MONTEREY-SALINAS TRANSIT DISTRICT
MEASURE Q OVERSIGHT COMMITTEE
MEETING AGENDA AND NOTICE

Date: April 22, 2024  
Time: 1:00 PM Pacific Time (US and Canada)  
Location: 19 Upper Ragsdale Drive, Suite 100, Monterey, CA

MST Measure Q Oversight Committee Participation:
The Measure Q Oversight Committee in-person meeting will be held on April 22, 2024, at 1:00 p.m. at 19 Upper Ragsdale Drive, Suite 100.

Committee Member Christine Winge Participation:
Location: 700 Jewell Avenue, Pacific Grove, 93950

Public Participation:
Public participation for the Measure Q Oversight Meeting is available in-person at 19 Upper Ragsdale Drive, Suite 100, as well as virtually via Zoom, telephone, and email. To participate virtually, click https://us06web.zoom.us/j/84500836234?pwd=aFQ0YUdjd3Y0eW94WmtRZ1Myc0VIdz09 and enter the following:
Meeting ID: 845 0083 6234 and Passcode: 652252.

To attend by telephone, dial (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. Warning to public speakers: MST is committed to civility and is mindful of its responsibility to protect the work environment. To assure civility in its public meetings, the public is encouraged to engage in respectful dialog that supports freedom of speech and values diversity of opinion. Failure to engage in respectful dialog will forfeit the speaker’s right to participate in Public Comment. Members of the public may attend the Committee Meeting in person and request to speak to the Committee 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, April 19, 2024; 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).”
Accessibility, Language Assistance, Public Comments – MST Board & Committee Agendas, Public Hearings, Pre-bids, Other Public Meetings

Agendas and 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. Agendas and other informational materials related to this meeting may be requested within 72 hours of the meeting date.

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/](https://mst.org/contact-us/) ● **Email:** clerk@mst.org ● **Phone:** (888) 678-2871

**TTY/TDD:** 831-393-8111 ● 711 Relay

888-678-2871 / Free language assistance / Asistencia de Lenguaje Gratuito / Libreng tulong para sa wika
The Measure Q Oversight Committee serves as an oversight committee to review and report on the revenue and expenditure of funds from the Measure Q sales tax in accordance with its expenditure plan.

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 Measure Q Oversight Committee on August 21, 2023. (Jeanette Alegar-Rocha) (Page 5)

   3-2. Receive Measure Q Oversight Committee Member Renewsals. (Lisa Rheinheimer) (Page 9)

4. **ACTION ITEMS**

   4-1. Review Measure Q Revenues and Expenses from the Annual Comprehensive Financial Report from FY 2023 and Provide a Letter to the MST Board of Directors that Measure Q Funds Were Spent on Eligible Expenses. (Lisa Rheinheimer) (Page 11)
4-2. Receive Update on Measure Q Research, Voter Polling, and Possible Renewal. (Carl Sedoryk/Lisa Rheinheimer) (Page 21)

5. CLOSED SESSION

None

6. COMMITTEE MEMBER COMMENTS AND ANNOUNCEMENTS

7. ADJOURN

NEXT SCHEDULED MEETING DATE: August 19, 2024

1:00 p.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/
Measure Q Oversight Committee (MQC)

Meeting Minutes
August 21, 2023
1:00 p.m.

Present:  
Sid Williams (Chair)  Seaside-Marina-Monterey-Urbanized
Bobby Merritt (Vice Chair)  Mobility Advisory Committee
Kevin Dayton  Taxpayers Association
Steven Macias  Mobility Advisory Committee
Christine Winge  County of Monterey Unincorporated

Remote:  
Juan Pablo Lopez (Non-Voting)  Salinas Urbanized Area

Absent:  
None

Staff:  
Carl Sedoryk  General Manager/CEO
Lisa Rheinheimer  Assistant General Manager
Kelly Halcon  Director of HR & Risk Management
Norman Tuitavuki  Chief Operating Officer
Michael Kohlman  Chief Information Officer
Jeanette Alegar-Rocha  Deputy Secretary
Andrea Williams  Finance Manager
Beronica Carriedo  C/S & Community Outreach Supervisor
Ezequiel Rebollar  IT Technician
Ikuyo Yoneda-Lopez  Marketing & Communications Manager
Kevin Allshouse  Contract Services Manager
Scott Taylor  IT Manager
Stephanie Duran  C/S Representative

Counsel:  
Michael D. Laredo  De Lay & Laredo

1. CALL TO ORDER

Chair Sid Williams called the meeting to order at 1:00 p.m. Roll call
was taken and a quorum was established.

