

## **Measure Q Oversight Committee AGENDA**

**Group:** Measure Q Oversight Committee

**Members:** Crosby, Lopez, Merritt, Mucha, Wessendorf, Williams

**Date:** March 11, 2016

**Time:** 3:00 p.m.

**Place:** Monterey-Salinas Transit, 1 Ryan Ranch Rd., Monterey, CA 93940

**1. Call to Order.**

**2. Public Comment on Matters Not on the Agenda.**

*Members of the public may address the Committee on any matter related to the jurisdiction of the Committee but not on the agenda. There is a time limit of not more than three minutes for each speaker. The Committee will not take action or respond immediately to any public comments presented, but may choose to follow-up at a later time, either individually, through staff, or on a subsequent agenda.*

**3. Announcements.**

3-1. Committee member and staff introductions. (Hunter Harvath)

**4. Consent Agenda.**

4-1. Approve and recommend July 6, 2015 minutes to the MST board.  
(Deanna Smith) (Pg. 3)

**5. New Business.**

5-1. Conduct election of officers. (Hunter Harvath) (Pg. 7)

5-2. Establish committee member terms of office. (Hunter Harvath) (Pg. 9)

5-3. Review MST operating and capital expenses from the FY 2015 comprehensive annual financial report and audit. (Hunter Harvath) (Pg. 11)

**6. Staff and Committee Member Comments or Questions.**

6-1. Form 700, AB 1234, and Data Form request. (Anita Flanagan)

**7. Adjourn.**

*Materials related to an item on this agenda submitted to the Board after distribution of the agenda packet are available for public inspection at the Monterey-Salinas Transit Administration office at One Ryan Ranch Road, Monterey, CA, during normal business hours.*

*Upon request, MST will provide written agenda materials in appropriate alternative formats, or disability-related modification or accommodation, including auxiliary aids or services, to enable individuals with disabilities to participate in public meetings. Please send a written request, including your name, mailing address, phone number and brief description of the requested materials and preferred alternative format or auxiliary aid or service at least three days before the meeting. Requests should be sent to Deanna Smith, MST, One Ryan Ranch Road, Monterey, CA 93940 or [clerk@mst.org](mailto:clerk@mst.org).*

**Measure Q Oversight Committee**  
Monterey Bay Unified Air Pollution Control District  
24580 Silver Cloud Ct., Monterey

**Minutes**

July 6, 2015  
10:30 a.m.

**Present:** Members: Susan Kleber, Juan Pablo Lopez, Kathy Merritt, Harry Mucha, Kazuko Wessendorf, Sid Williams

**Absent:** John Hart

**Staff:** Hunter Harvath, Asst. GM of Finance and Administration; Dave Laredo, General Counsel; Deanna Smith, Executive Asst./Clerk to the Board

**Public:** Michael D. Laredo, Associate Attorney at De Lay & Laredo

**1. Call to Order.**

**2. Public Comment on Matters Not on the Agenda.**

No public comment.

**3. Introductions of Committee Members and Staff.**

*3-1. Assistant General Manager of Finance & Administration, Hunter Harvath, will lead committee member and staff introductions.*

MST staff and members of the committee introduced themselves and expressed their expectations for serving on the committee.

**4. Presentation of Bylaws**

*4-1. Measure Q Oversight Committee (MQC) Bylaws as adopted by the MST Board of Directors on March 2, 2015.*

Hunter Harvath directed members to the Measure Q Oversight Committee (MQC) Bylaws, which will serve as the primary document of reference for the rest of the meeting. He stated that the committee will meet approximately twice per year, typically near the beginning of the fiscal year (July) to review the Measure Q (MQ)-funded

portions of the MST capital and operating budget, and again at the middle of the fiscal year (January or February) to review the MQ annual audit.

**5. Review of Committee Purpose, Scope of Responsibilities, Membership and Composition, and Expenditure Plan.**

*5-1. Review of the Preamble, and Sections 1, 2, and 3 of the MQC Bylaws.*

Mr. Harvath reviewed Sections 1-3 of the Bylaws and provided a summary of what were considered allowable expenses under the MQ Expenditure Plan, as detailed in Ordinance 2015-01 establishing the MQ sales and use tax.

**6. Elect Officers and Establish Committee Member Terms of Service.**

*6-1. Review of Sections 4 and 5 of the MQC Bylaws.*

*6-2. Conduct Election of Officers.*

**Kathy Merritt nominated Susan Kleber to serve as the Chairperson of the MQC and the committee expressed their support for the nomination.**

Public Comment – none.

