

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

February 9, 2006
OCTA Headquarters, 600 S. Main Street, Orange, CA.

The Board of Directors of the Southern California Regional Transit Training Consortium (the “Corporation” or “consortium”) held a regular meeting on February 9, 2006, at the headquarters of the Orange County Transportation Authority, 600 South Main Street, Orange, California.

The following directors were present for the meeting:

Kevin J. Anderson (by telephone)	Cal Macy
Tom Barrio	Al Pierce
Jim Ditch	Ralph Merced
Dan Encinas (by telephone)	Milo Victoria
Steven Donley	

Director Mike Slavich was absent.

Also present were the following individuals:

Steve Mullaly (L.A. Metro)
Luciano M. (“Marty”) Orozco (Cypress College)
Alan L. Fox (Secretary of the Corporation)
David M. Stumpo (APTREX INSTITUTE)
Roberta McNeil (Long Beach Transit)
Dana Lee (Long Beach Transit)
Marci Malister (Santa Monica Big Blue Bus) [by telephone]
Zhen Zi Fang (APTREX INSTITUTE)
David Feinberg (Santa Monica Big Blue Bus) [by telephone]

I. Welcome and Introductions

Milo Victoria, Chairman, called the meeting to order at approximately 11:10 a.m., and welcomed all meeting participants, both those present in person and also those present by telephone. Chair Victoria proceeded to take roll of the Corporation’s directors, nine of whom were present as of the beginning of the meeting, including Kevin J. Anderson and Dan Encinas by telephone.

II. Approval of Minutes

Chair Victoria requested comments or discussion regarding the proposed minutes of the November 9, 2005, 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 Cal Macy, the minutes of the meeting of November 9, 2005, were unanimously approved.

III. Financial Report

At Milo Victoria's request, Jim Ditch addressed in general terms the current financial condition of the consortium, offered brief remarks about the status of efforts to raise more funding for the consortium, and proceeded to introduce Roberta McNeil, who works in the financial department of Long Beach Transit. Roberta in turn reviewed the specific financial highlights of the consortium for the period November 1, 2005, through January 31, 2006, discussing among other subjects various reimbursements received, certain expenses incurred and paid during the period, and the absence of new revenues. She characterized the consortium as having a balance of approximately \$34,000 in available cash as of the end of the period.

IV. Secretary Report

Alan Fox, Secretary, gave a report covering certain organizational considerations discussed briefly in previous meetings, including a proposed conflicts of interest policy for the consortium, possible by-law amendments, and a description of Organization Committee recent activities and recommendations. Fox distributed the draft of a possible conflicts of interest policy, explaining its purposes and anticipated uses and the fact that it had been reviewed and approved by the Organization Committee and was being proposed for adoption by the consortium as a whole. After review and discussion, and upon the motion of Jim Ditch and second by Steve Donley, the proposed Conflicts of Interest Policy was unanimously approved.

Fox then described certain possible by-law revisions intended to reflect the current practices and operating realities of the consortium, including by-laws dealing with the number of Board meetings per year, the status of a consortium chief financial officer, and the annual election of the Board by the Board itself, with the dangers of self-perpetuation. After discussion of drafting considerations, it was determined that the possible revisions should be referred to the Organization Committee for specific wording and ultimately the Organization Committee's recommendation to the Board of such revisions for approval.

Questions were raised concerning the timing and continued probability of a transfer of the existing financial responsibilities for the consortium from Long Beach Transit to Santa Monica Bus. Without providing specific answers to the latter subject,

Dave Stumpo and Marci Malister explained that such anticipated transfer was on the agenda of an upcoming Finance Committee meeting scheduled for February 23rd.

V. Activities and Committee Reports

A. Legislative and Finance Committees

i] Congressional Appropriations/Earmark. Chair Milo Victoria commenced the discussions by thanking Board member and host Al Pierce for his efforts and generosity, and that of OCTA, in hosting the meeting.

Chair Victoria then thanked Stephanie Negriff, Chair of the Legislative Committee over the past year, for her “huge contributions and hard work” in leading the Legislative’s Committee’s efforts and in successfully accomplishing the previously reported, anticipated congressional appropriation loosely but frequently referred to as the “earmark”.

