MONTEREY-SALINAS TRANSIT BOARD OF DIRECTORS
BOARD MEETING AGENDA

October 12, 2020
Time: 10:00 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 October 12, 2020 meeting of the Board of Directors 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, October 9, 2020; 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:
Join Zoom Meeting
https://zoom.us/j/93499251302?pwd=KzhhdGp2SlluS0VkV0VzUGwVWGlRdz09
Meeting ID: 934 9925 1302
Password: 132854
One tap mobile
+16699006833,,93499251302#,,,,0#,,132854# US (San Jose)
+12532158782,,93499251302#,,,,0#,,132854# US (Tacoma)
Dial by your location
+1 669 900 6833 US (San Jose)
+1 253 215 8782 US (Tacoma)
+1 346 248 7799 US (Houston)
+1 312 626 6799 US (Chicago)
+1 929 205 6099 US (New York)
+1 301 715 8592 US (Germantown)
Meeting ID: 934 9925 1302
Password: 132854
Find your local number: https://zoom.us/u/azpUB9v07
1. **CALL TO ORDER**

1-1. Roll Call.
1-2. Pledge of Allegiance.
1-3. Review Highlights of the agenda. (Carl Sedoryk)

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

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3. **CONSENT AGENDA**

*These items will be approved by a single motion. Anyone may request that an item be discussed and considered separately.*

3-1. Adopt Resolution 2021-10 Recognizing Ikuyo Yoneda-Lopez, Marketing Manager, as Employee of the Month for October 2020. (Lisa Rheinheimer) (Page 7)
3-2. Approve Minutes of the Board Administrative Performance Committee on September 14, 2020. (Jeanette Alegar-Rocha) (Page 9)
3-3. Approve Minutes of the MST Board Meeting on September 14, 2020. (Jeanette Alegar-Rocha) (Page 13)
3-4. Receive Report on Lost and Found Items Left on MST Property for the Month of June 2020. (Sonia Wills) (Page 19)
3-5. Financial Reports – August 2020 (Lori Lee) (Page 21)
   a) Accept report of August 2020 Cash Flow
   b) Approve August 2020 Disbursements
   c) Accept Report of August 2020 Treasury Transactions
3-6. Reject Claim by Claimant Lillian Kausin (Lisa Cox) (Page 29)

End of Consent Agenda

4. **RECOGNITIONS AND SPECIAL PRESENTATIONS**

4-1. Employee of the Month for October 2020, Ikuyo Yoneda-Lopez. (Lisa Rheinheimer)
4-2. 25 years of Services – James Lopez, Mechanic A (Norman Tuitavuki)
4-3. Receive Staff Report on Activities Related to the COVID-19 Pandemic Incident Response and Recovery Planning to Date and Provide Direction, If Needed. (Carl Sedoryk)

4-4. Receive Presentation on MST’s Designing for Transit Guidelines. (Michelle Overmeyer) (Page 31)

5. PUBLIC HEARINGS

None

6. ACTION ITEMS


6-2. Approve Incentive Pool for MSTEA and Confidential Unit. (Carl Sedoryk) (Page 37)

6-3. Financing South County Operations and Maintenance Facility. (Lisa Rheinheimer) (Page 39)

1. Approve Resolution 2021-11 Approving the Term Sheet from a Transportation Infrastructure Finance and Innovation Act (TIFIA) Loan to Provide Financing for Construction of the South County Operations and Maintenance Facility project:

   ii. Authorizing the General Manager/CEO to Negotiate and Execute a Loan Agreement in the Amount of $8,449,000,

   iii. Authorizing the General Manager/CEO to Negotiate and Execute a Collateral Accounts and Security Agreement (CASA),

   iv. Authorizing MST General Counsel to Execute the Opinion of Counsel Related to the TIFIA Loan Agreement, and

   v. Adopting MST Debt Management Policy.

2. Authorize the General Manager/CEO to Negotiate and Execute an Irrevocable Direction Regarding Deposit of Local Transportation Funds between MST and the Transportation Agency for Monterey County (TAMC) in Support of the Financing Arrangement.

6-4. Approve Amendment No. 7 to the Contract with MV Transportation Permitting Reimbursement of CARES Eligible Expenses in the Onetime Payment Amount of $93,000 (approximate) and no more than $35,000 per Month Beginning in September 2020 and Ending on or before January 31, 2021. (Robert Weber) (Page 73)
7. REPORTS & INFORMATION ITEMS

The Board will receive and file these reports, which do not require action by the Board.

7-1. General Manager/CEO Report. – August 2020 (Page 83)
7-2. Federal Legislative Advocacy Report. – September 2020 (Page 111)
7-3. State Legislative Advocacy Update. (Page 113)
7-4. Staff Trip Reports - None
7-5. Correspondence. None

8. BOARD REPORTS, COMMENTS, AND REFERRALS

8-1. Reports on Meetings Attended by Board Members at MST Expense. (AB 1234)
8-2. Board Member Comments and Announcements.
8-3. Board Member Referrals for Future Agendas.

9. CLOSED SESSION

Members of the public may address the Board on any matter related to Closed Session. There is a time limit of not more than three minutes for each speaker. The Board will not take action or respond immediately to any public comments presented, but may choose to follow-up at a later time individually, through staff, or on a subsequent agenda. (Please refer to page 1 of the agenda for instructions)

As permitted by Government Code §64956 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-Milius-Brown Act representative.


10. RETURN TO OPEN SESSION

10-1 Report on Closed Session and Possible Action.

11. ATTACHMENTS

11-1. The Detailed Monthly Performance Statistics and Disbursement Journal for August 2020 can be viewed online within the GM Report at http://mst.org/about-mst/board-of-directors/board-meetings/
12. ADJOURN

| NEXT MEETING DATE: November 9, 2020 |
| REMOTE CONFERENCE ONLY |
| ZOOM MEETING |
| 10:00 a.m. |

**NEXT AGENDA DEADLINE:** October 27, 2020

*D 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/](http://mst.org/about-mst/board-of-directors/board-meetings/)*

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**MST Board and Committee Agendas**

**Accessibility, Language Assistance, and Public Comments**

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 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/](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
IKUYO YONEDA-LOPEZ
OCTOBER 2020
EMPLOYEE OF THE MONTH

WHEREAS, each month Monterey-Salinas Transit recognizes an outstanding employee as Employee of the Month; and

WHEREAS, the Employee of the Month is recognized for her positive contribution to MST and to the entire community; and

WHEREAS, Ikuyo Yoneda-Lopez began her employment with Monterey-Salinas Transit District in June of 2019 as the Marketing Manager. She quickly immersed herself within the MST culture to learn as much as she could about the transit industry; and

WHEREAS, Ikuyo Yoneda-Lopez rose to the challenge during the pandemic to address public information accurately and timely. She worked on weekends to capture photos to communicate important safety messages on social media. Ikuyo also created MST’s “Road to Recovery” communication pieces. They were advertised in the Monterey County Weekly, inside MST buses and on the MST website; and

WHEREAS, Ikuyo Yoneda-Lopez has continued to be an excellent representative to the communities MST serves and remains a valued asset to our district and to our customers.

NOW THEREFORE BE IT RESOLVED that the Board of Directors of Monterey-Salinas Transit District recognizes Ikuyo Yoneda-Lopez as Employee of the Month for October 2020; and

BE IT FURTHER RESOLVED that Ikuyo Yoneda-Lopez is to be congratulated for her outstanding performance, dedication, and supreme effort toward the success of MST completing its mission.

THE BOARD OF DIRECTORS OF MONTEREY-SALINAS TRANSIT PASSED AND ADOPTED RESOLUTION 2021-10 this 12th day of October 2020.

____________________________  _________________________
Dan Albert            Carl Sedoryk
Board Chair            Board Secretary
1. Call to order.

Chair LeBarre called the meeting to order at 9:00 a.m.
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 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. Closed Session.


   Kelly Halcon pulled Closed Session.