**Ms. Merritt made a motion to close the nomination and was seconded by Mr. Williams. The election of Susan Kleber as Chairperson of the MQC passed unanimously.**

Chairperson Kleber requested nominations for the position of Vice-Chair of the MQC.

**Kazuko Wessendorf nominated Sid Williams to serve as Vice-Chair of the MQC and the committee expressed their support for the nomination.**

Public Comment – none.

**Harry Mucha made a motion to close the nomination and was seconded by Ms. Merritt. The election of Sid Williams as Vice-Chair of the MQC passed unanimously.**

**7. Measure Q-eligible Operating and Capital Expenses.**

*7-1 Review MST Operating and Capital Expenses that are eligible for Measure Q designation.*

Mr. Harvath reviewed a handout listing and describing typical MQ eligible expenses per the MQ Expenditure Plan and answered questions related each item.

Mr. Williams asked how much revenue MQ was expected to generate. Mr. Harvath stated that MST staff expects to receive approximately \$6.5 million per year,

enough to maintain and enhance current services to seniors, persons with disabilities, and veterans.

Mr. Mucha is interested in travel training to learn more about MST's mobility services.

Ms. Merritt requested MST brochures and pamphlets for placement at senior centers in South County.

## **8. Review Committee Procedures.**

*8-1. Review of Section 6-1 through 6-10 of the MQC Bylaws and schedule committee meetings for FY 2016.*

The committee discussed possible locations for future MQC meetings. Mr. Harvath stated that committee member terms would be established at the next meeting and will be staggered so only two to three members' would expire each year. Committee members may serve on the committee as long as they like.

*8-2. Review Section 6-11 of the MQC Bylaws regarding Conflict of Interest Requirements.*

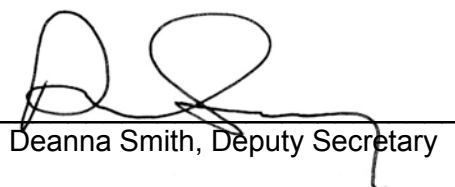
Mr. Laredo explained the requirement for each member to submit a Form 700 Statement of Economic Interests and take an ethics course (AB 1234) per the MQC Bylaws.

## **9. Staff and Committee Member Comments or Questions.**

## **10. Adjourn.**

There being no further business, Chairperson Kleber adjourned the meeting at 11:45 a.m.

Prepared by:



Deanna Smith, Deputy Secretary

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To: Board of Directors  
From: Hunter Harvath, Asst. General Manager, Finance and Administration  
Subject: Conduct Election of Officers

**RECOMMENDATION:**

Conduct election of officers to appoint a Chairperson to the Measure Q Oversight Committee.

**FISCAL IMPACT:**

None.

**POLICY IMPLICATIONS:**

The Measure Q Oversight Committee bylaws require that your committee conduct an annual election of officers to include a chairperson and vice-chairperson.

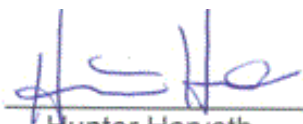
**DISCUSSION:**

The Measure Q bylaws state:

“During the first meeting of the fiscal year, the Committee shall elect a Chair and Vice-Chair to serve for a one (1) year term. The Chair shall preside at all meetings of the Committee.

The Vice-Chair shall perform the duties of the Chair in his or her absence. If both officers are absent, the majority of the quorum may appoint a presiding officer for that meeting. Upon resignation of an officer, a special election of the Officers shall be held.”

Your committee met on July 6, 2015, and appointed Susan Kleber as chairperson and Sid Williams as vice-chairperson for FY 2016. Since that time, Ms. Kleber has resigned her membership on the committee. In that regard, a new chairperson must be elected in order to complete the one-year term of Ms. Kleber.

PREPARED BY:   
Hunter Harvath

REVIEWED BY:   
Carl G. Sedoryk

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To: Board of Directors  
From: Hunter Harvath, Asst. General Manager, Finance and Administration  
Subject: Establish committee member terms of office

**RECOMMENDATION:**

Establish committee member terms of office.

**FISCAL IMPACT:**

None.

**POLICY IMPLICATIONS:**

The Measure Q Oversight Committee bylaws require that your committee establish term limits.