2. PUBLIC COMMENTS ON MATTERS NOT ON THE AGENDA.

Ikuyo Yoneda-Lopez, Marketing & Communications Manager invited the
Measure Q Oversight Committee members to the MST 50th Anniversary of Service
on Friday, September 1, 2023, at the Monterey Transit Plaza.
Chair Williams asked for an email reminder with details related to the event.

Committee member Dayton asked if details would be available on social media.

Ikuyo Yoneda-Lopez confirmed that an email will be sent to the Committee and details will be available on social media.

3. CONSENT AGENDA

3-1. Approve Minutes of the Measure Q Oversight Committee on April 17, 2023. (Jeanette Alegar-Rocha)

There were no public comments on the consent agenda.

On a motion by Committee member Winge, seconded by Committee member Macias and carried by the following vote, the Committee approved the minutes of April 17, 2023.

AYES: 5 Williams, Merritt, Dayton, Macias, and Winge
NOES: 0
ABSENT: 1 Lopez
ABSTAIN: 0
RECUSE: 0

4. ACTION ITEMS

4-1. Receive Measure Q Programs Update. (Cristy Sugabo)

There were no public comments on action item 4-1.

Committee member Winge asked if the new Better Bus Network Line 96 discontinued the previous senior lines 91, 92, 93, 94, and 95. Cristy Sugabo responded that the new line 96 did not replace the senior-focused lines.

4-2. Review Measure Q FY 2024 and 2025 Budget Adopted by the MST Board of Directors. (Lisa Rheinheimer)

There were no public comments on action item 4-2.

Committee member Macias asked what represented the other Federal Funds in the amount of $1,269,00 on Attachment 1 of the FY 2024 and FY2025 Budget. Norman Tuitavuki, Chief Operating Officer responded that this represents Non-Emergency Medical Trips (NEMT).

5. CLOSED SESSION
6. COMMITTEE COMMENTS AND ANNOUNCEMENTS

6-1. Receive County of Monterey Announcement: Non-Urbanized South County City Vacancy on Measure Q Committee.

Committee member Dayton reminded the Committee that he serves on the TAMC Measure X Committee and that the Measure Q Committee should be aware of the overlap in funding applications among the agencies.

Chair Williams requested that the County of Monterey vacancy announcement in item 6-1 be emailed to him.

7. ADJOURN

There being no further business, Chair Williams adjourned the meeting at 1:28 p.m. (Pacific).

Prepared by: Jeanette Alegar-Rocha  Reviewed by: Carl G. Sedoryk
To: Board of Directors
From: Lisa Rheinheimer, Assistant General Manager
Subject: Measure Q Oversight Committee Appointments

RECOMMENDATION:

Receive Measure Q Oversight Committee member renewals.

FISCAL IMPACT:

None.

POLICY IMPLICATIONS:

Ordinance 2015-01 requires the MST Board to approve all nominations to the Measure Q Oversight Committee.

DISCUSSION:

According to Ordinance 2015-01 and MST Resolution 2015-31, membership of the Committee shall consist, at a minimum, of a representative of each of the following:

- The Salinas urbanized area, to include a representative from the City of Salinas;
- The Seaside-Marina-Monterey urbanized area, to include a representative from among the cities of Carmel-by-the-Sea, Monterey, Pacific Grove, Seaside, Del Rey Oaks, Sand City, and Marina;
- The Non-Urbanized Areas, to include a representative from among the cities of Gonzales, Greenfield, Soledad, and King City;
- The County of Monterey, to include a representative from an unincorporated area of Monterey County;
- A bona fide non-profit organization that represents the interest of taxpayers in the county; and
- The District’s existing Mobility Advisory Committee, to include two members of the Mobility Advisory Committee.
Additionally, the Bylaws of the Committee call for a staggering of member terms. The Bylaws specifically state that "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."