4. Receive Administrative Performance Update. (Refer to MST May 2020 Board Agenda Item (7-1) (Carl Sedoryk)

   The committee received a review from Carl Sedoryk of board agenda item 7-1, the MST Administrative Performance.

   A. State Legislative Update. (Carl Sedoryk and Michelle Overmeyer)

   The committee received an update from Carl Sedoryk of board agenda item 7-3, the State Legislative Update.

   B. Federal Legislative Update. (Carl Sedoryk)

   The Committee received an update from Carl Sedoryk and Don Gilchrest from Thomas Walters and Associates on board agenda item 7-2, the Federal Legislative Update.

   C. Cash Flow Projection Model (Carl Sedoryk)

   The Committee received an update from Carl Sedoryk on the new Cash Flow Projection Model included in the monthly Dashboard.

5. Receive Update on Build America Bureau Transportation Infrastructure Finance and Innovation Act (TIFIA) Rural Project Initiative Loan Application and Schedule for South County Operations and Maintenance Facility. (Lisa Rheinheimer)

   The Committee received an update from Lisa Rheinheimer on federal financing of the South County Operations and Maintenance Facility project.

6. Staff and Committee member comments, questions, or referrals.
7. Adjourn

There being no further business, Chair LeBarre adjourned the meeting at 9:31 a.m.
# MEETING OF THE MST BOARD OF DIRECTORS

## MEETING MINUTES

### September 14, 2020

**Present:**
- Jeff Baron  City of Carmel-by-the Sea
- Kristin Clark  City of Del Rey Oaks
- Yanely Martinez  City of Greenfield
- Lorraine Worthy  City of Gonzales
- Mike LeBarre  City of King
- Frank O’Connell  City of Marina
- Dan Albert  City of Monterey
- Joe Amelio  City of Pacific Grove
- Tony Barerra  City of Salinas
- Mary Ann Carbone  City of Sand City
- Dave Pacheco  City of Seaside
- Anna Velazquez  City Soledad
- Luis Alejo  County of Monterey

**Absent:**  None

**Staff:**
- Carl Sedoryk  General Manager/CEO
- Lisa Rheinheimer  Assistant General Manager
- Robert Weber  Chief Operating Officer
- Norman Tuitavuki  Deputy Chief Operating Officer
- Kelly Halcon  Director of HR and Risk Management
- Mark Eccles  Director of Information Technology
- Michelle Overmeyer  Director of Planning and Innovation
- Jeanette Alegar-Rocha  Deputy Secretary
- Andrea Williams  General Accountant & Budget Manager
- Matt Deal  Grants Analyst
- Deanna Smith  Compliance Analyst
- Eva Perez  Office Administrator
- Ikuyo Yoneda-Lopez  Marketing & Customer Service Manager
- Sonia Wills  Customer Service Supervisor
Chair Albert called the meeting to order at 10:00 a.m. with roll call taken as the meeting was via ZOOM teleconference. A quorum was established.

1-2. Pledge of Allegiance

The pledge of allegiance was led by Chair Albert.

1-3. Review Highlights of the agenda. (Carl Sedoryk)

General Manager/CEO Carl Sedoryk reviewed the highlights of the agenda.

2. PUBLIC COMMENTS ON MATTERS NOT ON THE AGENDA

Members of the public may address the Board 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 Board 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

1. CONSENT AGENDA
These items will be approved by a single motion. Anyone may request that an item be discussed and considered separately.

3-1. Adopt Resolution 2021-06 Recognizing Lisa Cox, Risk & Security Manager, as Employee of the Month for September 2020. (Kelly Halcon)


3-3. Approve Minutes of the MST Board Meeting on August 10, 2020. (Jeanette Alegar-Rocha)

3-4. Receive Report on Lost and Found Items Left on MST Property for the Month of May 2020. (Sonia Wills)

3-5. Financial Reports – July 2020 (Lori Lee)
   a) Accept report of July 2020 Cash Flow
   b) Approve July 2020 Disbursements
   c) Accept Report of July 2020 Treasury Transactions

3-6. Approve SB1 State Transit Assistance/ State of Good Repair Grant Resolution 2021-07. (Matt Deal)
   a) Approving the MST Bus Procurement Project and Authorizing the General Manager/CEO to Execute Grant Documents for State Transit Assistance/ State of Good Repair Funds.
   b) Authorizing the Execution of Program Certifications and Assurances.

3-7. Adopt Retirement Resolution 2021-09 Recognizing Rudy Mora, Coach Operator, for his 21 years of Service. (Robert Weber)

3-8 Adopt MST COVID-19 Recovery Plan. (Robert Weber)

3-9. Reject Claim by Claimant Javonte Russell, Alexis Russell & Cross Country LLC. (Lisa Cox)

3-10. Receive Draft Minutes of Mobility Advisory Committee (MAC) Meeting on July 29, 2020. (Cristy Sugabo)

3-11. Appoint Membership of Steven Macias, Executive Director for the Blind and Visually Impaired Center of Monterey County to the Mobility Advisory Committee. (Cristy Sugabo)

End of Consent Agenda

Public Comment – None
Director O’Connell made the motion to approve all items on the consent agenda which was seconded by Director Carbone. A roll call vote was taken with 11 voting in favor and 1 absent. The motion passed.

4. RECOGNITIONS AND SPECIAL PRESENTATIONS

4-1. Employee of the Month for September 2020, Lisa Cox. (Kelly Halcon)

The MST Board and staff recognized Lisa Cox, Risk and Security Manager for her dedication and outstanding contribution to MST and the community.

4-2. Retirement – Rudy Mora, 21 Years of Service. (Robert Weber)

The MST Board and staff recognized and thanked Rudy Mora for his 21 years of service, dedication and outstanding contribution to MST and the community.

4-3 Receive Staff Report on Activities Related to the COVID-19 Pandemic Incident Response and Recovery Planning to Date and Provide Direction, If Needed. (Carl Sedoryk)

The MST Board received a report from the General Manager/CEO, Carl Sedoryk on activities related to COVID-19 pandemic incident response and recovery planning.

4-4. Receive Update on Proposed MST SURF! Busway and Rapid Transit Project. (Lisa Rheinheimer)

The MST Board received a presentation on the Proposed MST SURF! Busway and Rapid Transit Project.

5. PUBLIC HEARINGS

None

6. ACTION ITEMS

6-1. Approve MST’s FFY2021-FFY2023 Disadvantaged Business Enterprise (DBE) Overall Triennial Goal. (Deanna Smith)

Public Comment – None

Director O’Connell made the motion to approve action item 6-1 which was seconded by Director Carbone. A roll vote was taken with 12 votes in favor and 1 absent. The motion passed.

6-2. Receive Draft Title VI Program and Adopt Resolution 2021-08 Approving the 2020-2023 Title VI Program Update. (Deanna Smith)
Public Comment – None

Director LeBarre made the motion to approve action item 6-2 which was seconded by Director Pacheco. A roll vote was taken with 12 votes in favor and 1 absent. The motion passed.

Vice-Chair Anna Velazquez arrived 11:35 a.m.


Public Comment – None

The MST Board received a report on MV Transportation’s request for reimbursement of CARES eligible expenses and provided direction to MST Staff to return this matter to the MST Board at a future date and include a final contract amendment for review and further consideration.

7. REPORTS & INFORMATION ITEMS

The Board will receive and file these reports, which do not require action by the Board.

7-1. General Manager/CEO Report. – July 2020
7-3. State Legislative Advocacy Update.
7-4. Staff Trip Reports - None
7-5. Correspondence.

8. BOARD REPORTS, COMMENTS, AND REFERRALS

8-1. Reports on Meetings Attended by Board Members at MST Expense. (AB 1234)
8-2. Board Member Comments and Announcements.
8-3. Board Member Referrals for Future Agendas.
   a) Receive Report on City of Salinas Transit Investments (Carl Sedoryk) (Page 399)

   The MST Board received a report on the City of Salinas Transit Investments.
   b) 2020 Annual APTA Virtual Conference- October 21-22, 2020
MST Staff announced the APTA Annual Virtual Conference will be held October 21-22, 2020.

