



MONTEREY-SALINAS TRANSIT BOARD ADMINISTRATIVE PERFORMANCE COMMITTEE MEETING AGENDA

May 10, 2021

Time: 9:00 AM Pacific Time (US and Canada)

Governor Newsom's COVID-19 Executive Order N-25-20 allows MST to hold meetings via teleconference and to make meetings accessible electronically to protect public health. The May 10, 2021 meeting of the Board Administrative Performance Committee will be held via Zoom conference. There will be NO physical location of the meeting. The public is asked to use the Zoom app for best reception. There may only be limited opportunity to provide oral comments during the meeting. 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 7, 2021 those comments will be distributed to the legislative body before the meeting. Members of the public participating by Zoom are instructed to be on mute during the proceedings and to speak only when public comment is allowed, after requesting and receiving recognition from the Chair. Prior to the meeting, participants should download the Zoom app at:

<https://zoom.us/download> A link to tutorials for use of the Zoom app is: <https://support.zoom.us/hc/en-us/articles/206618765-Zoom-Video-Tutorials> and <https://support.zoom.us/hc/en-us/articles/209743263-Meeting-and-Webinar-Best-Practices-and-Resources>

REMOTE CONFERENCE ONLY

Join from PC, Mac, Linux, iOS or Android:

<https://zoom.us/j/93499251302?pwd=KzhhdGp2SlIuS0VhV0VZUGwvWGIRdz09>

Meeting ID: 934 9925 1302

Password: 132854

One tap mobile

+16699006833,,93499251302#,,,,0#,,132854# US (San Jose)

Dial by your location

+1 669 900 6833 US (San Jose)

Meeting ID: 934 9925 1302

Password: 132854

Find your local number: <https://zoom.us/u/azpUB9vO7>

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



TTY/TDD: 831-393-8111 • 711 Relay 888-678-2871 / Free language assistance / Asistencia de Lenguaje Gratuito / Libreng tulong para sa wika / Hỗ trợ ngôn ngữ miễn phí / 무료 언어 지원

MST AGENDA & MEETING NOTICE

Group: Board Administrative Performance Committee (BAPC)

Directors: Alejo, Burnett, Gaglioti, LeBarre (Chair), Martinez, Pacheco (Vice Chair)

Staff: Carl Sedoryk, General Manager/CEO, Lisa Rheinheimer, AGM, Kelly Halcon, Director of HR and Risk Management, Norman Tuitavuki Chief Operating Officer, Mark Eccles, Director of Information Technology, Michelle Overmeyer, Director of Planning and Innovation

Date: May 10, 2021

Time: 9:00 am

The BAPC Committee provides policy direction to the Board and monitor performance in areas of Finance and Budget, Procurement, Legislative, Intergovernmental Relations, Business Development, Planning, Marketing, and Customer Service, Regulatory Compliance, Risk Management, Employee Compensation/Benefit Programs, and Information Technology.

1. CALL TO ORDER

2. PUBLIC COMMENTS 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 Committee of March 8, 2021. (Jeanette Alegar-Rocha) (Page 5)

4. ACTION ITEMS

- 4-1. Review of Administrative Performance. (Carl Sedoryk) (Refer to MST Board Agenda Item 7-1)
- 4-2. Receive State Legislative Advocacy Update. (Michelle Overmeyer)
- 4-3. Receive Federal Legislative Update. (Carl Sedoryk/Don Gilcrest)
- 4-4. Review Draft FY22 and FY23 Operating and Capital Budget Assumptions. (Lisa Rheinheimer/Andrea Williams) (Page 9)
- 4-5. Receive Contactless Fare Payment Demonstration Update. (Lisa Rheinheimer) (No Enclosure)

- 4-6. Review Survey of Board and Staff Regarding Vaccination Status and Return to In-Person Public Meetings and Provide Direction. (Carl Sedoryk) (Page 13)

5. CLOSED SESSION

As permitted by Government Code §54957 et seq. of the State of California, the Committee 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.

None

6. COMMENTS AND ANNOUNCEMENTS

7. ADJOURN

NEXT MEETING DATE: July 12, 2021

REMOTE CONFERENCE ONLY

ZOOM MEETING

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)
ZOOM Teleconference Meeting

Draft Minutes

March 8, 2021

9:00 a.m.

Present:	Yanely Martinez Mike LeBarre (Chair) David Burnett Dave Pacheco (Vice Chair) Luis Alejo	City of Greenfield City of King City of Marina City of Seaside County of Monterey
Absent:	John Gaglioti	City of Del Rey Oaks
Staff:	Carl Sedoryk Lisa Rheinheimer Norman Tuitavuki Kelly Halcon Mark Eccles Michelle Overmeyer Jeanette Alegar-Rocha Andrea Williams Ikuyo Yoneda-Lopez Marzette Henderson Deanna Smith Lisa Cox Alvin Johnson	General Manager/CEO Assistant General Manager Chief Operating Officer Director of HR & Risk Management Director of Information Technology Director of Planning & Innovation Deputy Secretary General Accounting & Budget Manager Marketing & Customer Service Manager Contract Services Manager Civil Rights Officer Risk and Safety Manager Transportation Manager
Counsel:	David Laredo	General Counsel, De Lay & Laredo
Public:	Don Gilchrest	Thomas Walters & Associates

1. **CALL TO ORDER**

Chair LeBarre called the meeting to order at 9:00 a.m. with roll call taken as the meeting was via ZOOM teleconference. Directors Alejo, Burnett, LeBarre, Martinez, Pacheco were present and Director Gaglioti was absent. A quorum was established.