The MST Board re-appointed members Sid Williams and Kevin Dayton to the Measure Q Oversight Committee each with a new three-year term of office:

<table>
<thead>
<tr>
<th>REPRESENTATIVE</th>
<th>NAME</th>
<th>TERM EXPIRATION</th>
<th>NEW TERM</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Salinas Urbanized Area</td>
<td>Juan Pablo Lopez</td>
<td>3/26/2025</td>
<td></td>
</tr>
<tr>
<td>2. Seaside-Marina-Monterey Urbanized Area</td>
<td>Sid Williams, Chair</td>
<td>3/26/2024</td>
<td>3/26/27</td>
</tr>
<tr>
<td>3. Non-urbanized South County Cities</td>
<td>Sharlene Hughes</td>
<td>3/26/2025</td>
<td></td>
</tr>
<tr>
<td>4. County of Monterey Unincorporated</td>
<td>Vacant</td>
<td>3/26/2025</td>
<td></td>
</tr>
<tr>
<td>5. Taxpayer’s Association</td>
<td>Kevin Dayton</td>
<td>3/26/2024</td>
<td>3/26/27</td>
</tr>
<tr>
<td>6. Mobility Advisory Committee</td>
<td>Bobby Merritt Vice Chair</td>
<td>3/26/2026</td>
<td></td>
</tr>
<tr>
<td>7. Mobility Advisory Committee</td>
<td>Steven Macias</td>
<td>3/26/2026</td>
<td></td>
</tr>
</tbody>
</table>

There remains a vacancy in the category of County of Monterey, Unincorporated. Committee members with an eligible nomination in this category may forward the person’s name and contact information to the Clerk to the Board for consideration.

ATTACHMENT(S):

None.
To: Measure Q Oversight Committee

From: Lisa Rheinheimer, Assistant General Manager

Subject: Measure Q Financial Audit

RECOMMENDATION:

Review Measure Q revenues and expenses from the FY 2023 Annual Comprehensive Financial Report and provide a letter to the MST Board of Directors that Measure Q funds were spent on eligible expenses.

FISCAL IMPACT:

MST prepares the required Annual Comprehensive Financial Report each year with assistance from an outside auditor. These services are provided by EideBailly LLP at a cost of $43,000 for FY 2023 audit services. This amount is included in the adopted MST Budget.

POLICY IMPLICATIONS:

The Financial Report is prepared each year in association with the District’s audit process, posted on the MST website, and submitted to the state of California as well as to the Government Finance Officers Association for review and evaluation. The Report is also submitted to the Federal Audit Clearinghouse.

The Measure Q Oversight Committee Bylaws note that it is the responsibility of this Committee to review and report to the MST Board of Directors on the revenue and expenditure of funds from the voter-approved sales tax.

DISCUSSION:

Measure Q supports popular mobility programs and services by funding the following programs in FY 2023:

- **Tavel training** for individuals and groups to learn how to ride MST fixed-route buses.
- **Taxi vouchers** for seniors, persons with disabilities, and veterans.
Senior and veteran shuttles which are designed around senior and veteran transportation needs – lines 61, 91, 94, 95, and 96.

MST Navigators are volunteers who provide assistance to MST in promoting transit services and mobility programs to the public.

Special Medical Trips to San Jose and San Francisco for residents of Monterey County to access specialized medical care.

MST Transportation Reimbursement Incentive Program which provides reimbursement to individuals who rely on friends or family for transportation and who live outside of MST’s service area.

In FY 2023, these services provided 219,404 trips to meet mobility needs of veterans, seniors, and persons with disabilities.

ATTACHMENT(S):

1. Audit Letter dated March 27, 2024
2. FY 2023 Schedule of Revenues, Expenses, and Changes in Net Position by Program
3. Letter to the MST Board of Directors

Prepared by: Lisa Rheinheimer
Reviewed by: Carl G. Sedoryk

Lisa Rheinheimer
Assistant General Manager

Carl G. Sedoryk
General Manager/CEO
March 27, 2024

To the Governing Board of
Monterey-Salinas Transit
Monterey, California

We have audited the financial statements of Monterey-Salinas Transit (MST) as of and for the year ended June 30, 2023, and have issued our report thereon dated March 27, 2024. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit under Generally Accepted Auditing Standards and Government Auditing Standards and our Compliance Audit under the Uniform Guidance

As communicated in our letter dated October 23, 2023, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America and to express an opinion on whether MST complied with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on MST’s major federal program. Our audit of the financial statements and major program compliance does not relieve you or management of its respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of MST solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