9. CLOSED SESSION

Members of the public may address the Board on any matter related to Closed Session. There is a time limit of not more than three minutes for each speaker. The Board will not take action or respond immediately to any public comments presented, but may choose to follow-up at a later time individually, through staff, or on a subsequent agenda. (Please refer to page 1 of the agenda for instructions)

As permitted by Government Code §64956 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.

9-1. Discuss Incentive Pool for MSTEA and Confidential Unit and Provide Direction (Carl Sedoryk) (Enclosure)

Public Comment – None

10. RETURN TO OPEN SESSION

10-1 Report on Closed Session and Possible Action.

The Board discussed and provided general direction to staff related to the 2020 incentive pool calculations for MSTEA and Confidential Unit Staff; and further directed the matter be placed on the October regular agenda for approval as a non-consent action item.

11. ATTACHMENTS

11-1. The Detailed Monthly Performance Statistics and Disbursement Journal for July 2020 can be viewed online within the GM Report at http://mst.org/about-mst/board-of-directors/board-meetings/

12. ADJOURN

With no further business to discuss, Chair Albert adjourned the meeting in at 12:21 p.m.

PREPARED BY: ____________________  REVIEWED BY: ____________________
Jeanette Alegar-Rocha    Carl G. Sedoryk
To:        Board of Directors
From:     Sonia Wills, Customer Service Supervisor
Subject:  Disposal of Unclaimed Items Left on MST Property

RECOMMENDATION:

Receive Report on Lost and Found Items Left on MST Property for the Month of June.

FISCAL IMPACT:

There are no fiscal impacts to receiving this report.

POLICY IMPLICATIONS:

Your Board adopted MST’s Disposal of Lost and Found Property Policy.

DISCUSSION:

Per MST’s revised Disposal of Lost and Found Property policy during shelter in place adopted on April 6, 2020, MST shall suspend collection and storage of lost personal items with an estimated value of less than $100. Unless prohibited by law, lost and found personal items with an estimated value of less than $100 shall be treated as potentially hazardous and disposed of immediately. These items include but are not limited to umbrellas, articles of clothing, pill containers, glasses, etc.

Items reasonably estimated with a value of greater than $100 shall only be handled by employees wearing personal protective equipment (such as gloves, masks, etc.), and stored in a secure area to limit possible exposure of COVID-19 to MST employees. All wallets/purses with identifying information and Driver’s License or Identification Cards will continue to be retained for 90 days before being disposed. MST makes an attempt to contact the owners of Lost and Found items with identifying information.

Item(s) with an estimated fair market value of $100 or more:

• None
To: Board of Directors
From: Lori Lee
Subject: FINANCIAL REPORTS – AUGUST 2020

RECOMMENDATION:

1. Accept report of August 2020 cash flow presented in Attachment #1
2. Approve August 2020 disbursements listed in Attachment #2
3. Accept report of August 2020 treasury transactions listed in Attachment #3

FISCAL IMPACT:

The cash flow for August is summarized below and is detailed in Attachment #1.

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning balance August 1, 2020</td>
<td>$13,258,180.92</td>
</tr>
<tr>
<td>Revenues</td>
<td>4,394,895.33</td>
</tr>
<tr>
<td>Disbursements</td>
<td>&lt;3,999,125.18&gt;</td>
</tr>
<tr>
<td>Ending balance August 31, 2020</td>
<td>$13,653,951.07</td>
</tr>
</tbody>
</table>

POLICY IMPLICATIONS:

Disbursements are approved by your Board each month and are shown in Attachment #2. Treasury transactions are reported to your Board each month and are shown in Attachment #3.

DISCUSSION:

By the end of August of FY 2021, MST had a $893,182 year-to-date surplus to budget on the fixed-route operations and a $361,050 surplus to budget on the MST RIDES operations, resulting in an overall year-to-date surplus of $1,254,232.
The following fixed-route expenses have negative variances of greater than 5% and have a monetary value greater than $5,000 as seen in the August Budget vs. Actual reports contained in Attachment #4: None for August.

The financial impact of the COVID-19 pandemic began in mid-March when the agency began ordering sanitizing and cleaning supplies and the Shelter In Place Order was issued by the Monterey County Health Department. During the month of August, MST spent $137,986.43 on COVID-19 supplies. This information will be provided for each finance report until the pandemic is over.

A detail of disbursements can be viewed within the GM Report at http://www.mst.org/about-mst/board-of-directors/board-meetings/

ATTACHMENT(S):

1. August 2020 Cash Flow
2. August 2020 Disbursements
3. August 2020 Treasury Transactions
4. August Budget vs. Actual

PREPARED BY: Lori Lee REVIEWED BY: Carl G. Sedoryk
(REVENUES & DISBURSEMENTS)

CASH FLOW

Beginning balance 08/01/2020 13,258,180.92

Revenues

- Passenger Revenue 39,607.19
- DOD Revenue 5,229.28
- LTF / STA / 5307 3,453,490.00
- Sales Tax 688,583.67
- Grants 160,891.25
- Reimbursement from RTA 22,033.72
- Interest Income 396.52
- Non Transit Revenue 24,663.70

Total Revenues 4,394,895.33 4,394,895.33

Disbursements

- Operations (See Attachment #2) 3,152,125.28
- Capital 846,999.90

Total Disbursements (3,999,125.18)

Ending balance 08/31/2020 13,653,951.07

COMPOSITION OF ENDING BALANCE

- Checking - Mechanics Bank 431,977.55
- Local Agency Investment Fund (LAIF) 7,171,829.66
- Money Market - Mechanics Bank MM 2,526,819.95
- Money Market - Mechanics Bank 8,256.66
- Money Market - LCTOP 2,332,931.39
- Money Market - State of Good Repair 677,616.67
- Money Market - FOR A/Other 485,304.92
- Bank of America - Escrow 8,987.77
- Petty cash fund, STC Coin Machine, and 2 change funds 10,226.50

Total 13,653,951.07
# PAYROLL ACCOUNT

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<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>August 14 Payroll &amp; Related Expenses</td>
<td>513,695.24</td>
</tr>
<tr>
<td>August 28 Payroll &amp; Related Expenses</td>
<td>557,144.48</td>
</tr>
<tr>
<td>PERS &amp; 457</td>
<td>311,441.83</td>
</tr>
<tr>
<td>Garnishments</td>
<td>3,364.30</td>
</tr>
<tr>
<td>PERS Health Insurance</td>
<td>323,827.89</td>
</tr>
</tbody>
</table>

\[ \text{Total} = 1,709,473.74 \]

# GENERAL ACCOUNT

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<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>Disbursements on Attached Summary</td>
<td>2,152,211.01</td>
</tr>
<tr>
<td>Voided Check # 56794 Posted to July</td>
<td>(619.47)</td>
</tr>
<tr>
<td>RTA Fees Deducted from Taxi Paymer</td>
<td>2,000.00</td>
</tr>
<tr>
<td>Paydown Loans</td>
<td>62,344.86</td>
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<tr>
<td>Workers Comp. Disbursements</td>
<td>59,896.06</td>
</tr>
<tr>
<td>Interest Expense</td>
<td>11,728.23</td>
</tr>
<tr>
<td>Bank Service Charge</td>
<td>2,090.75</td>
</tr>
</tbody>
</table>

\[ \text{Total} = 2,289,651.44 \]

Total Disbursements                                                | 3,999,125.18|

Less Capital Disbursements & Transfers                             | (846,999.90) |

Operating Disbursements                                            | 3,152,125.28|
### DISBURSEMENTS SUMMARY:
**GENERAL ACCOUNT DISBURSEMENTS**
for August 01, 2020 - August 31, 2020

