



**MONTEREY-SALINAS TRANSIT DISTRICT
BOARD ADMINISTRATIVE PERFORMANCE COMMITTEE
MEETING AGENDA AND NOTICE**

Date: May 9, 2022
Time: 9:00 AM Pacific Time (US and Canada)
Location: In-Person and Zoom Conference

Due to the expiration of certain directives contained in the Governor's Declaration of Emergency for the State of California (Executive Order N-29-20), the Board of Directors of the Monterey-Salinas Transit District will hold meetings in-person and via Zoom virtual meeting as indicated below:

In-Person Participation:

The Board Administrative Performance Committee in-person meeting will be held on May 9, 2022 at 9:00 AM at 19 Upper Ragsdale Drive, Suite 100. *Members of the public are required to wear a face covering and will be socially distanced in the Board room.*

OR

Zoom Participation:

The Board Administrative Performance Committee Zoom virtual meeting will be held on May 9, 2022 at 9:00 AM via Zoom video/teleconference, click <https://us06web.zoom.us/j/84500836234?pwd=aFQ0YUdjZ3Y0eW94WmtRZ1Myc0Vldz09> and enter the following:

Meeting ID: 845 0083 6234 and Passcode: 652252.

By telephone: (669) 900-6833 same Meeting ID: 845 0083 6234 and Passcode: 652252.

Public comments may be made either in person, via Zoom, or via email. Members of the public may attend the Board Meeting in person and request to speak to the Board when the Chair calls for public comment. Persons who wish to make public comment on an agenda item are encouraged to submit comments in writing by email to MST at clerk@mst.org by 3:00 PM on Friday, May 6, 2022; those comments will be distributed to the MST Board of Directors before the meeting. Written comments may be emailed to clerk@mst.com, and should include the subject line: "Public Comment Item # (insert the agenda item number relevant to your comment)."

MST Board and Committee Agendas

Accessibility, Language Assistance, and Public Comments

Materials related to an item on this agenda submitted to the Committee after distribution of the agenda packet are available for public inspection at the Monterey-Salinas Transit Administration Building at 19 Upper Ragsdale Dr., Suite 200, Monterey, CA 93940 during normal business hours.

Upon request, Monterey-Salinas Transit will provide written materials in appropriate alternative formats, including disability-related modifications or accommodations, 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, description of the requested materials, and preferred alternative format or auxiliary aid or service at least three working days prior to the meeting at the address below.

Public comments may be submitted for any item on the agenda by contacting MST:

Mail: MST, Attn: Clerk to the Board, 19 Upper Ragsdale Dr., Suite 200, Monterey, CA 93940

Website: <https://mst.org/contact-us/> • **Email:** clerk@mst.org • **Phone:** (888) 678-2871



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Group: Board Administrative Performance Committee (BAPC)

Directors:	Mike LeBarre (Chair)	City of King
	Dave Pacheco (Vice Chair)	City of Seaside
	John Gaglioti	City of Del Rey Oaks
	Yanely Martinez	City of Greenfield
	David Burnett	City of Marina
	Luis Alejo	County of Monterey
Staff:	Carl Sedoryk	General Manager/CEO
	Lisa Rheinheimer	Assistant General Manager
	Kelly Halcon	Director of HR and Risk Management
	Norman Tuitavuki	Chief Operating Officer
	Michael Kohlman	Chief Information Officer
	Michelle Overmeyer	Director of Planning and Innovation

The BAPC Committee provides policy direction to the MST Board and monitor performance in areas of Transit, ADA Paratransit and Mobility Management Service Design/Service Delivery, Capital Investment Requirements, Capital Projects, Transit Facilities/Customer Amenities, Asset Management, Labor Relations, and Safety/Security.