**DISCUSSION:**

In 3-4. Term Limits, the Measure Q bylaws state:

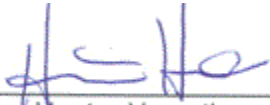
“The MST Board of Directors shall set a term of service at three (3) years. Terms shall be staggered so that, insofar as possible, one-third of appointments shall expire each year. Members shall be eligible for reappointment.”

Original committee members were appointed by the MST board of directors at the regular meeting of April 13, 2015. On August 14, 2015, Laurie Crosby was appointed on to serve the remaining term of Mr. John Hart as a representative from the Mobility Advisory Committee (MAC).

At your committee meeting of July 6, 2015, staff stated that terms of office would be established at the next meeting. To that end, staff recommends a random drawing of one, two and three-year terms by members of the committee to establish the duration of their first terms of service. Staff will come to the March 11<sup>th</sup> meeting of your committee with slips of paper marked with 1, 2 and 3 so that members can randomly pick their first-term durations. Subsequent terms will be three years no matter what number is selected for a member's first term.

**Measure Q Oversight Committee Terms of Office**

Category	Name	Position	Appointed	Term	Expiration
Salinas Urbanized	Juan Pablo Lopez	Member	4/13/15		
Seaside-Marina-Monterey Urbanized	Sid Williams	Vice-Chairperson	4/13/15		
Non-urbanized	Vacant		4/13/15		
County of Monterey Unincorporated	Kathy Merritt	Member	4/13/15		
Taxpayer's Association	Harry Mucha	Member	4/13/15		
MAC	Laurie Crosby	Member	9/14/15		
MAC	Kazuko Wessendorf	Member	4/13/15		

PREPARED BY:   
Hunter Harvath

REVIEWED BY:   
Carl G. Sedoryk

To: Measure Q Oversight Committee

From: Hunter Harvath, Assistant General Manager of Finance & Administration

Subject: Receive FY 2015 Comprehensive Annual Financial Report (CAFR)

**RECOMMENDATION:**

1. Receive the agency's FY 2015 Comprehensive Annual Financial Report (Attachment 1), which contains information regarding Measure Q-funded revenues & expenses.
2. Provide an opinion to the MST Board of Directors that Measure Q funds were spent on eligible expenses during FY 2015.

**FISCAL IMPACT:**

For FY 2015, a total of \$1,980,969 in Measure Q sales tax revenues were received. After Measure Q was approved by voters in November 2014, these funds began to be collected April 1, 2015, and represent one quarter of a fiscal year of revenue.

**POLICY IMPLICATIONS:**

As a part of the Measure Q ballot measure, an oversight committee was established to review those expenditures that have been funded through this sales tax. This committee is charged with reporting to the MST Board of Directors that these funds have been expended on programs and services that benefit seniors, veterans and persons with disabilities. A Comprehensive Annual Financial Report is prepared each year in association with the agency's audit process, posted on the MST website, and submitted to the State of California as well as to the Government Finance Officers Association of the United States and Canada for review and evaluation. This document identifies audited sales tax revenue figures to assist your committee in its review of Measure Q expenditures.

**DISCUSSION:**

To provide transparency for the general public and local, state and federal stakeholders, MST each year prepares and posts on its website a CAFR, which can be downloaded and printed directly from the site. A primary component of this document is the annual audit, which is conducted by an outside accounting firm to attest to the state of the agency's finances. For the first time, this fiscal year's audit contains documentation of receipt of sales tax revenues generated by Measure Q. After Measure Q was approved by voters in November 2014, these funds began to be

collected on April 1, 2015, and represent one quarter of a fiscal year of revenue. In that regard, staff anticipates these revenues to total approximately four times as much for FY 2016, when those funds will be collected for an entire fiscal year, rather than just for one quarter.

For FY 2015, MST received \$1,980,969 in Measure Q sales tax revenues. As allowed by the Measure Q ballot measure, the \$338,054 cost of holding the Measure Q election by the Monterey County Elections Department is an eligible expense. In addition, state Board of Equalization fees to collect and disburse Measure Q funds on behalf of MST totaled \$90,686 for the 4<sup>th</sup> Quarter of FY 2015. After this \$428,740 in fees, most of the remaining \$1,552,229 in Measure Q funds were spent during the 4<sup>th</sup> Quarter of FY 2015 on the following major expenditures:

