

BOARD OF DIRECTORS
REGULAR MEETING
MONTEREY-SALINAS TRANSIT
March 19, 2007

1. CALL TO ORDER

Chairman Armenta called the meeting to order at 10:00 a.m. in the Monterey-Salinas Transit Conference Room.

Present:	Michael Cunningham	City of Carmel-By-The-Sea
	Kristin Clark	City of Del Rey Oaks
	Libby Downey	City of Monterey
	Vicki Stilwell	City of Pacific Grove
	Robert Russell	City of Salinas
	Thomas Mancini	City of Seaside
	Fernando Armenta	County of Monterey
	Lisa Senkir	City of Gonzales (Ex-Officio)
Absent:	Gary Wilmot	City of Marina
Staff:	Carl Sedoryk	General Manager/CEO
	Lyn Owens	Director of Human Resources
	Hunter Harvath	Director of Administration
	Michael Hernandez	Chief Operating Officer
	Sonia Bannister	Office Administrator
	Mary Archer	Planner
	William Morris	Contract Transportation Manager
	Dave Sobotka	Controller
	Tonja Posey	Human Resource Supervisor
	Carl Wulf	Facilities/Capital Projects Manager
	Drew Salzborn	Marketing/Planning Intern
Others:	Dave Laredo	DeLay & Laredo
	Paul Lopez	Facilities Technician
	Jim Fink	Salinas resident
	Herbert Higginbotham	Connetics
	Lance Atencio	MV Transportation

Apology is made for any misspelling of a name.

Chairman Armenta welcomed Director Lisa Senkir as the new ex-officio representative for the City of Gonzales.

2-2. – 2-10. CONSENT AGENDA

The consent agenda items consisted of the following:

- 2-2. Adopt Resolution 2007-16 recognizing Paul Lopez, Facilities Technician, as Employee of the Month for March 2007.
- 2-3. Disposal of property left aboard buses.
- 2-4. Minutes of the regular meeting of February 12, 2007.
- 2-5. Financial Report – February 2007.
- 2-6. Approve capital budget transfers: FY 2005.
- 2-7. Approve mid-year budget transfers for FY 2007.
- 2-8. Schedule public hearings for federally funded Program of Projects.
- 2-9. Rejection of claim
- 2-10. Disposal of accountable property.

Director Mancini moved to approve the items on the consent agenda. Director Downey seconded and the motion carried with Director Russell abstaining on the minutes.

3. SPECIAL PRESENTATIONS

Michael Hernandez, Chief Operating Officer, introduced Paul Lopez, Facilities Technician, as MST Employee of the Month for March 2007. Paul has provided excellent support during a major service change within the Monterey Peninsula area, consisting of 322 different sign changes. With his vast knowledge of the routes, he was able to complete the task in a timely manner. Paul's increasing technical skills and willingness to accept additional responsibilities are instrumental to the operational success of all support equipment.

4. PUBLIC COMMENTS

Jim Fink, Salinas resident, again asked about the status of service to San Luis Obispo County. He would also like to have service to Fort Hunter Liggett and the Mission San Antonio similar to the line 22.

5-1. MST RIDES ADVISORY COMMITTEE MINUTES

The Board accepted and filed the MST RIDES Advisory Committee Minutes – January 17, 2007.

5-2. MST LOCAL TRANSPORTATION AD-HOC COMMITTEE MINUTES

The Board accepted and filed the MST Local Transportation Ad-Hoc Committee Minutes – February 20, 2007.

5-3. MST LEGISLATIVE COMMITTEE MINUTES

The Board accepted and filed the MST Legislative Committee Minutes – February 28, 2007.

6-1. ULTRA LOW SULFUR DIESEL FUEL AND UNLEADED GASOLINE CONTRACT

Mr. Hernandez, Chief Operating Officer, reported that MST's fuel contractor has requested a price relief from the contract due to the volatility of fuel prices. MST uses more than 600,000 gallons of diesel per year and declined to renegotiate the pricing terms, as the new terms could potentially increase fuel costs by up to \$3,000 per week.

Director Mancini moved to: 1) Award a two-year contract to Falcon Fuels, Incorporated, to furnish Ultra Low Sulfur Diesel Fuel (ULSDF) and Unleaded Gasoline; and 2) Authorize staff to extend the contract for up to three one-year extensions under the same terms, conditions and prices provided the supplier has provided satisfactory service. Director Clark seconded and the motion carried unanimously.

6-2. HYBRID VEHICLES CONTRACT

Mr. Hernandez, Chief Operating Officer, reported that MST's vehicle replacement guidelines call for keeping non-revenue vehicles (sedans, vans, light/medium duty trucks and SUVs) in service for seven years with a minimum of 125,000 miles; provided operating the vehicles is cost effective. This procurement will replace one 1997 Ford Contour sedan and three 1999 Cherokee Jeeps. The Contour is an Admin support vehicle and Supervisors use the Jeeps for operations field support.

In effort to reduce fuel consumption and vehicle emissions, hybrid vehicles will become part of MST's non-revenue vehicle replacement plan. Fuel economy for the hybrid vehicles for City/Highway driving is rated as follows: sedans 49/51 and SUVs at 32/29. Based on the cost per gallon of fuel during the past 12 months, and using conservative fuel economy estimates (39mpg for the sedans and 28mpg for the SUV), these four hybrid vehicles will save MST an estimated \$35,200 in total fuel costs over their 125,000-mile life, when compared to the fuel economy of the current vehicles. Additionally, to help reduce repair costs, a 7 year, 100,000 mile extended warranty plan

is included in the price. Reduced maintenance costs combined with fuel savings will result in a positive return to MST over the life of the vehicles.