1. CALL TO ORDER

2. PUBLIC COMMENTS ON MATTERS NOT ON THE AGENDA

Members of the public may address the Committee on any matter related to the jurisdiction of MST 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. CONSENT AGENDA

- 3-1. Approve Minutes of the Board Administrative Performance / BAPC Committee on March 14, 2022. (Jeanette Alegar-Rocha) (Page 5)

4. ACTION ITEMS

- 4-1. Review of Administrative Performance. (Refer to MST Board Agenda Item 7-1) (Carl Sedoryk)
- 4-2. Receive State Legislative Advocacy Update. (Michelle Overmeyer)
- 4-3. Receive Federal Legislative Update. (Carl Sedoryk/Don Gilchrest)

- 4-4. Review Draft FY23 and FY24 Operating and Capital Budget Summary.
(Lisa Rheinheimer) (Page 9)

5. CLOSED SESSION

As permitted by Government Code §54957 et seq. of the State of California, the Board of Directors may adjourn to Closed Session to consider specific matters dealing with personnel and/or pending possible litigation and/or conferring with the Board's Meyers-Milias-Brown Act representative.

6. ADJOURN

NEXT SCHEDULED MEETING DATE July 11, 2022

9:00 a.m.

Dates, times and **teleconference information are subject to change.*

*Please contact MST for accurate meeting date, times and **teleconference** information or check online at <http://mst.org/about-mst/board-of-directors/board-meetings/>*

Board Administrative Performance Committee (BAPC)
In Person/Zoom Meeting

Minutes

March 14, 2022

9:00 a.m.

Present:	Mike LeBarre (Chair) David Burnett Luis Alejo Dave Pacheco (Vice Chair)	City of King City of Marina County of Monterey City of Seaside
Absent:	John Gaglioti Yanely Martinez	City of Del Rey Oaks City of Greenfield
Staff:	Carl Sedoryk Lisa Rheinheimer Norman Tuitavuki Michael Kohlman Kelly Halcon Michelle Overmeyer Jeanette Alegar-Rocha Andrea Williams Ikuyo Yoneda-Lopez Beronica Carriedo Scott Taylor Ezequiel Rebollar Lisa Cox Dave Bielsker Matthew Deal Deanna Smith	General Manager/CEO Assistant General Manager Chief Operating Officer Chief Information Officer Director of HR & Risk Management Director of Planning & Innovation Clerk to the Board General Accounting & Budget Manager Marketing & Customer Service Manager Community Relations Coordinator IT Manager IT Technician Risk and Safety Manager Transit Scheduler Grants Analyst Civil Rights Officer
Counsel:	Michael D. Laredo	Assistant Counsel, De Lay & Laredo
Public:	Don Gilchrest Douglas Thomson	Thomas Walters & Associates MV Transportation

Apology is made for any misspelling of a name.

1. **CALL TO ORDER**

Chair LeBarre called the meeting to order at 9:00 a.m. with roll call taken and a quorum was established.

2. **PUBLIC COMMENTS NOT ON THE AGENDA**

There were no public comments.

3. **CONSENT AGENDA**

3-1. Approve Minutes of the Board Administrative Performance Committee of November 15, 2021.

There were no public comments.

On a motion by Board Committee Director Alejo, seconded by Board Committee Vice Chair Pacheco and carried by the following vote, which was conducted by roll call, the Committee approved the Minutes:

AYES:	4	Alejo, Burnett, LeBarre, and Pacheco
NOES:	0	
ABSENT:	2	Gaglioti, Martinez
ABSTAIN:	0	

4. **ACTION ITEMS**

4-1. Review of Administrative Performance.

The Committee received a report from Carl Sedoryk on Board agenda item 7-1 MST Administrative Performance.

There were no public comments.

4-2. Receive Update on Federal Legislative Priorities. (Carl Sedoryk/Don Gilchrest)

The Committee received an update from Don Gilchrest on Federal Legislative Priorities.

There were no public comments.

4-3. Receive Update on State Legislative Priorities. (Carl Sedoryk/Michelle Overmeyer)

The Committee received an update from Michelle Overmeyer on State Legislative Priorities.

There were no public comments.

- 4-4. Receive Report on Governor's Proposed Budget for FY 2022/23. (Michelle Overmeyer/Carl Sedoryk)

The Committee received a report from Michelle Overmeyer on the Governor's Proposed Budget for FY2022/23.

There were no public comments.

- 4-5. Receive Draft Action Plan for FY 2022/23 and FY 2023/24. (Carl Sedoryk)

The Committee received the Draft Action Plan for FY 2022/23 and FY 2023/24 which will be included in the District's FY 2022/23 and FY 2023/24 Budget.

There were no public comments.