2. PUBLIC COMMENTS 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.

Public Comment - None

3. CONSENT AGENDA

- 3-1. Approve Minutes of the Board Administrative Performance Committee of November 9, 2020. (Jeanette Alegar-Rocha)

Public Comment - None

Director Burnett made the motion to approve item 3-1 on the consent agenda, which was seconded by Director Pacheco. A roll call vote was taken with 5 votes in favor: Directors Alejo, Burnett, LeBarre, Martinez, Pacheco and 1 absent: Director Gaglioti. The motion passed.

4. ACTION ITEMS

- 4-1. Review of Administrative Performance. (Carl Sedoryk) (Refer to MST Board Agenda Item 7-1)

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

- 4-2. Receive State Legislative Advocacy Update. (Michelle Overmeyer)

The Committee received the State Legislative Advocacy Update from Board agenda item 7-3. from Michelle Overmeyer.

- 4-3. Receive Federal Legislative Update. (Carl Sedoryk/Don Gilchrest)

The Committee received an update from Don Gilchrest of Thomas Walters and Associates on Board agenda item 7-2. Federal Legislative Report.

- 4-4. Recommend Board Approval of FY 2021 Mid-Year Budget Adjustment. (Lisa Rheinheimer) (Board Agenda Item 6-1)

Public Comment - None

Director Alejo made the motion to recommend Board approval of FY 2021 Mid-Year Budget Adjustment, which was seconded by Director Martinez. A roll call vote was taken with 5 votes in favor: Directors Alejo, Burnett, LeBarre, Martinez, Pacheco and 1 absent: Director Gaglioti. The motion passed.

4-5. Review Draft FY 22-24 Strategic Plan. (Carl Sedoryk) (Board Agenda Item 6-2)

The Committee received a report from Carl Sedoryk on the Draft FY 22-24 Strategic Plan from Board agenda item 6-2.

5. CLOSED SESSION

As permitted by Government Code §54957 et seq. of the State of California, the Committee 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.

NONE

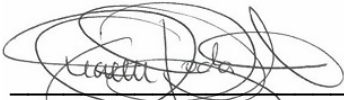
6. COMMENTS AND ANNOUNCEMENTS

Reminder of Upcoming Conferences/Virtual Meetings:

- a) CTA Spring Legislative Conference Virtual Event, May 19, 2021, early registration fee deadline is April 26.

7. ADJOURN

There being no further business, Chair LeBarre adjourned the meeting at 9:38 a.m.

PREPARED BY: 
Jeanette Alegar-Rocha

REVIEWED BY: 
Carl G. Sedoryk

Blank Page

To: Board Administrative Performance Committee
From: Lisa Rheinheimer, Assistant General Manager
Subject: Draft FY22 and FY23 Operating and Capital Budgets

RECOMMENDATION:

Review Draft FY22 and FY23 Operating and Capital Budget Assumptions.

FISCAL IMPACT:

Staff is developing the District's first 2-year budget to help better plan for future funding needs and possible funding shortfalls. The draft operating budget for FY22 is \$53,280,039, which is a decrease of 5.6% over the FY21 mid-year budget of \$56,470,392. This budget includes an estimated \$10,431,400 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 FY23 is \$45,827,705.

The fiscal impact of the COVID-19 pandemic is reflected in the budget assumptions with a fiscally conservative approach. The Federal aid packages passed in FY20 and FY21 help sustain MST through these coming years. Below, staff has outlined the FY21 and FY22 Budget assumptions to be used to finalize this budget for Board consideration in June.

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 Districts 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 explained below:

Retail sales and the associated tax revenues: Local Transportation Funds (LTF) and Measure Q will increase by approximately 2% year over year. The dire prediction of sales tax loses from FY 21 was never realized. 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. With a June 15th reopening of the economy, fares may start to climb with employers rehiring workers. For this 2-year budget, staff assumed that revenues from passenger fares will increase 25% over FY21 and another 25% in FY23..

Partnerships with the military, universities, and City of Monterey: Funding from these partnerships has historically been a strong contribution to the operating budget. However, demand for transit services under these partnerships will be dependent on economic reopening. The City of Monterey contract for MST Monterey Trolley services is unknown. Assuming that face coverings and social distancing will be the new normal for some time, the university partnership may see a drop-in support. Additionally, the Presidio of Monterey has significantly reduced the amount of service authorized at the base and it is unknown the level of demand for these services paid for by the federal Mass Transit Benefit Program.

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 provide funding to support the District over several years.