Director Downey moved to: 1) Award a \$50,854.95 contract to Sam Linder Honda for the purchase of two hybrid sedans; and 2) Award a \$55,679.92 contract to Serramonte Ford for the purchase of two hybrid Sport Utility Vehicles. Director Stilwell seconded and the motion carried unanimously.

7. PUBLIC HEARINGS

None.

8. UNFINISHED BUSINESS

None.

9-1. CONTINGENCY BUDGET FOR MARINA TRANSIT EXCHANGE

Mr. Hernandez reported that at the December 11, 2006 meeting the Board awarded a \$2,636,008 contract to DMC Construction for the construction of the Marina Transit Exchange. Additionally, MST has already spent approximately \$67,400 in City/utility fees, permits and for other special inspections, which are not part of the contract with DMC. The DMC contract amount does not include a contingency for changes to the project, or address other unknown project costs. FTA procurement guidelines call for a 10% contingency for construction projects.

Director Downey moved to: 1) Authorize a contingency budget in the amount of \$263,600 for the Marina Transit Exchange construction project; and 2) Authorize staff spending authority for the appropriate City/utility fees, permits and speciation inspections related to the project. Director Cunningham seconded and the motion carried unanimously.

9-2. MST TRANSIT FARE STRUCTURE ANALYSIS

Mr. Harvath, Director of Administration, reported that MST has engaged Connetics, Inc., to analyze its current fare/zone structure, which is currently comprised of six zones and five overlap zones. Currently, MST fares are calculated according to how many zones a customer travels in on their trip. On a one-way trip, \$2 (\$1 for discount) is charged for each zone. An additional 25-cent (10-cent discount) transfer is required if more than one bus is utilized to complete the trip. This confusing fare and zone structure is seen as a barrier to increasing ridership. In addition, reduced pricing for shorter trips could also attract new customers to MST buses.

The Board received a presentation from Connetics, Inc. on the MST Transit Fare Structure Analysis recommending a new fare strategy and zone structure that would increase ridership; achieve trip-length equity; achieve socioeconomic equity; maintain

farebox recovery ratio of 25-30%; improve passenger loading efficiency and fare collection; ease customer understanding and usage; and reduce driver-passenger conflict.

Alternative 1 is trip based. This fee structure retains the existing zone structure for the 50-series trips only (\$2.75/first zone, then \$2 zone); premium routes include 20-series; no charge for transfers; introduces rolling 7-day and 30-day passes; 10% discount on 10-packs of standard tickets, premium tickets, and daypasses; and children under 46" tall ride free (up to three per paying adult).

Alternative 1A removes peak differential of Alternative 1 in favor of simpler fare structure; retains existing zone structure for 50-series only (\$2.50/first zone, then \$2/zone); premium route include 20-series; no charge for transfers; introduces rolling 7-day and 30-day passes; 10% discount on 10-packs of standard tickets, premium tickets, and daypasses; and children under 46" tall ride free (up to three per paying adult).

Alternative 2 is distance based. This retains existing fare and structure except transfers are eliminated; and it equilibrates fare per zone to maintain existing fare revenue projections. Most trips would have reduced fare and achieves moderate trip-length equity. However, this alternative does not solve zone fare collection issues.

Alternative 3 is time-based. This alternative retains the existing zone structure for 50-series only (\$2.50/first zone, then \$2/zone); 30-minute pass not valid on 20-series; introduces rolling 7-day and 30-day passes; 10% discount on 10-packs of standard tickets, premium tickets, and daypasses; and children under 46" tall ride free (up to three per paying adult). This would be in conjunction with Smart Cards. The passenger pays for the amount of time on the bus. Most short trips have reduced fares and is easy to use. However, it requires initial adjustment for passengers, especially those who transfer; and with current fareboxes, it increases boarding time and operator input.

Mr. Fink commented that VTA offers an express pass and a regular/local pass. They also have different signs for the different passes. AC Transit is a good example for a bus system that has eliminated fare zones. VTA and Samtrans do not have transfers. Sacramento has peak and offpeak fare structure. He would also like to see Light Rail on the Monterey Peninsula. He wishes MST would follow San Francisco Muni's policy of collecting fares while the bus is in motion.

It was the consensus of the Board to pursue Alternative 1A for the present and eventually move to Alternative 3.

10-1. – 10-9. REPORTS & INFORMATION ITEMS

The reports consisted of the General Manager/CEO Report; TAMC Highlights – February 28, 2007; Washington D. C. Lobbyist Report – March 6, 2007; Sacramento Lobbyist report – March 1, 2007; Letter from Federal Transit Administration regarding participation on FTA's Charter Bus Negotiated Rulemaking Advisory Committee; Frank

J. Lichtanski scholarship recipients; Quarterly Performance Results report – 2nd Quarter FY 2007; Letter opposing public transportation funding cuts in the Governor's proposed 2007-08 budget; and staff trip reports.

Mr. Sedoryk reported that ridership continues to grow.

11. COMMENTS BY BOARD MEMBERS

Directors Clark and Downey gave a brief report on the APTA Legislative Conference in Washington, DC. Overall, public transit ridership is up in the nation.

12. ANNOUNCEMENTS

Drew Salzborne, Marketing/Planning Intern was introduced to the Board.

13. ADJOURNMENT

There being no further business, Chairman Armenta adjourned the meeting at 11:57 a.m.

PREPARED BY: 
Sonia AR Bannister