- 4-6. Receive MST Brand Vision. (Ikuyo Yoneda-Lopez)

The Committee received an MST Brand Vision Presentation. Carl Sedoryk shared a short commercial advertisement campaign "Unlimited Rides" video with the Committee that will air on local television stations.

There were no public comments.

5. CLOSED SESSION

None.

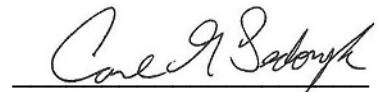
6. ADJOURN

There being no further business, Chair LeBarre adjourned the meeting at 9:47 a.m.

PREPARED BY:


Jeanette Alegar-Rocha

REVIEWED BY:


Carl G. Sedoryk

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To: Board Administrative Performance Committee

From: Lisa Rheinheimer, Assistant General Manager

Subject: Draft FY23 and FY24 Operating and Capital Budgets Summary

RECOMMENDATION:

Review Draft FY23 and FY24 Operating and Capital Budget Summary.

FISCAL IMPACT:

Staff is developing the District's 2-year budget under continued uncertainty in the economy with the pandemic, staffing shortages, Russian aggression against Ukraine, supply chain shortages, fuel increases, insurance increases, etc... Despite these many variables, the draft operating budget for FY23 is \$58,647,668, which is an increase of 12.4% over the FY22 budget of \$52,174,339. This budget includes an estimated \$11,252,028 in sales tax revenue generated by Measure Q – the 1/8-cent sales tax approved by the voters on the November 2014 ballot. The draft operating budget for FY24 is \$60,147,587.

The major sources of revenues which support MST's operating and capital budgets have been impacted by the COVID-19 global pandemic but the Federal aid packages have sustained the District's ability to deliver transit service to the community and contribute to recovery. The following considerations have been contemplated with the preparation of the draft 2-year budget and described below:

Retail sales and the associated tax revenues: Local Transportation Funds (LTF) and Measure Q will increase by approximately 2% year over year. The LTF and Measure Q revenue sources typically make up 60% of the budget.

Fare revenues from passengers: Fare revenue from passengers will continue to be suppressed, although changes to MST's transit network combined with a general lowering of fares, may increase fare revenue. With implementation of the Comprehensive Operational Analysis – Final Network Plan which focuses frequency of transit on the most used transit lines, ridership is expected to increase. Additionally, travel and conferences are expected to increase this summer with employers rehiring workers. For this 2-year budget, staff assumed that revenues from passenger fares will increase 16% over FY22 and another 4% in FY24.

Partnerships with the military, universities, and City of Monterey: Funding from these partnerships has historically been a strong contribution to the operating budget prior to the pandemic. However, demand for transit services under these partnerships is dependent on budgets. The City of Monterey contract for MST Monterey Trolley services are planned to return with operations between June 25 through Labor Day. The university and college partnerships will continue with moderate financial contributions. Additionally, the Presidio of Monterey and Naval Post Graduate School partnerships have largely discontinued, representing a significant loss in revenue. This summer a new Base Commander may take a different approach to services on the Presidio but for this budget, staff assumed that services paid for by the federal Mass Transit Benefit Program will remain low.

Federal Aid: The CARES Act provided \$25 billion in formula grants for public transit operating and capital expenditures beginning February 20, 2020. The CHRRSA Act and American Rescue Plan Act also provided funding to support the District over several years. MST's allocation of Federal Aid funding has been utilized and is not supporting the FY23 budget. Additionally, with the passage of the Infrastructure Investment Jobs Act (IIJA), MST has been allocated \$13,074,210, 47% more in traditional Federal Section 5307 funding to support operations and capital expenditures.

The fiscal impact of the COVID-19 pandemic, the war in Ukraine, and related supply chain and fuel and insurance increases are reflected in the budget assumptions with a fiscally conservative approach.

Coach operator wages and overtime are the largest expense in the operating budget. There is an increase in wages of 3% as per the Contractual Agreement between MST and the Amalgamated Transit Union – Local 1225, approved by the Board in 2019. Notably, the amount of overtime increases when there are shortages in staffing, as we are seeing today.

Fuel increases have hit the budget as well as increases in insurance, due to the pandemic.