At Chair Victoria’s request, Dana Lee, with Marci Malister by conference phone, reported on the status of the congressional appropriation described at length at the annual meeting of the consortium on August 24, 2005, and again at the regular Board meeting on November 9, 2005. Dana Lee reminded the meeting that the “earmark” of the congressional appropriation for FY 2006 is \$270,000, and Marci Malister added that notice of a 1 % reduction of that amount had been received on or about February 3, 2006, resulting in a total earmarked appropriation for the current fiscal year of \$267,300. Marci reported that the particular appropriation has to be approved, pursuant to a number of stipulated protocols, by the Federal Transportation Administration, and that the consortium would accordingly be proceeding to develop a scope of work including protocols for reimbursement by the FTA, to be submitted quarterly, in the immediate future. With Dave Stumpo’s contribution, it was reported that the Planning Committee will develop a draft of a formal written approach to the FTA for reimbursement, and will submit the proposed formal request to the Finance Committee for review. Marci indicated that the written request should necessarily demonstrate the intended activities, protocols and related justifications for reimbursement of the consortium for the entire four years of the appropriation. Dave Stumpo assured the meeting that a proposed draft of the written request would be prepared and in the hands of the Finance Committee within the next several days. The Board was reminded that the Finance Committee would meet on February 23rd, and that Chair Kevin Anderson would work directly with Marci Malister on the follow up.

Kevin Anderson inquired concerning the status of the anticipated transfer of the handling of the consortium’s finances from Long Beach Transit to Santa Monica Bus. Jim Ditch responded that the existing consortium contract with ITS America is necessarily formally memorialized in the name of Long Beach Transit, and that Long Beach Transit’s financial role on behalf of the consortium has to this point been limited to collecting membership and related fees, paying consortium expenses, and acting as the

formal contracting entity for the ITS America arrangements with the consortium. David Feinberg added by conference phone that such financial responsibilities will be handled in the future by consortium staff when paid employees are brought on board, and that Santa Monica Bus's role will be limited to little more than performing the financial activities currently being handled by Long Beach Transit. David Stumpo emphasized that the current contract with ITS America must necessarily continue with the existing contracting entities, and that a transfer of financial responsibilities will not in any case be possible until such time as the consortium's application for tax-exempt status is resolved.

ii] Legislative Committee Workplan Update. Chair Victoria initiated the subject of identifying a replacement for Stephanie Negriff as Chair of the Legislative Committee. Jim Ditch commented that the Legislative Committee had not met recently, that this would perhaps be an appropriate time for a meeting, and that the Legislative Committee itself should perhaps nominate and choose a new chair. David Feinberg offered Santa Monica Bus's headquarters as a possible site for such a committee meeting. Dana Lee discussed a number of functions and required actions to be taken by the Legislative Committee, and it was determined that Dana and David would together set up such a Committee meeting. Dana proceeded to describe, and praise, a recent presentation by Stephanie Negriff on the consortium to an APTA conference in Long Beach, and a recent press release by Santa Monica Big Blue Bus, covering the congressional appropriation earmark, to the CTA and APTA.

Chair Victoria asked for confirmation that a new Chair for the Legislative Committee would be named in short order, and David Feinberg and Dana Lee replied in the affirmative, adding that the proposed Legislative Committee meeting would be held within the "next couple of weeks". Dana Lee requested, and emphasized the potential importance of, community college representation on the Legislative Committee.

iii] Finance Committee Workplan Update. Kevin Anderson, Chair, reported that Finance Committee activities seem to be picking up steam and progressing aggressively, that a first Finance Committee meeting is scheduled for February 23rd, and that on behalf of the Committee he is looking forward to working with Marci. Kevin suggested, in view of the status of the Committee's activities and certain open questions such as the consortium's tax status, that perhaps the first substantive report of the Committee should be planned for and presented at the next Board meeting.

