges. The Board was informed that eight colleges have paid their current membership fees. Suggestions were offered regarding telephoning the non-paying member colleges, and considering preparing a newsletter of consortium activities and forwarding such a newsletter together with an invoice to the non-paying colleges. Chair Milo Victoria remarked that the momentum in connection with class offerings on behalf of the consortium seems to have slowed, and that the consortium should continue with such classes, in part in order to be ready to be going full-steam when the appropriations funding becomes available. Discussion ensued regarding possible courses already being planned, in order to capitalize on what is being done currently.

Chair Victoria advised that he wants to encourage the colleges to be engaged in the legislative process.

IX. Planning and Curriculum Committees

David Stumpo reported that there has not been a recent Planning Committee meeting, primarily because of the current ongoing efforts to focus on and complete the congressional appropriations application process. Stumpo stated that the Planning Committee has not focused on course preparation and presentation in recent weeks, and that it will do so now.

X. Organization Committee

Organization Committee Co-Chair and Secretary Alan Fox reported on recent telephone conference meetings of the Organization Committee, which he described as having concentrated primarily on the issue of membership fees and fulfilling the charge of the Board and Chair Victoria at the immediately previous Board meeting to prepare recommendations regarding membership fees as well as by-law revisions to accommodate current Board and consortium organizational practices. Fox referred to earlier discussions in the meeting as representing the culmination of current decisions regarding such subjects.

Fox then distributed, and proceeded to summarize, a recently received letter from the Internal Revenue Service in response to the consortium's application for IRS Section 501(c)(3) tax exemption status. As described by Fox, the IRS letter seeks additional information from the consortium, and asks the consortium to review and comment on a recent Revenue Ruling which might suggest similarities between the consortium's activities and organizational objectives and that of a generally dissimilar organization which had recently been awarded Section 501(c)(6) tax exemption status. Fox characterized such latter category status as unattractive to the consortium because of the non-deductibility of financial grants to organizations in such category. Fox advised that the consortium would prepare, collectively review, and timely submit a written reply to the IRS request for additional information.

XI. Miscellaneous

Chair Milo Victoria indicated after discussion with the group that, subject to changes in dates, times, and locations to be announced well in advance of the meeting, the next Board meeting, which will include annual Board elections and will be an "all-hands" meeting of members, is tentatively scheduled for August 10th at the headquarters of Santa Monica Big Blue Bus.

The meeting adjourned at approximately 12:45 p.m.

Respectfully submitted,

Alan L. Fox, Secretary