MST's FY23 and FY24 capital budget anticipates deferring most capital expenditures not covered by grants due to the loss of revenue described above. The capital budget is therefore supported by special grant revenues. The total FY23 capital budget is \$10,561,470 of which \$722,850 is from non-grant general fund expenditures. The total FY24 capital budget is \$7,856,751 of which \$442,748 is from non-grant general fund expenditures.

Draft MST FY 23 and FY 24 Operating and Budget Summary

	FY 2022 (\$)	FY 2023 (\$)	FY22/ FY23 % Change	FY 2024 (\$)	FY23/ FY24 % Change
<u>Fixed Route Bus</u>					
<u>Operating Revenue</u>	<u>46,888,699</u>	<u>46,199,231</u>	<u>-1.5%</u>	<u>47,114,426</u>	<u>2.0%</u>
<u>Capital</u>	<u>15,191,960</u>	<u>10,097,970</u>	<u>-33.5%</u>	<u>7,761,270</u>	<u>-23.1%</u>
<u>Sub-Total</u>	<u>62,080,659</u>	<u>56,297,201</u>	<u>-9.3%</u>	<u>54,875,696</u>	<u>-2.5%</u>
<u>MST RIDES</u>					
<u>Operating Revenue</u>	<u>6,481,340</u>	<u>7,353,040</u>	<u>13.4%</u>	<u>7,227,121</u>	<u>-1.7%</u>
<u>Capital</u>	<u>45,000</u>	<u>463,500</u>	<u>930.0%</u>	<u>95,481</u>	<u>-79.4%</u>
<u>Sub-Total</u>	<u>6,526,340</u>	<u>7,816,540</u>	<u>19.8%</u>	<u>7,322,602</u>	<u>-6.3%</u>
<u>Fixed Route/RIDES Combined</u>					
<u>Operating Revenue</u>	<u>53,370,039</u>	<u>53,552,271</u>	<u>0.3%</u>	<u>54,341,547</u>	<u>1.5%</u>
<u>Capital</u>	<u>15,236,960</u>	<u>10,561,470</u>	<u>-30.7%</u>	<u>7,856,751</u>	<u>-25.6%</u>
<u>Overall Revenue Total</u>	<u>68,606,999</u>	<u>64,113,741</u>	<u>-6.5%</u>	<u>62,198,298</u>	<u>-3.0%</u>
<u>Summary</u>					
<u>Operating Revenues</u>	<u>53,370,039</u>	<u>53,552,271</u>	<u>0.3%</u>	<u>54,341,547</u>	<u>1.5%</u>
<u>Operating Expenses</u>	<u>52,174,339</u>	<u>58,647,668</u>	<u>12.4%</u>	<u>60,147,587</u>	<u>2.6%</u>
<u>Operating/Capital Reserves</u>	<u>1,195,700</u>	<u>-5,095,397</u>	<u>-526.1%</u>	<u>-5,806,040</u>	<u>13.9%</u>
<u>Cash Balance at Fiscal Year End</u>					
<u>Projected Unrestricted Cash Balance (6/30)</u>	<u>40,958,600</u>	<u>35,140,353</u>		<u>28,891,565</u>	
<u>15% Required Operating Reserve</u>	<u>7,826,151</u>	<u>8,797,150</u>		<u>9,022,138</u>	
<u>Projected Unrestricted Cash Balance (6/30) available less Reserve</u>	<u>33,132,449</u>	<u>26,343,203</u>		<u>19,869,427</u>	

POLICY IMPLICATIONS:

Each fiscal year, the Board adopts an annual operating and capital budget for MST's two service centers: Fixed Route Bus and MST RIDES (paratransit). In addition, your Board adopts a capital budget for vehicles, infrastructure, and technology expenditures which generally exceed \$1,000.

This 2-year budget supports the Board's Strategic Plan, Action Plan, 5-year Capital Improvement Program as well as the Comprehensive Operational Analysis – Final Network Plan.

Additionally, the budget accounts for the 15% reserve of operating expenses as per Board Policy.

DISCUSSION:

Over the last two years, MST has realized a surplus to budget, understanding that these reserves would be needed after the Federal Aid monies were spent. While revenues exceeded expenditures in FY22, these next 2 years will continue to be a challenge and operating/capital reserves will be needed. As was the case in FY22, staff will be closely monitoring cash flow throughout the year.