<table>
<thead>
<tr>
<th>CHECK PRINT DATE</th>
<th>CHECKS</th>
<th>TOTAL</th>
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<tbody>
<tr>
<td>Accounts Payable 08/07/2020</td>
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<tr>
<td>Accounts Payable 08/10/2020</td>
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<td>Accounts Payable 08/21/2020</td>
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<tr>
<td>Accounts Payable 08/20/2020</td>
<td>57114 - 57121</td>
<td>98,171.24</td>
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<tr>
<td>Accounts Payable 08/31/2020</td>
<td>57122 - 57126</td>
<td>110.00</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td><strong>2,152,211.01</strong></td>
</tr>
</tbody>
</table>

**CHECKS $100,000 AND OVER**

<table>
<thead>
<tr>
<th>VENDOR</th>
<th>BOARD APPROVED</th>
<th>CHECK DATE</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>MV TRANSPORTATION</td>
<td>Recurring Expense</td>
<td>8/7/20</td>
<td>667,023.10</td>
</tr>
<tr>
<td>ALVAREZ TECHNOLOGY GROUP INC</td>
<td>VMWare Server Environment</td>
<td>8/7/20</td>
<td>151,871.08</td>
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<tr>
<td>DIEDE CONSTRUCTION, INC</td>
<td>South County Facility</td>
<td>Board approved 7/13/20</td>
<td>130,506.65</td>
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<tr>
<td>TRAPEZE SOFTWARE GROUP</td>
<td>Trapeze Ranger MDT's</td>
<td>Board Approved 3/9/20</td>
<td>124,840.00</td>
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</tbody>
</table>

**PURCHASES BETWEEN $50,000 AND $99,999**

<table>
<thead>
<tr>
<th>VENDOR</th>
<th>GENERAL MANAGER APPROVED</th>
<th>CHECK DATE</th>
<th>AMOUNT</th>
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</thead>
<tbody>
<tr>
<td>TRITON CONSTRUCTION</td>
<td>SPCC Plan Engineers Stamp</td>
<td>8/21/20</td>
<td>5,378.00</td>
</tr>
<tr>
<td>TRITON CONSTRUCTION</td>
<td>Fuel Island Construction</td>
<td>8/21/20</td>
<td>98,454.00</td>
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<tr>
<td>KIMLEY-HORN &amp; ASSOCIATES</td>
<td>BRT Phasse II Surf!</td>
<td>8/7/20</td>
<td>52,442.05</td>
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<tr>
<td>KIMLEY-HORN &amp; ASSOCIATES</td>
<td>BRT Phasse II Surf!</td>
<td>Board Approved 10/7/19</td>
<td>64,020.67</td>
</tr>
<tr>
<td>VAL'S PLUMBING &amp; HEATING INC</td>
<td>Bi Polar Ionization</td>
<td>8/21/20</td>
<td>50,999.00</td>
</tr>
<tr>
<td>ALLIANT INSURANCE SERVICES, INC</td>
<td>Annual Property Insurance Premium</td>
<td>8/20/20</td>
<td>63,473.30</td>
</tr>
</tbody>
</table>

**CURRENT COVID-19 RELATED ACCUMULATED EXPENSES**

Expenses paid through 9/18/2020 | 840,037.71
Payroll and benefits for payperiods 3/7-9/4/2020 | 1,532,536.54
Total COVID-19 costs paid | **2,372,574.25**

COVID-19 related expenses have been tracked since the beginning of the pandemic. Expenses include personal protective equipment, cleaning supplies, additional janitorial services, and public information materials. Payroll and benefits costs are included under the Families First Coronavirus Response Act (FFCRA or Act), which requires certain employers to provide employees with paid sick leave or expanded family and medical leave for reasons related to COVID-19. Additional expenses include paying standby employees while they remain in a state of readiness, administrative staff time dedicated to COVID-19 response, and costs related to community services.
### LAIF ACCOUNT

<table>
<thead>
<tr>
<th>Date</th>
<th>Account</th>
<th>Description</th>
<th>Deposit</th>
<th>Withdrawal</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance Forward at 08/01/2020</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>7,171,829.66</td>
</tr>
<tr>
<td>Quarterly interest earned - 1.36%</td>
<td></td>
<td></td>
<td></td>
<td>-</td>
<td>7,171,829.66</td>
</tr>
</tbody>
</table>

Local Agency Investment Fund:

LAIF Treasury Balance at 08/31/2020

7,171,829.66

### MECHANICS BANK MM ACCOUNT

<table>
<thead>
<tr>
<th>Date</th>
<th>Account</th>
<th>Description</th>
<th>Deposit</th>
<th>Withdrawal</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>08/07/20</td>
<td>308</td>
<td>AP/Payroll</td>
<td>1,700,000.00</td>
<td>424,453.02</td>
<td>2,124,453.02</td>
</tr>
<tr>
<td>08/11/20</td>
<td>308</td>
<td>RTA</td>
<td>22,033.72</td>
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<td>446,486.74</td>
</tr>
<tr>
<td>08/12/20</td>
<td>308</td>
<td>5307 CARES/Grant</td>
<td>3,453,490.00</td>
<td></td>
<td>3,899,976.74</td>
</tr>
<tr>
<td>08/13/20</td>
<td>308</td>
<td>AP/Payroll</td>
<td>585,000.00</td>
<td>3,314,976.74</td>
<td></td>
</tr>
<tr>
<td>08/17/20</td>
<td>308</td>
<td>Prop 1B</td>
<td>1,684.70</td>
<td></td>
<td>3,316,661.44</td>
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<tr>
<td>08/20/20</td>
<td>308</td>
<td>AP/Payroll</td>
<td>790,000.00</td>
<td></td>
<td>2,526,661.44</td>
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<tr>
<td>08/31/20</td>
<td></td>
<td>Interest</td>
<td>158.51</td>
<td></td>
<td>2,526,819.95</td>
</tr>
</tbody>
</table>

MECHANICS MM Balance at 08/31/2020

2,526,819.95
## MONTEREY-SALINAS TRANSIT

**Revenue & Expense - Consolidated**

**Budget vs Actual**

For the Period from August 1, 2020 to August 31, 2020

(Amounts are in USD)

(Includes Fund: 001|004|005)

(Includes G/L Budget Name: BUDFY21)

### Revenue

<table>
<thead>
<tr>
<th></th>
<th>Cur Mo. Actual</th>
<th>Cur Mo. Budget</th>
<th>Cur Mo. Variance</th>
<th>YTD Actual</th>
<th>YTD Budget</th>
<th>YTD Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Passenger Fares</td>
<td>-157,003</td>
<td>-136,448</td>
<td>-20,555</td>
<td>-184,101</td>
<td>-272,896</td>
<td>88,795</td>
</tr>
<tr>
<td>Special Transit</td>
<td>-8,780</td>
<td>-221,585</td>
<td>212,805</td>
<td>-13,543</td>
<td>-443,170</td>
<td>429,627</td>
</tr>
<tr>
<td>Cash Grants &amp; Reimbursement</td>
<td>-3,424,822</td>
<td>-3,430,929</td>
<td>6,107</td>
<td>-6,864,918</td>
<td>-6,861,858</td>
<td>-3,060</td>
</tr>
<tr>
<td>Total Revenue</td>
<td>-3,600,713</td>
<td>-3,812,352</td>
<td>211,639</td>
<td>-7,078,239</td>
<td>-7,624,704</td>
<td>546,465</td>
</tr>
</tbody>
</table>