Kevin proceeded to describe what he characterized as a few areas with a high probability of financial success for the consortium. Preliminarily, Kevin mentioned the industry-driven regional collaborative grants for community colleges, which he advocated continuing to pursue with Rio Hondo College as lead and whose near- success through an application a year ago suggested the continuing potential in such efforts. Kevin emphasized the need for support letters from the member transit agencies, and requested that such support be channeled through the Finance Committee. He then mentioned potential financing support through what he characterized as Quick-Start Grants, which are eligible only to community colleges, which involve partnerships with

other educational groups such as high schools in acting as feeder groups for non-technicians for the transit industry, and whose application schedules involve deadlines in mid-April for commencement dates in early June. Dan Encinas added that L.A. Trade Tech is trying to pursue such grants as well, with and through the consortium, and that he and L.A. Trade Tech are intending to work with Mike Slavich of Rio Hondo College in attaining such grants. Chair Milo Victoria asked whether someone would take the lead in pursuing such grants on behalf of the consortium, and Kevin Anderson responded that he would do so, separately from the February 23rd Finance Committee agenda matters and working with Dan Encinas.

Dana Lee raised the subject of the status of a previously reported U.S. Department of Labor grant application. Kevin Anderson responded that a previous, goods/movement-based grant application to the Department of Labor submitted by a group of local Region 9 community colleges, and partially on behalf of the consortium, was not successful. Kevin added that although the particular application was not successful, the effort and potential funding source bears further investigation. He added that the Finance Committee and its members are actively seeking to identify other pockets of financial opportunity similar to such Department of Labor grant.

iv] FHWA ITS America Contract Phase III Funding Update. Dave Stumpo reported that ITS America has requested a preliminary proposal for a continuation of its contract with the consortium for continuing maintenance training. In response to such request, Stumpo explained that a proposal on behalf of the consortium had been given to ITS America in December, and that the consortium anticipates hearing from ITS America in March, for an award to be provided in April, for \$100,000. Stumpo further explained that the request for proposal included certain pieces of a new scope of work which would include potential consortium members from northern California. Stumpo then discussed the recent background of and ongoing discussions among potential northern California consortium members concerning their interest in joining the consortium or alternatively becoming a chapter of the consortium. Stumpo characterized the current stage of the discussions as being informal and still in the discovery and conversation process, with no decisions having been made to this point. Kevin Anderson in turn suggested that the consortium support the northern California agencies and colleges in their decision-making, and stay in touch.

B. Planning and Curriculum Committee

i] Committee Report and Activities. Dave Stumpo reported that the Planning and Curriculum Committees met jointly on December 19th, and that the minutes of the meeting are on the consortium website [www.scrttc.com under planning]. Stumpo further reported that the consortium has recently delivered four courses as a result in part of the Planning Committee's work, that the actual course work has received high praise, achieving average 3.8 evaluation scores out of a possible total of 4.0, and that Rio Hondo College has expressed interest in incorporating certain of the courses in their course catalog for the coming September.

Dave Stumpo proceeded to outline the anticipated activities and objectives of himself and the Committees over the near future, which he characterized as clarifying that the Planning Committee is responsible for the course work for the ITS America contract, planning on a consortium newsletter (the first of which is slated for late March), continuing the management of the website, and securing the Phase III ITS America contract.

ii] Training Plan Report. By way of a Training Plan report, Stumpo stated that the consortium was responsible for 1104 hours of training during 2005, with a total of 84 participants.

C. Organization Committee

i] I.R.S. Tax Exemption Application Status. Alan Fox, Secretary, provided a status report on the progress of the consortium's Sec. 501(c)(3) tax-exempt status application with the Internal Revenue Service. Fox reported that he had spoken with the I.R.S. earlier in the week, and had been informed that the application had been referred to a "case agent" for review in November, 2005. Fox further indicated that his follow up telephone call to the case agent's number had not been returned to date, and that the application accordingly appeared to be moving through the system, albeit at a slow pace and without any assurances as to its outcome.

ii] Membership Fees. Jim Ditch raised the subject of how to handle consortium member membership fees, which subject had been one of several principal focuses of recent Organization Committee meetings and which Ditch characterized as being one of the primary issues before the Board and consortium. Ditch briefly reviewed the history of the consortium's efforts to raise funding through imposition of membership fees, which he said were originally based arbitrarily on the number of buses in the transit agencies' fleets, and \$500 per college. He then raised several questions for Board consideration, including a) whether there is a need for such fees, given the possibility of future congressional appropriations; b) whether the consortium should consider vendor sponsorships; c) whether the concept of an initiation fee for new members makes sense; d) whether differing classes of membership make sense; e) whether the consortium should consider selling its developed training as a source of revenue; f) whether annual fees to other trade associations such as CTA and APTA are comparable in value and return; and g) whether further efforts should be made to present a proposal to the Board for the future. He generally characterized the subject as currently presenting more issues than answers, and commented that the consortium is currently spending between \$80,000-\$100,000 per year, the revenue sources for which expenditures are limited.