\$769,270	MST RIDES Program Activities
\$130,555	Senior Shuttles (Lines 91, 92, 94 & 95)
\$124,106	Senior Taxi Vouchers
\$96,925	Salaries & Benefits – Mobility Management Staff
\$22,935	Building Rents (Mobility Management Center, Bus Stop Shop, Alliance on Aging – Salinas)
\$16,330	Materials & Supplies (including fuel for senior shuttles, printing)
\$349	<u>Subscriptions – Mobility Management</u>
\$1,160,470	Subtotal Major Expenditures

After these expenditures, the remaining \$391,759 in Measure Q revenues were allocated to MST's fixed-route operations to support bus services that partially benefit seniors, veterans and persons with disabilities. In MST's most recent fixed-route passenger survey (Attachment 2), 7.4% of respondents stated that they were seniors. As such, 7.4% of MST's expenses on traditional fixed-route transit services can be attributed to serving seniors and are, thus, eligible for Measure Q funds. Given MST's fixed-route annual budget of over \$30,000,000, up to approximately \$550,000 per quarter can be attributed to serving seniors on fixed-route buses. The remaining \$391,759 in 4<sup>th</sup> Quarter Measure Q revenues falls well within that \$550,000 threshold of eligible expenses benefitting seniors. As such, these funds were allocated among the various expenses that MST incurred in the 4<sup>th</sup> Quarter of FY 2015 to provide fixed-route bus transportation throughout the community.

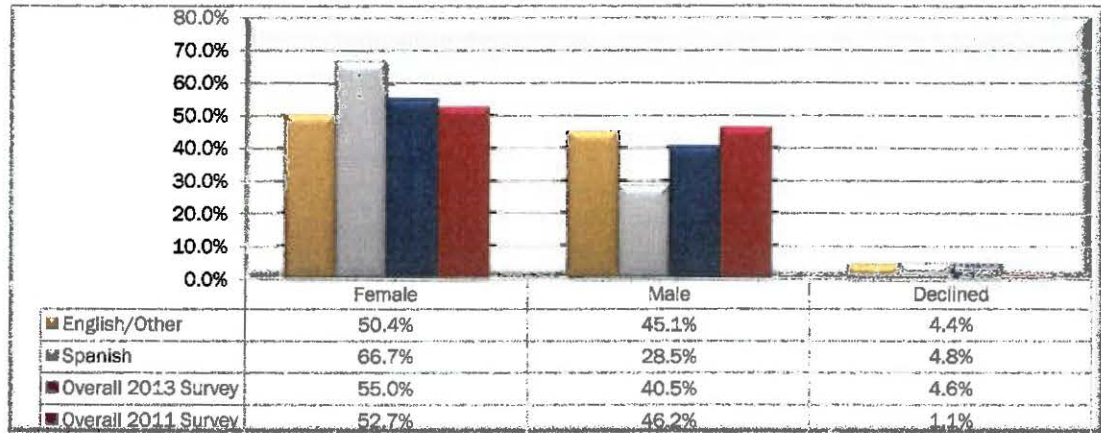
Attachment 1: MST FY 2015 Comprehensive Annual Financial Report

Attachment 2: MST 2013 Onboard Passenger Survey Report – page 8

PREPARED BY:   
Hunter Harvath

REVIEWED BY:   
Carl G. Sedoryk

Figure 2: Respondent Gender by Primary Language Spoken at Home



## AGE OF RESPONDENTS

Respondents were grouped by seven (7) age brackets:

1. 17 years or under
2. 18 – 24 years old
3. 25 – 34 years old
4. 35 – 44 years old
5. 45 – 54 years old
6. 55 – 64 years old
7. 65 years old and over

The median age is 31.2 years, slightly younger than the median age for Monterey County of 32.9. The difference is due to the high percentage of respondents in the 18 to 24 age category. The average age has increased since the 2011 survey, when the median age was 27.7. Overall, respondents aged 34 or under accounted for 56.6% of all riders. Slightly less than one-third (29.3 %) of respondents stated that their age fell within the range of 18 to 24 years. Riders between the ages of 25 and 34 accounted for the next largest segments of respondents with 17.5%.

Riders 65 years or older accounted for the smallest segment of respondents, just 7.4% of the respondents; however, the percentage has increased from the prior survey.

However, the ages of Spanish-speaking respondents (respondents who indicated Spanish or Spanish and English as the primary language spoken at home) skewed slightly younger, with fewer respondents 55 years or older. For Spanish-speaking respondents, 10.1% indicated an age range of 55 years or older, while 19.9% of English/Other indicated an age range of 55 years or older.

Prepared for

Monterey-Salinas Transit  
Measure Q Oversight Committee 3/11/2016

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