### Expenses

<table>
<thead>
<tr>
<th></th>
<th>Cur Mo. Actual</th>
<th>Cur Mo. Budget</th>
<th>Cur Mo. Variance</th>
<th>YTD Actual</th>
<th>YTD Budget</th>
<th>YTD Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Labor</td>
<td>1,210,136</td>
<td>1,365,152</td>
<td>-155,016</td>
<td>2,398,159</td>
<td>2,730,304</td>
<td>-332,145</td>
</tr>
<tr>
<td>Benefits</td>
<td>818,446</td>
<td>910,345</td>
<td>-91,900</td>
<td>1,691,516</td>
<td>1,820,690</td>
<td>-129,174</td>
</tr>
<tr>
<td>Advertising &amp; Marketing</td>
<td>1,562</td>
<td>9,826</td>
<td>-8,265</td>
<td>15,443</td>
<td>19,652</td>
<td>-4,209</td>
</tr>
<tr>
<td>Professional &amp; Technical</td>
<td>38,490</td>
<td>89,475</td>
<td>-50,985</td>
<td>78,624</td>
<td>178,950</td>
<td>-100,326</td>
</tr>
<tr>
<td>Outside Services</td>
<td>53,301</td>
<td>56,026</td>
<td>-2,725</td>
<td>91,352</td>
<td>112,052</td>
<td>-20,700</td>
</tr>
<tr>
<td>Outside Labor</td>
<td>112,842</td>
<td>167,816</td>
<td>-54,974</td>
<td>221,631</td>
<td>335,632</td>
<td>-114,001</td>
</tr>
<tr>
<td>Supplies</td>
<td>56,487</td>
<td>94,110</td>
<td>-37,623</td>
<td>124,335</td>
<td>188,220</td>
<td>-63,885</td>
</tr>
<tr>
<td>Vehicle Maintenance</td>
<td>48,574</td>
<td>87,267</td>
<td>-38,693</td>
<td>103,632</td>
<td>174,534</td>
<td>-70,902</td>
</tr>
<tr>
<td>Marketing Supplies</td>
<td>1,627</td>
<td>2,667</td>
<td>-1,040</td>
<td>1,807</td>
<td>5,334</td>
<td>-3,527</td>
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<td>Insurance</td>
<td>110,243</td>
<td>121,545</td>
<td>-11,302</td>
<td>220,521</td>
<td>243,090</td>
<td>-22,569</td>
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<tr>
<td>Taxes</td>
<td>7,774</td>
<td>17,489</td>
<td>-9,716</td>
<td>14,635</td>
<td>34,978</td>
<td>-20,343</td>
</tr>
<tr>
<td>Purchased Transportation</td>
<td>375,358</td>
<td>464,536</td>
<td>-89,178</td>
<td>725,587</td>
<td>929,072</td>
<td>-203,485</td>
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<tr>
<td>Miscellaneous Expenses</td>
<td>16,351</td>
<td>41,635</td>
<td>-25,284</td>
<td>33,266</td>
<td>83,270</td>
<td>-50,004</td>
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<tr>
<td>Interfund transfers</td>
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<td></td>
</tr>
<tr>
<td>Pass Thru/Behalf of Others</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Interest Expense</td>
<td>14,643</td>
<td>27,172</td>
<td>-12,529</td>
<td>29,087</td>
<td>54,344</td>
<td>-25,257</td>
</tr>
<tr>
<td>Leases &amp; Rentals</td>
<td>40,209</td>
<td>41,966</td>
<td>-1,757</td>
<td>70,315</td>
<td>83,932</td>
<td>-13,617</td>
</tr>
<tr>
<td>Total Operating Expenses</td>
<td>3,064,850</td>
<td>3,796,054</td>
<td>-731,204</td>
<td>6,152,462</td>
<td>7,592,108</td>
<td>-1,439,646</td>
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<tr>
<td>Operating (Surplus) Deficit</td>
<td>-535,864</td>
<td>-16,298</td>
<td>-519,566</td>
<td>-925,778</td>
<td>-32,596</td>
<td>-893,182</td>
</tr>
</tbody>
</table>
## MONTEREY-SALINAS TRANSIT
### Revenue & Expense - Consolidated
#### Budget vs Actual

For the Period from August 1, 2020 to August 31, 2020

(Amounts are in USD)

(Includes Fund: 002)

(Includes G/L Budget Name: BUDFY21)

<table>
<thead>
<tr>
<th></th>
<th>Cur Mo. Actual</th>
<th>Cur Mo. Budget</th>
<th>Cur Mo. Variance</th>
<th>YTD Actual</th>
<th>YTD Budget</th>
<th>YTD Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Passenger Fares</td>
<td>-8,406</td>
<td>-23,143</td>
<td>14,737</td>
<td>-6,911</td>
<td>-46,286</td>
<td>39,375</td>
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<tr>
<td>Special Transit</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash Revenue</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash Grants &amp; Reimbursement</td>
<td>-551,660</td>
<td>-551,660</td>
<td>-1,103,320</td>
<td>-1,103,320</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td>-560,066</td>
<td>-574,803</td>
<td>14,737</td>
<td>-1,110,231</td>
<td>-1,149,606</td>
<td>39,375</td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Labor</td>
<td>11,869</td>
<td>11,125</td>
<td>744</td>
<td>21,901</td>
<td>22,250</td>
<td>-349</td>
</tr>
<tr>
<td>Benefits</td>
<td>5,908</td>
<td>6,790</td>
<td>-882</td>
<td>13,634</td>
<td>13,580</td>
<td>54</td>
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<td>1,147</td>
<td>0</td>
</tr>
<tr>
<td>Professional &amp; Technical</td>
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<td></td>
<td></td>
<td>1,147</td>
<td>1,147</td>
<td>0</td>
</tr>
<tr>
<td>Outside Services</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Outside Labor</td>
<td>6,572</td>
<td>9,399</td>
<td>-2,827</td>
<td>17,536</td>
<td>18,798</td>
<td>-1,262</td>
</tr>
<tr>
<td>Fuel &amp; Lubricants</td>
<td>27,928</td>
<td>50,000</td>
<td>-22,072</td>
<td>72,983</td>
<td>100,000</td>
<td>-27,017</td>
</tr>
<tr>
<td>Supplies</td>
<td>320</td>
<td>2,036</td>
<td>-1,716</td>
<td>901</td>
<td>4,072</td>
<td>-3,171</td>
</tr>
<tr>
<td><strong>Total Operating Expenses</strong></td>
<td>342,216</td>
<td>574,803</td>
<td>-228,587</td>
<td>749,181</td>
<td>1,149,606</td>
<td>-400,425</td>
</tr>
<tr>
<td>Operating (Surplus) Deficit</td>
<td>-213,850</td>
<td>-213,850</td>
<td>-361,050</td>
<td>-361,050</td>
<td>-361,050</td>
<td>-361,050</td>
</tr>
</tbody>
</table>
To: Board of Directors

From: Lisa Cox, Risk and Security Manager

Subject: Liability Claim Rejection

RECOMMENDATION:

Reject Claim by Claimant Lillian Kausin.

FISCAL IMPACT:

$188.30.

POLICY IMPLICATIONS:

None.

DISCUSSION:

The claim was submitted on September 8, 2020 from Lillian Kausin regarding an incident that occurred on June 09, 2020 as a passenger assaulted an MST coach operator and claimant Lillian Kausin.

After conducting a preliminary investigation into this matter, it has been determined that the current claim submitted has failed to comply with the California Government claims act and is insufficient. Staff recommends the claim be rejected in its entirety.

If notice of rejection on the claim is given, the claimant has six months from the date of the notice to file suit. If no notice of denial is provided, the claimant has two years from the date the cause of action accrues in which to bring an action.

The above claim is under investigation. If any Board member desires further information on this claim, they may request it be discussed in closed session.

PREPARED BY: Lisa Cox
APPROVED BY: Carl Sedoryk
To: Board of Directors

From: Michelle Overmeyer, Director of Planning & Innovation

Subject: Designing for Transit

RECOMMENDATION:

Receive Presentation on MST’s Designing for Transit Guidelines.

FISCAL IMPACT:

The study cost $47,800 and was included in the agency’s FY 2020 budget.

POLICY IMPLICATIONS:

Your Board has adopted a strategic goal to provide quality transit and mobility management services.

DISCUSSION:

The coordination of land use developments with public transportation planning enables safe, efficient, and effective transit operations. The benefits are apparent at the regional and individual experience. Designing for Transit gives decision-makers, developers, planners, engineers, and community members the ability to plan for safety and efficiency of transit infrastructure on our streets and sidewalks.