In the capital budget, MST relies heavily on grants and other restricted capital funding to support larger investments in vehicles and moving toward a Zero Emissions Bus fleet, conducting planning work for major transit investments including the SURF! Busway and Bus Rapid Transit Project and the Salinas Operations and Maintenance Facility as well as maintaining existing infrastructure and facilities in a state of good repair.

Since the Federal aid packages added an infusion of critically needed funding to continue operations, the 15% reserve policy has been accomplished. In the past, the 15% reserve has been utilized when MST's federal funds were not received until the end of the fiscal year.

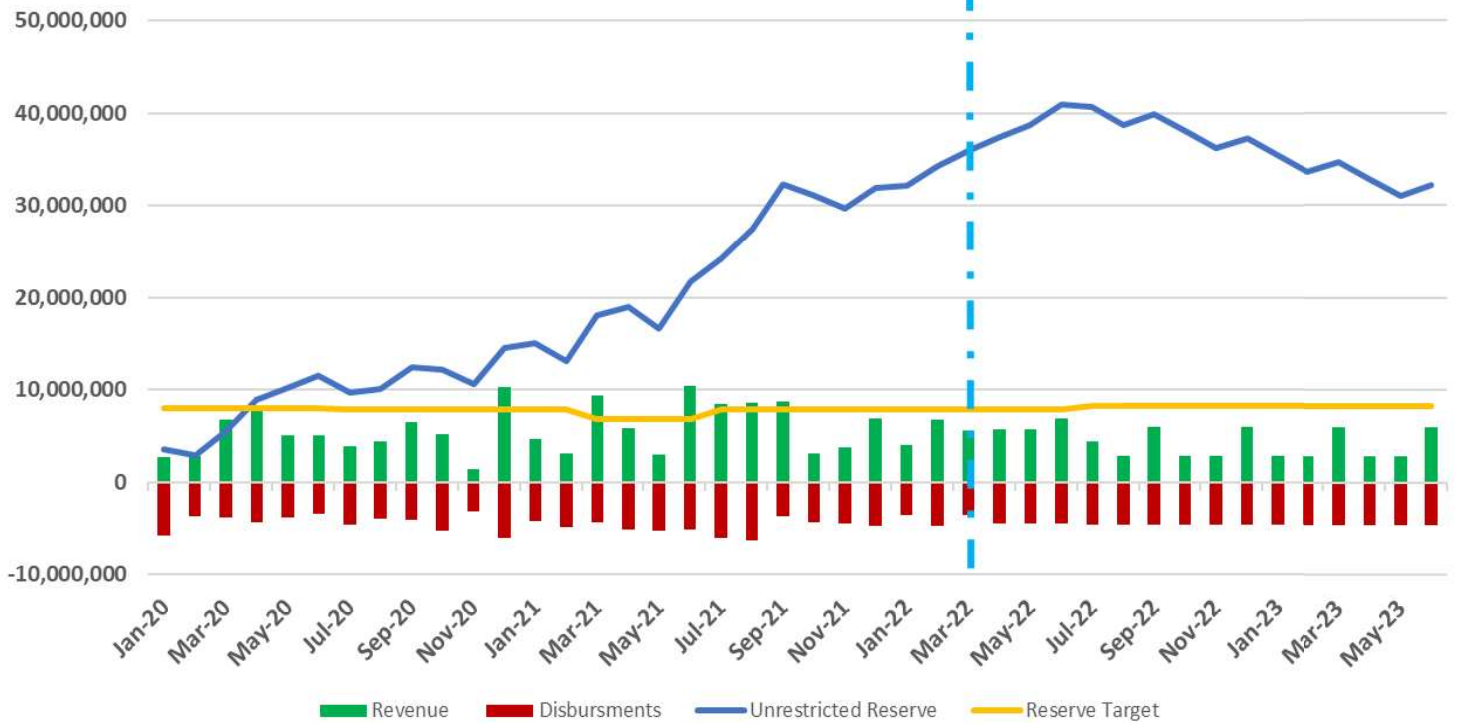
In FY 23 and FY 24, MST must rely on reserves to balance the budget. In FY 23, MST will draw on \$5.8 million in reserves to balance the budget and \$6.2 million in FY 24. Projecting out, MST has been reporting the cash balance each month as shown in the Attachment.