Our responsibility, as prescribed by professional standards as it relates to the audit of MST major federal program compliance, is to express an opinion on the compliance for MST’s major federal program based on our audit of the types of compliance requirements referred to above. An audit of major program compliance includes consideration of internal control over compliance with the types of compliance requirements referred to above as a basis for designing audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, as a part of our major program compliance audit, we considered internal control over compliance for these purposes and not to provide any assurance on the effectiveness of MST’s internal control over compliance.
We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our comments regarding internal controls during our audit in our Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards dated March 27, 2024. We have also provided our comments regarding compliance with the types of compliance requirements referred to above and internal controls over compliance during our audit in our Independent Auditor’s Report on Compliance with the Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance dated March 27, 2024.

**Planned Scope and Timing of the Audit**

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

**Compliance with All Ethics Requirements Regarding Independence**

The engagement team, others in our firm, as appropriate, our firm, and other firms utilized in the engagement, if applicable, have complied with all relevant ethical requirements regarding independence.

**Significant Risks Identified**

As stated in our auditor’s report, professional standards require us to design our audit to provide reasonable assurance that the financial statements are free of material misstatement whether caused by fraud or error. In designing our audit procedures, professional standards require us to evaluate the financial statements and assess the risk that a material misstatement could occur. Areas that are potentially more susceptible to misstatements, and thereby require special audit considerations, are designated as “significant risks”. We have identified the following as significant risks:

- Management override of internal controls – Professional standards require auditors to address the possibility of management overriding controls. Accordingly, we identified as a significant risk that management of MST may have the ability to override controls that the organization has implemented. Management may override the organization’s controls in order to modify the financial records with the intent of manipulating the financial statements to overstate MST’s financial performance or with the intent of concealing fraudulent transactions.

- Revenue recognition - Professional standards require auditors to assess the possibility of revenue recognition as a significant risk. Accordingly, we identified revenue recognition as a significant risk that revenues may be misstated based on the volume of transactions and the significance of revenues to MST.

- Implementation of Governmental Accounting Standards Board (GASB) Statement No. 96, Subscription-Based Information Technology Arrangements, effective July 1, 2022.

**Qualitative Aspects of the Entity’s Significant Accounting Practices**

**Significant Accounting Policies**

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by MST is included in Note 2 to the financial statements. As described in Note 2, MST changed accounting policies related to accounting for right-to-use subscription assets to adopt the...
provisions of GASB Statement No. 96, Subscription-Based Information Technology Arrangements. Accordingly, the accounting change has been retrospectively applied to the financial statements beginning July 1, 2021. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

**Significant Accounting Estimates**

Accounting estimates are an integral part of the financial statements prepared by management and are based on management’s current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management’s current judgments.

The most sensitive accounting estimates affecting the financial statements are related to MST’s pension liabilities and insurance liabilities.

Management’s estimates of the pension and insurance liabilities are based on actuarial valuations performed by MST’s specialists. We evaluated the key factors and assumptions used to develop the pension and insurance liabilities and determined that they are reasonable in relation to the basic financial statements taken as a whole.

**Financial Statement Disclosures**

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting MST’s financial statements relate to the discount rate used in estimating the net pension liability.

**Significant Difficulties Encountered during the Audit**

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

**Uncorrected and Corrected Misstatements**

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. Uncorrected misstatements or matters underlying those uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even though the uncorrected misstatements are immaterial to the financial statements currently under audit. There were no uncorrected or corrected misstatements identified as a result of our audit procedures.

**Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the financial statements or the auditor’s report. No such disagreements arose during the course of the audit.
Circumstances that Affect the Form and Content of the Auditor’s Report

For purposes of this letter, professional standards require that we communicate any circumstances that affect the form and content of our auditor’s report. An emphasis of matter is included in the report regarding MST’s adoption of GASBS Statement No. 96, *Subscription-Based Information Technology Arrangements*.

Representations Requested from Management

We have requested certain written representations from management which are included in the management representation letter dated March 27, 2024.

Management’s Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with MST, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as MST’s auditors.

Other Information Included in Annual Reports

Pursuant to professional standards, our responsibility as auditors for other information, whether financial or nonfinancial, included in the MST’s annual report, does not extend beyond the financial information identified in the audit report, and we are not required to perform any procedures to corroborate such other information. However, in accordance with such standards, we have read the other information and considered whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

This report is intended solely for the information and use of the governing board and management of MST and is not intended to be, and should not be, used by anyone other than these specified parties.