MST’s last guidance was published in 2006, and since that time, a number of national best practice resources on transit stop and street design have been published or updated. Additionally, updates have been made to the Americans with Disabilities Act (ADA) of 1990 and to the application of the ADA to transit facilities.

Fehr & Peers was hired to review MST’s outdated guidelines, review industry material, and update MST’s Designing for Transit. The consultants were tasked with focusing on those elements that best suit the varied character of MST’s urban and rural communities.

The consulting team met with MST staff across departments to identify ways to improve operational function with more standardized guidance that can be shared among jurisdictions. Key concepts were identified:
• Early consultation with MST is best to develop transit stops that can be safely and efficiently served
• Near-side stops are undesirable and can pose safety hazards in some cases
• Complete streets incorporate the needs of all users, but must maintain a minimum of 11-foot wide travel lanes to be served by MST transit buses
• Accommodating requirements of the ADA must be included in any bus stop modifications or new bus stop locations

Additional input was sought from the Transportation Agency for Monterey County’s (TAMC) Technical Advisory Committee (TAC). The TAC is comprised of members representing: each of the twelve cities in Monterey County, Monterey County Public Works, Monterey County Planning, the State Department of Transportation, Monterey-Salinas Transit, the Monterey Bay Air Resources Board, and the Association of Monterey Bay Area Governments. The TAC provides technical assistance, advice, and recommendations for coordinated transportation planning within Monterey County. The draft guideline was forwarded to all members of TAMC’s TAC in July to gather feedback, and a presentation was given to the group in August. TAC comments on the draft guidelines were then addressed in the final document.

*Designing for Transit; a Guide for Supporting Public Transit Through Complete Streets - 2020 Edition* is now available on MST’s website, and staff recommends your board receive a brief presentation on *Designing for Transit*.

To: Board of Directors  
From: Norman K. Tuitavuki, Deputy Chief Operating Officer  
Sandra Amorim-Ruiz, Purchasing Manager  


RECOMMENDATION:  


FISCAL IMPACT:  

The FY2021 adopted Budget includes $150,000 for this expense.  

POLICY IMPLICATIONS:  

Your Board approves contracts and expenditures over $100,000.  

The California Air Resources Board (ARB) requires Monterey-Salinas Transit District (MST) to submit a Board adopted Zero Emissions Bus (ZEB) Roll-Out Plan that complies with the ICT rule on or before July 1, 2023.  

DISCUSSION:  

In April of 2020, MST issued a Request for Proposal (RFP) seeking qualified firms to perform fleet, facilities, and operational analyses and to provide MST a detailed ZEB Roll-Out Plan that complies with California’s ICT rule. The ZEB Roll-Out Plan resulting from this project will be presented to your Board for review, approval, and adoption; and submitted to ARB in the summer/fall of 2021.  

This intensive project will require a vast amount of data collection and analysis. The selected firm will need to interface with staff frequently, analyze MST’s operation, facilities, and routes to create a plan that fits MST’s current and future needs - while fulfilling the requirements of the ICT. Additionally, the selected firm will analyze MST facilities, properties, and MST’s surrounding region for possible public-private-partnerships (PPP) to help MST transition to a zero emissions fleet.  

Furthermore, the selected firm will consider all zero emissions technologies and options available now and, in the future, including: hydrogen fuel cell buses (HCFB), battery electric buses (BEB), solar power, battery storage options, and similar
technologies that help MST reduce its carbon footprint while transitioning to a zero emissions fleet.

In response to this RFP, MST received six proposals from qualified firms. Pricing and overall proposer evaluation score is listed below.

<table>
<thead>
<tr>
<th>Proposer</th>
<th>Evaluation Score</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Center for Transportation and the Environment (CTE)</td>
<td>96</td>
<td>$254,094.00</td>
</tr>
<tr>
<td>HDR, Inc.</td>
<td>92</td>
<td>$123,410.00</td>
</tr>
<tr>
<td>Engie, Inc.</td>
<td>82</td>
<td>$485,683.00</td>
</tr>
<tr>
<td>Stantec, Inc.</td>
<td>84</td>
<td>$223,158.00</td>
</tr>
<tr>
<td>Systa, Inc.</td>
<td>80</td>
<td>$316,115.00</td>
</tr>
<tr>
<td>Fehr &amp; Peers, Inc.</td>
<td>89</td>
<td>$421,587.00</td>
</tr>
</tbody>
</table>

Staff independently reviewed and scored each proposal basing their scores on the firms’:

- Organizational Management and Business Plan
- Past Performance and Quality of Services
- Quality Assurance
- Comments Received from Past and Current Customers

Through this process, staff awarded the highest number of points to CTE and selected this firm as the winning proposer. Although CTE was the highest scoring firm, their original proposed cost for this project was $254,094.00, which is 51% higher than the next highest scoring firm, HDR, Inc. Realizing this unusual and significant cost difference and as a steward of public funds, MST requested CTE submit a Best and Final Offer (BAFO) for consideration. CTE submitted their BAFO to MST on August 26, 2020. The BAFO showed CTE had reduced their overall total cost at a new cost of $198,189.00; however, CTE dramatically revised their proposal and the overall work plan described in their proposal no longer met the original scope and intent of MST’s RFP.

As a result, MST declined CTE’s BAFO and recommends awarding a contract to HDR, Inc., the second highest scoring firm.

HDR’s proposed total cost for this project is $123,410.70, which is 51% lower than CTE’s original proposal, and 38% lower than CTE’s BAFO. Although HDR’s total score was marginally lower than CTE’s total score, HDR’s current and past customers provided high praise and positive feedback. The customers MST communicated with had hired HDR to perform the same or very similar tasks (as described in MST’s RFP) -
all of which were related to ZEB technology. Staff is confident HDR can execute the tasks described in the RFP, deliver a ZEB Roll-Out Plan as required by ARB, and help guide MST as it transitions to a zero emissions fleet.

Furthermore, the RFP allows for such a scenario and further states how proposals will be evaluated by MST:

1. An offeror’s qualifications be evaluated;
2. Price be excluded as an evaluation factor;
3. Price negotiations be conducted with only the most qualified offeror; and
4. Failing agreement on price, negotiations with the next most qualified offeror or be conducted until a contract award can be made to the most qualified offeror whose price is fair and reasonable to Monterey-Salinas Transit.

Your Board's approval will authorize staff to award a contract to HDR, Inc. to perform fleet, facilities, and operational analyses and to create a detailed ZEB Roll-Out Plan that meets all requirements of the ICT rule that MST will submit to the ARB in the summer/fall of 2021. The total amount for this contract shall not exceed $123,410.70.

**ATTACHMENT(S):**

None

PREPARED BY: _______________________   REVIEWED BY: _____________________

Norman Tuitavuki   Carl G. Sedoryk
To: Board of Directors

From: Carl Sedoryk, General Manager/CEO

Subject: Approve Performance Incentive Pool for MSTEA and Confidential Unit

RECOMMENDATION:

Award FY 2020 performance incentives for eligible Monterey-Salinas Transit Employee Association (MSTEA) and Confidential Unit employees.

FISCAL IMPACT:

Approximately $136,066 in annual performance incentive payments for 61 eligible MSTEA and MST Confidential Unit employees (excluding the General Manager/CEO). This amount is available in the approved FY 2021 Operating Budget.

POLICY IMPLICATIONS:

Per an agreement with the MSTEA, each year your board establishes the size of an incentive pay pool equal to 3.0 percent of total base pay of eligible MSTEA and Confidential Unit Members.

DISCUSSION:

The current agreement with the MSTEA requires that an incentive pay pool equal to two (2) to three (3) percent of the total base pay of eligible MSTEA and Confidential Unit members shall be established by the Board for each contract year. The contract states that incentive pay shall be based upon meeting the Board’s adopted annual performance goals and award percentages.