ATTACHMENT(S):

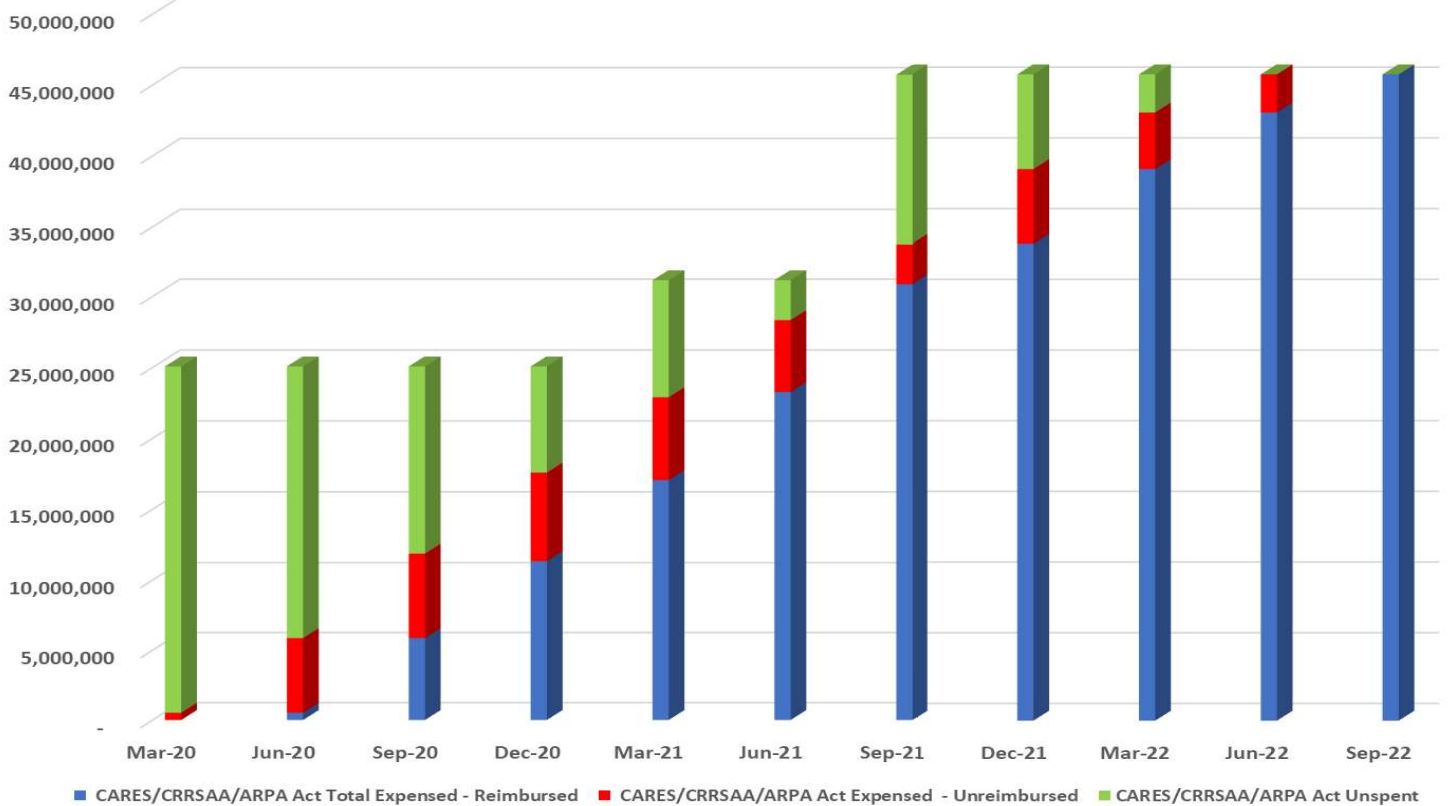
Cash Flow Projections

PREPARED BY:  REVIEWED BY: 

Cash Flow Projections Jan 2020 - June 2023



CARES/CRRSAA/ARPA Act Funds



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