MST's FY22 and FY23 capital budget anticipates deferring most capital expenditures not covered by grants due to the loss revenues described above. The capital budget is therefore supported by special grant revenues. The total FY22 capital budget is \$15,236,960 of which \$1,195,700 is from non-grant general fund expenditures. The total FY23 capital budget is \$11,486,725 of which \$1,083,350 is from non-grant general fund expenditures.

	FY 2021 (\$)	FY 2022 (\$)	FY22 / FY21 % Change	FY 2023 (\$)	FY23 / FY22 % Change
<i><u>Fixed Route Bus</u></i>					
<u>Operating Revenue</u>	<u>51,780,360</u>	<u>46,783,395</u>	<u>-9.7%</u>	<u>38,938,451</u>	<u>-16.8%</u>
<u>Capital</u>	<u>29,327,501</u>	<u>15,191,960</u>	<u>-48.2%</u>	<u>11,440,375</u>	<u>-24.7%</u>
<u>Sub-Total</u>	<u>81,107,861</u>	<u>61,975,355</u>	<u>-23.6%</u>	<u>50,378,826</u>	<u>-18.7%</u>
<i><u>MST RIDES</u></i>					
<u>Operating Revenue</u>	<u>4,690,032</u>	<u>6,496,644</u>	<u>38.5%</u>	<u>6,889,254</u>	<u>6.0%</u>
<u>Capital</u>	<u>468,000</u>	<u>45,000</u>	<u>-90.4%</u>	<u>46,350</u>	<u>3.0%</u>
<u>Sub-Total</u>	<u>5,158,032</u>	<u>6,541,644</u>	<u>26.8%</u>	<u>6,935,604</u>	<u>6.0%</u>
<i><u>Fixed Route/RIDES Combined</u></i>					
<u>Operating Revenue</u>	<u>56,470,392</u>	<u>53,280,039</u>	<u>-5.6%</u>	<u>45,827,705</u>	<u>-14.0%</u>
<u>Capital</u>	<u>29,795,501</u>	<u>15,236,960</u>	<u>-48.9%</u>	<u>11,486,725</u>	<u>-24.6%</u>
<u>Overall Revenue Total</u>	<u>86,265,893</u>	<u>68,516,999</u>	<u>-20.6%</u>	<u>57,314,430</u>	<u>-16.4%</u>

Summary

<u>Operating Revenues</u>	<u>56,470,392</u>	<u>53,280,039</u>	<u>-5.6%</u>	<u>45,827,705</u>	<u>-14.0%</u>
<u>Operating Expenses</u>	<u>45,721,855</u>	<u>52,084,339</u>	<u>13.9%</u>	<u>55,149,269</u>	<u>5.9%</u>
<u>Operating/Capital Reserves</u>	<u>10,748,537</u>	<u>1,195,700</u>	<u>-88.9%</u>	<u>-9,321,564</u>	<u>-879.6%</u>

Projected

<u>Unrestricted Cash Balance (June 30)</u>	<u>11,577,000</u>	<u>21,495,000</u>		<u>13,682,000</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 year, staff has prepared a 2-year budget supported by the Board's Strategic Plan, Action Plan, and 5-year Capital Improvement Program.

The Board will be asked to consider new and/or different transit services as the development of the Comprehensive Operational Analysis takes shape. The Analysis will influence the level of service provided to the community as well as budget demands.

DISCUSSION:

The entire 2-year budget, including each of these sub-budgets relies on revenue from the Federal aid packages of CARES, CRSSAA and the American Rescue Plan for transit. While revenues exceeded expenditures in FY21, these next 2 years will be a challenge and operating/capital reserves will be needed. As was the case in FY21, staff will be closely monitoring cash flow throughout the year.

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

Blank Page

To: Board Administrative Performance Committee
From: Carl Sedoryk, General Manager/CEO
Subject: Review Board Survey and Provide Direction

RECOMMENDATION:

Review survey of Board and staff regarding vaccination status and return to in-person public meetings and provide direction.

FISCAL IMPACT:

Unknown.

POLICY IMPLICATIONS:

Your Board requested staff to conduct a survey regarding current board vaccination status and the potential return to in-person public meetings.

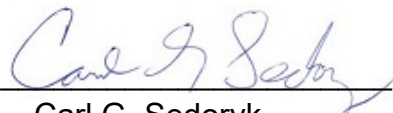
DISCUSSION:

Governor Newsom has indicated that California businesses will be able to operate “without restriction” on June 15, 2021 if current COVID-19 infection, recovery and vaccination trends continue to improve. Staff is actively planning for what our activities will look like once COVID related restrictions are lifted with regard to transit service delivery, administrative office operations, and public participation and board governance activities.

A survey of MST Board members, senior staff, and board support staff was conducted seeking to identify vaccination status and preferences regarding returning to all in-person meetings, hybrid virtual/in-person meetings, or maintaining the current status quo of virtual meetings. Preliminary survey results indicate no single preference regarding the format of board meetings post June 15.

An internal team of staff members have identified the pros and cons of each format and will be prepared to discuss with your Committee and receive further direction. Staff intends to bring the matter before the full Board for final direction at our meeting of June 14, 2021.

PREPARED BY:


Carl G. Sedoryk

Blank Page