Your Board received a presentation from the General Manager/CEO in Closed Session at the meeting of September 14, 2020 on staff performance and achievement of Board adopted goals and the following actions were taken:

- Motion to Approve the incentive pool for MSTEA and Confidential staff based on the aggregate goal achievement of 93.6% with the incentive pool base set at 2.5 percent (costing $111,721). Motion by Baron; second by Velazquez.

  Ayes – Alejo, Baron, Martinez and Velazquez; Noes – Albert, Barrera, Carbone, Clark, LeBarre, O’Connell, Pacheco, and Worthy; MOTION FAILED. (4-8)
Motion to Approve the incentive pool for MSTEA and Confidential staff based on the aggregate goal achievement of 93.6% with the incentive pool base set at 3.0 percent (costing $136,066). Motion by LeBarre; second by Clark.

Ayes – Albert, Alejo, Barrera, Baron, Carbone, Clark, LeBarre, Martinez, O’Connell, Pacheco, Velazquez and Worthy; Noes – None; MOTION PASSED. (12-0)

The incentive payment shall be a one-time payment to the eligible employees and shall not increase the employee’s base pay.

PREPARED BY: Carl G. Sedoryk
To: Board of Directors

From: Lisa Rheinheimer, Assistant General Manager

Subject: Financing South County Operations and Maintenance Facility

RECOMMENDATION:

1. Approve Resolution 2021-11 approving the Term Sheet from a Transportation Infrastructure Finance and Innovation Act (TIFIA) Loan to provide financing for construction of the South County Operations and Maintenance Facility project:
   i. Authorizing the General Manager/CEO to negotiate and execute a Loan Agreement in the amount of $8,449,000,
   ii. Authorizing the General Manager/CEO to negotiate and execute a Collateral Accounts and Security Agreement (CASA),
   iii. Authorizing MST General Counsel to execute the Opinion of Counsel related to the TIFIA Loan Agreement, and

2. Authorize the General Manager/CEO to negotiate and execute an Irrevocable Direction regarding Deposit of Local Transportation Funds between MST and the Transportation Agency for Monterey County (TAMC) in support of the financing arrangement.

FISCAL IMPACT:

The short-term costs of hiring financial advisors and outside legal counsel have been included in the FY2021 budget. The Budget also assumes the successful close of a federal loan to pay for the $8,449,000 funding gap in project costs for the construction phase of the South County Operations and Maintenance Facility project.

Attachment 1 – SB 450 Disclosures includes information as to the financial terms and arrangement of the TIFIA Loan Agreement including true interest costs, financing charges, net proceeds of the loan and total payments of the loan.
POLICY IMPLICATIONS:

Your Board adopts policies, authorizes expenditures over $100,000 and authorizes loan and other agreements.

At its February 2020 meeting, the Board authorized the General Manager/CEO to execute all necessary documents to proceed with a TIFIA loan agreement. The South County Operations and Maintenance Facility and its financing is included as part of the Board’s Action Plan as adopted in the FY21 Budget. The project has also been on the Board’s Strategic Plan for at least the last 3 years.

Adoption of the proposed MST Debt Management Policy is a 2017 requirement under State law for public agencies wishing to incur debt. The Debt Management Policy is included as Attachment D.

DISCUSSION:

Certain disclosures related to issuance of debt are required under State law. Senate Bill 450 (Chapter 625 of the 2017-2018 Session of the California Legislature as codified in Government Code Section 5852.1) provides certain public disclosures related to the Transportation Infrastructure Finance and Innovation Act (TIFIA) Loan. These disclosures specific to the MST TIFIA loan are included in Attachment 1.

In February 2020, the Board authorized the General Manager/CEO to execute all necessary documents related to the TIFIA loan. A resolution of the MST Board is also necessary to move forward with the TIFIA loan. Resolution 2021-11 (Attachment 2) approves the Term Sheet (Attachment A) of the loan and further authorizes the General Manager/CEO to negotiate and execute the Loan Agreement (website Attachment B), authorizes a Collateral Accounts and Security Agreement (CASA) (website Attachment C), authorizes MST General Counsel to execute the Opinion of Counsel related to the TIFIA Loan Agreement, and adopts a new Debt Management Policy (Attachment D).

Once these approvals are granted, MST staff, General Counsel, financial and legal advisors will further negotiate and execute the agreements necessary to close at the end of October or early November. This timeline is necessary to be able to draw down funds to pay the construction contractor for work on the project.

Barring any unforeseen delays during construction, the South County Operations and Maintenance Facility project is scheduled for substantial completion in September 2021 and fully operational by the end of 2021.
ATTACHMENTS:

Attachment 1 - SB 450 Disclosures

Attachment 2 - Resolution 2021-11

Attachment A included in Agenda Packet

Attachment B Draft TIFIA Loan Agreement included as a website attachment: https://mst.org/about-mst/board-of-directors/board-meetings/

Attachment C Draft CASA included as a website attachment: https://mst.org/about-mst/board-of-directors/board-meetings/

Attachment D included in Agenda Packet

PREPARED BY: ____________________ REVIEWED BY: ____________________
Lisa Rheinheimer Carl G. Sedoryk
Senate Bill 450 Disclosures

The following information is made available in accordance with California legislation (Senate Bill 450 Chapter 625 of the 2017-2018 Session of the California Legislature as codified in Government Code Section 5852.1) to provide certain public disclosures related to the Transportation Infrastructure Finance and Innovation Act (TIFIA) Loan. Certain figures are good-faith estimates and are subject to final market conditions upon close:

A. True Interest Cost of the TIFIA Loan. Based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the true interest cost of the TIFIA Loan, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the TIFIA Loan, is 0.82%.

B. Finance Charge of the TIFIA Loan. Based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the finance charge of the TIFIA Loan, which means the sum of all fees and charges paid to third parties (or costs associated with the TIFIA Loan), is $267,000.

C. Net Proceeds of the TIFIA Loan. Based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the amount of TIFIA Loan proceeds expected to be received by MST less the finance charge described in B. above and any reserves or capitalized interest paid or funded with proceeds of the TIFIA Loan is $8,449,000.

D. Total Payment Amount for the TIFIA Loan. Based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the total payment amount, which means the sum total of all payments MST, through the payment of principal and interest, will make to pay debt service on the TIFIA Loan plus the finance charge of the TIFIA Loan described in paragraph B. above not paid with the proceeds of the TIFIA Loan calculated to the final maturity of the TIFIA Loan, is $10,158,715.
MONTEREY-SALINAS TRANSIT DISTRICT

RESOLUTION NO. 2021-11

RESOLUTION APPROVING FINANCING WITH THE UNITED STATES DEPARTMENT OF TRANSPORTATION - TRANSPORTATION INFRASTRUCTURE FINANCE AND INNOVATION ACT - TO PROVIDE FINANCING FOR THE CONSTRUCTION OF THE SOUTH COUNTY OPERATIONS AND MAINTENANCE FACILITY

WHEREAS, Monterey-Salinas Transit District (MST) is under construction for a new bus operations and maintenance facility project in the City of King (Project) and therefore solicited bids from contractors; and

WHEREAS, based on the construction contract, related current cost estimates and a preliminary financing plan as described to this Board of Directors, MST will need to finance a portion of the cost of the Project; and

WHEREAS, the financing of the Project will produce significant public benefits, including (a) demonstrable savings in effective interest rate, debt preparation, debt underwriting, and debt issuance costs, and (b) significant reductions in effective user charges levied by MST for its transit service; and

WHEREAS, the MST received a term sheet (Term Sheet) from the United States Department of Transportation, an agency of the United States of America, acting by and through the Executive Director of the Build America Bureau (TIFIA Lender) setting forth certain terms and conditions for a loan to the Borrower from the TIFIA Lender for the balance of the financing needs of the Project and the MST Board desires to delegate to the General Manager/CEO the authority to negotiate and execute the Term Sheet with the TIFIA Lender on substantially the terms and conditions as set forth in the draft Term Sheet, (Attachment A); and

WHEREAS, the MST Board desires to delegate to the General Manager/CEO the authority to negotiate and execute the TIFIA Loan Agreement (Agreement) with the TIFIA Lender on substantially the terms and conditions and fees as set forth in the draft Agreement (included as website Attachment B here: https://mst.org/about-mst/board-of-directors/board-meetings/); and

WHEREAS, the MST Board desires to delegate to the General Manager/CEO the authority to negotiate and execute a Collateral Accounts and Security Agreement (CASA) with the TIFIA Lender and U.S. Bank National Association on substantially the terms and conditions and fees as set forth in the draft CASA, (included as website Attachment C here: https://mst.org/about-mst/board-of-directors/board-meetings/); and

WHEREAS, there has been presented to this Board the form of a Debt Management Policy (Attachment D) for MST, the adoption of which is a condition for MST incurring
indebtedness to finance a portion of the cost of the Project.