Sacramento, California
## Monterey-Salinas Transit

Schedule of Revenues, Expenses, and Changes in Net Position by Program
For the Year Ended June 30, 2023

<table>
<thead>
<tr>
<th></th>
<th>Fixed route Bus Service</th>
<th>Rides</th>
<th>Sales Tax</th>
<th>Total</th>
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<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
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<tr>
<td>Fares</td>
<td>$ 3,220,661</td>
<td>$ 229,323</td>
<td>$</td>
<td>$3,449,984</td>
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<tr>
<td>Operating assistance</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales tax revenue</td>
<td>-</td>
<td>5,290,373</td>
<td>7,677,665</td>
<td>12,968,038</td>
</tr>
<tr>
<td>Federal grants</td>
<td>12,271,685</td>
<td>-</td>
<td>-</td>
<td>12,271,685</td>
</tr>
<tr>
<td>Local and state grants</td>
<td>30,586,070</td>
<td>-</td>
<td>-</td>
<td>30,586,070</td>
</tr>
<tr>
<td>Interest income</td>
<td>663,002</td>
<td>-</td>
<td>-</td>
<td>663,002</td>
</tr>
<tr>
<td>Other</td>
<td>256,926</td>
<td>-</td>
<td>-</td>
<td>256,926</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>46,998,344</strong></td>
<td><strong>5,519,696</strong></td>
<td><strong>7,677,665</strong></td>
<td><strong>60,195,705</strong></td>
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<tr>
<td><strong>Expenses</strong></td>
<td></td>
<td></td>
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<tr>
<td>Salaries and benefits</td>
<td>25,918,100</td>
<td>181,860</td>
<td>409,902</td>
<td>26,509,862</td>
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<td>Professional and technical services</td>
<td>3,519,771</td>
<td>29,576</td>
<td>3,547</td>
<td>3,552,894</td>
</tr>
<tr>
<td>Materials and supplies</td>
<td>3,900,565</td>
<td>637,649</td>
<td>182,177</td>
<td>4,720,391</td>
</tr>
<tr>
<td>Utilities</td>
<td>688,707</td>
<td>783</td>
<td>2,234</td>
<td>691,724</td>
</tr>
<tr>
<td>Insurance</td>
<td>1,608,494</td>
<td>-</td>
<td>-</td>
<td>1,608,494</td>
</tr>
<tr>
<td>Taxes</td>
<td>155,748</td>
<td>-</td>
<td>-</td>
<td>155,748</td>
</tr>
<tr>
<td>Purchased transportation</td>
<td>2,972,547</td>
<td>4,494,283</td>
<td>1,573,409</td>
<td>9,040,239</td>
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<tr>
<td>Sales tax state admin fees</td>
<td>-</td>
<td>168,911</td>
<td>258,789</td>
<td>427,700</td>
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<tr>
<td>Interest expense</td>
<td>146,292</td>
<td>-</td>
<td>9,617</td>
<td>155,909</td>
</tr>
<tr>
<td>Other</td>
<td>596,222</td>
<td>6,634</td>
<td>(114)</td>
<td>602,742</td>
</tr>
<tr>
<td>Inter-program transfers</td>
<td>(5,096,333)</td>
<td>-</td>
<td>5,096,333</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>34,410,113</strong></td>
<td><strong>5,519,696</strong></td>
<td><strong>7,535,894</strong></td>
<td><strong>47,465,703</strong></td>
</tr>
</tbody>
</table>

**Excess (Deficiency) of Revenue before Capital and Financing Items Over Expenditures**<br>12,588,231  -  141,771  =  12,730,002

**Income (Expense) from Capital and Related Financing**

<p>| | | | | |</p>
<table>
<thead>
<tr>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Gain (Loss) on disposal of assets</td>
<td>52,587</td>
<td>-</td>
<td>-</td>
<td>52,587</td>
</tr>
<tr>
<td>Capital contributions</td>
<td>9,687,312</td>
<td>-</td>
<td>-</td>
<td>9,687,312</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>(9,626,952)</td>
<td>(108,933)</td>
<td>(130,685)</td>
<td>(9,866,570)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>112,947</strong></td>
<td><strong>(108,933)</strong></td>
<td><strong>(130,685)</strong></td>
<td><strong>(126,671)</strong></td>
</tr>
</tbody>
</table>