Ditch strongly cautioned the Board that membership fees from MTA and certain colleges cannot alone carry the financial burdens of the consortium going forward, and that, although no members have been eliminated from the consortium to date for failure to pay such fees, the financial future of the consortium is by no means

assured at this point and the Board must resolve how to structure such potential revenue sources to accommodate members' resources. Ditch requested, and Milo Victoria emphasized the need for, comments and suggestions from everyone before the next Board meeting on May 11th on this crucial subject.

Tom Barrio supported the concept of developing a proposed membership fee formula, emphasized the value Montebello Transit sees in the consortium and its objectives, and reiterated the commitment of Montebello Transit to the consortium. Chair Milo Victoria concluded the discussion by requesting that the Board have something by way of a recommendation on which it can take action by the time of the next Board meeting on May 11th.

VI. New Business

A. ITS America Annual Conference

Dave Stumpo announced that ITS America has an annual meeting and conference, at which, for this year's meeting scheduled for May 8th in Philadelphia, the subject of the consortium is on the agenda. Stumpo indicated that he has been invited to attend the meeting, and to speak on the subject of the consortium in connection with a planned professional capacity building panel, and he accordingly suggested that he be authorized to travel to and participate on behalf of the consortium at the meeting. He requested that he be reimbursed for his travel expenses, but suggested that he not bill the consortium for his travel or participation time. He estimated his total costs at approximately \$1,000. The Board so approved his suggestion and request.

B. Management Conference and Approach.

Dave Stumpo and Zhen Zi Fang left the room, in order to allow the Board to discuss in confidence a possible renewal of the management agreement with APTREX Institute. Jim Ditch outlined the background of the current arrangements with APTREX. Ditch reported that the previous management agreement expired in December, 2005, and that the consortium has since that time necessarily been operating with APTREX on a month-to-month basis.

Jim Ditch described the financial terms of APTREX's current proposal, which is based on an estimated 60 hours per month of work for the consortium. Cal Macy inquired whether there is a need for that amount of work on behalf of the consortium, and discussion ensued concerning the current work being done by APTREX for the consortium, its coordination among the committees, its leadership behind the work of the Planning and Curriculum Committees, and the general anticipated requirements of the consortium over the next several months. Jim Ditch commented that the real issue at stake in renewing the management agreement is that there are not sufficient monies in membership fees alone to cover the anticipated expenses and cost of the management agreement indefinitely. Questions arose whether a management agreement extension for six months only would be prudent in light of current consortium resources, and Chair

Victoria questioned the relative certainty of the consortium's receipt of the earmarked congressional appropriations. Cal Macy pointed out that the congressional earmark and the revenues from the ITS America contract are the only short term, anticipatable funds coming to the consortium, and Dana Lee added that the congressional appropriations earmark does not provide for pre-award authority, meaning that payment for management contract costs cannot necessarily be paid out of anticipated earmark revenues which have not to date been fully and finally approved.

Jim Ditch recommended that the consortium enter into a six-month contract with APTREX which is cancelable on 30 days notice. Milo Victoria and Cal Macy both discussed other short-term alternatives to the existing proposal. After further discussion, it was agreed that the consortium would continue with APTREX on a short-term, month-to-month basis on the current terms until additional funds are secured, either through ITS America or the congressional appropriations earmark, at which time the Board will consider the formalization of a long term agreement with APTREX.

B. Miscellaneous

It was suggested, with enthusiastic response, that the consortium should aggressively pursue possible presentations on its behalf at industry conferences such as the upcoming APTA Conference. A similar opportunity was mentioned in the form of the CTA Annual Conference, which is currently scheduled to be held in Long Beach in November.

Ralph Merced commented in connection with future opportunities for the consortium to present its messages and practices that numerous sponsorships will become available, and that large vendors among others may be potentially interested in the consortium.

The group briefly discussed the consortium's current tax filings responsibilities. Chair Victoria stated that he would review such ongoing responsibilities with Roberta McNeil and Dave Stumpo.

The meeting adjourned at approximately 1:45 p.m.

Respectfully submitted,

Alan L. Fox, Secretary