**Change in Net Position**<br>12,701,178  (108,933)  11,086  =  12,603,331

**Net Position, Beginning of Year, Restated**<br>112,020,750  (981,575)  (5,234,678)  =  105,804,497

**Net Position, End of Year**<br>$124,721,928  $(1,090,508)  $(5,223,592)  =  $118,407,828

See Notes to Supplementary Information
April 22, 2024

Chair Anna Velazquez
MST Board of Directors
19 Upper Ragsdale Dr., Ste. 200
Monterey, CA 93940

RE: Measure Q Oversight Committee Review of Measure Q Expenditures in FY 2023

Dear Chair Velazquez:

As Chair of the Measure Q Oversight Committee, I am writing to inform the MST Board of Directors that at its meeting of April 22, 2024 the Committee unanimously voted to approve this letter.

The Committee reviewed the Annual Comprehensive Financial Report for FY 2023 which included Measure Q-eligible expenses. Without concerns raised, the Committee found that Measure Q funds were spent on eligible expenses as intended by the voters of Monterey County and in accordance with the adopted Expenditure Plan.

Respectfully submitted,

Sid Williams
Chair
Measure Q Oversight Committee
To: Measure Q Oversight Committee

From: Lisa Rheinheimer, Assistant General Manager

Subject: Measure Q Research, Voter Polling, and Possible Renewal

RECOMMENDATION:

Receive update on Measure Q research, voter polling, and possible renewal.

FISCAL IMPACT:

Since April 1, 2015, MST has collected $81.3M in Measure Q county-wide sales tax funding. During the first full year of FY2016, Measure Q revenues came in at $8.2M and in FY2023, revenues were at $12.5M.

In late February, MST hired a consulting team to help conduct research and voter polling in an amount not to exceed $122,500. This amount is included in MST’s budget.

POLICY IMPLICATIONS:

The MST Board adopted a strategic and action plan which includes conducting research and voter polling to gauge opinion about support for long-term funding for transit. Measure Q is limited to services to meet the mobility needs of veterans, seniors, and persons with disabilities. Also, the Transportation Agency for Monterey County Measure X program is limited largely to streets, roads, and highways. Only 7% is set aside for transit capital projects and programs for seniors and persons with disabilities. Monterey County lacks a voter-approved measure to support regular public transit services for all riders. Of the 58 California counties, 29 have voter support for public transportation in some form.

DISCUSSION:

Measure Q was passed by the voters in November 2014 with 72.56% in support and provides a 1/8 cent retail sales tax for MST beginning April 1, 2015. The Measure is limited to special mobility programs as stated below (emphasis added):
The Ordinance established an Expenditure Plan to ensure that Measure Q funds would be dedicated solely to services that support transportation planning, specialized equipment and operating expenses required to *meet the special mobility needs of veterans, senior citizens, and persons with disabilities*, including trips required for vital medical appointments and for veterans’ job training/placement services.

Measure Q is limited to 15 years and sunsets in 2030 unless extended. With only three (3) election cycles away, the MST Board’s action plan calls for conducting research and voter polling to gauge opinion about support for long-term funding for transit.

Without Measure Q assistance, MST’s mobility services including popular programs would be significantly limited. MST’s mobility services including the following:

- **Travel training** for individuals and groups to learn how to ride MST fixed-route buses.
- **Taxi vouchers** for seniors, persons with disabilities, and veterans.
- **Senior and veteran shuttles** which are designed around senior and veteran transportation needs – lines 61, 91, 94, 95, and 96.
- **MST Navigators** are volunteers who provide assistance to MST in promoting transit services and mobility programs to the public.
- **Special Medical Trips** to San Jose and San Francisco for residents of Monterey County to access specialized medical care.
- **MST Transportation Reimbursement Incentive Program** which provides reimbursement to individuals who rely on friends or family for transportation and who live outside of MST’s service area.

Since 2015, these MST mobility programs and services have reached tens of thousands of Monterey County veterans, seniors, and persons with disabilities, providing over 2 million trips.

**ATTACHMENT(S):**

None.

Prepared by: Lisa Rheinheimer  Reviewed by: Carl G. Sedoryk
Assistant General Manager  General Manager/CEO