NOW, THEREFORE, BE IT HEREBY RESOLVED, by the Board of Directors of the Monterey-Salinas Transit District that:

1. The General Manager/CEO or designee is authorized to negotiate and execute the Term Sheet on substantially the terms and conditions as set forth in the draft Term Sheet, Attachment A, and the Term Sheet is hereby approved.

2. The General Manager/CEO or designee is authorized to negotiate and execute the Agreement on substantially the terms and conditions and fees as set forth in the draft Agreement, Attachment B, and the Agreement and the transactions contemplated thereby (including MST’s performance of its obligations thereunder) are hereby approved.

3. The General Manager/CEO or designee is authorized to negotiate and execute the CASA on substantially the terms and conditions and fees as set forth in the draft CASA, Attachment C, and the CASA and the transactions contemplated thereby (including MST’s performance of its obligations thereunder) are hereby approved. MST’s obligations under the Agreement are secured by a lien and pledge of the Local Transportation Funds (LTF) funds as described in the Agreement and the CASA. The general fund of MST is not liable for payment of the TIFIA Loan or the interest thereon, and the principal of and interest on the TIFIA Loan is payable solely from the revenues and other funds described in the Agreement and the CASA. MST is not obligated to pay amounts due under the TIFIA Loan except from the revenues and other funds described in the Agreement and the CASA.

4. The General Manager/CEO or designee is authorized to negotiate and execute any other documents, certificates, agreements or other instruments necessary, desirable or appropriate to give effect to the Agreement, the CASA and the transactions contemplated in the Agreement or the CASA, and such documents, certificates, agreements and other instruments and the transactions contemplated thereby (including MST’s performance of its obligations thereunder) are hereby approved.

5. MST General Counsel is hereby authorized to deliver its opinion as borrower’s counsel substantially in the form attached to the Agreement in connection with the closing of the TIFIA Loan.

6. The form of Debt Management Policy, Attachment D, presented to this Board at this meeting is hereby approved.
Upon motion of Director ____________, seconded by Director ____________, and on the following roll call, to wit:

AYES:

NOES:

ABSENT:

ABSTAINING:

The foregoing resolution is hereby passed and adopted by Monterey-Salinas Transit District of Monterey County, State of California, at a regular meeting of said Board of Directors held on the 12th day of October 2020.

ATTEST:

________________________   __________________________
Dan Albert   Carl G. Sedoryk
MST Board Chair   General Manager/CEO

APPROVED AS TO FORM AND LEGAL EFFECT:

De Lay & Laredo
MST Counsel

By: ______________________________
David C. Laredo
MST General Counsel

Dated: ________________________
## Monterey-Salinas Transit District
### South County Operations and Maintenance Facility Project

#### TIFIA Loan Agreement Term Sheet

<table>
<thead>
<tr>
<th><strong>TIFIA Lender</strong></th>
<th>The United States Department of Transportation, acting by and through the Executive Director of the Build America Bureau (the “TIFIA Lender”)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Borrower</strong></td>
<td>The Monterey-Salinas Transit District, a special purpose district created under the laws of the State of California (the “Borrower”)</td>
</tr>
<tr>
<td><strong>Project</strong></td>
<td>A new operations and maintenance facility for transit vehicles that primarily serve southern Monterey County that is to be constructed and owned by the Borrower and located in King City, California (the “Project”).</td>
</tr>
<tr>
<td><strong>TIFIA Loan Agreement</strong></td>
<td>TIFIA Loan Agreement (the “TIFIA Loan Agreement”), to be entered into by the TIFIA Lender and the Borrower.</td>
</tr>
<tr>
<td><strong>TIFIA Loan Amount</strong></td>
<td>A maximum principal amount not to exceed $8,449,000.</td>
</tr>
<tr>
<td><strong>Interest Rate</strong></td>
<td>A fixed rate, set on the execution date of the TIFIA Loan Agreement, equal to one half the interest rate of securities of a similar maturity as published in the United States Treasury Bureau of Public Debt’s daily rate table for State and Local Government Series (SLGS) securities plus one basis point (.01%).</td>
</tr>
<tr>
<td><strong>Debt Service Payment Commencement Date</strong></td>
<td>The semi-annual payment date following the first draw on the loan (the “TIFIA Loan”) under the TIFIA Loan Agreement.</td>
</tr>
<tr>
<td><strong>Final Maturity Date</strong></td>
<td>The earlier of (a) July 1, 2056 and (b) the Payment Date (to be defined in the TIFIA Loan Agreement) occurring on or immediately prior to the thirty-fifth (35th) anniversary of the Substantial Completion Date (to be defined in the TIFIA Loan Agreement).</td>
</tr>
<tr>
<td><strong>Sources of Funds for Loan Repayment</strong></td>
<td>The following revenue sources of the Borrower will be available to pay debt service on the TIFIA Loan and other amounts under the TIFIA Loan Agreement (collectively “Revenues”):</td>
</tr>
<tr>
<td></td>
<td>- <strong>LTF</strong>: all Local Transportation Funds (“LTF Funds”) allocated to the Borrower; and</td>
</tr>
</tbody>
</table>
### Other Revenues

Other Revenues of the Borrower (collectively, the “Other Revenues”), consisting of:

- **Farebox Revenues**: all farebox revenues received by the Borrower (“Farebox Revenues”);
- **STA**: all State Transit Assistance funds (“STA Funds”) received by the Borrower;
- **Measure X**: all Measure X tax revenues (“Measure X Funds”) received by the Borrower; and
- **Ancillary Revenues**: (i) all income derived from permitted investments, (ii) proceeds from business interruption and delay in start-up insurance policies, (iii) revenue from any lease or other contract (e.g., advertising), (iv) the proceeds of any Permitted Disposition, and (v) all net cash payments received by the Borrower under or in connection with any hedging agreements (collectively, “Ancillary Revenues”).

### Priority

The TIFIA Loan will be a senior obligation of the Borrower in right of payment from (and claim on) all Revenues.

### Security

The TIFIA Loan will be secured by the following security interests:

- a pledge of all LTF Funds; and
- a security interest in each of the accounts established under the Collateral Agency and Accounts Agreement for the transaction (the “CASA”), to be entered into by the Borrower, the TIFIA Lender, and U.S. Bank National Association, acting as collateral agent, and the Borrower’s other lenders from time to time (other than those sub-accounts of the senior debt service account that exclusively secure any obligations of the Borrower on parity with the TIFIA Loan (such obligations, “Pari Passu Obligations”)), including an exclusive security interest in the TIFIA debt service sub-account of the senior debt service account established under the CASA (and collaterally assigned exclusively to the TIFIA Lender) (the “TIFIA Debt Service Sub-Account”) and the TIFIA Debt Service Reserve Account (defined below), and the amounts on deposit in each such account.

### TIFIA Debt Service Reserve

The TIFIA Loan will be supported by a debt service reserve in the amount equal to fifty percent (50%) of the principal and interest payments on the TIFIA Loan due and payable during the then-current fiscal year of the Borrower (the “TIFIA Debt Service Reserve”).
Required Balance”), to be deposited into a debt service reserve account (the “TIFIA Debt Service Reserve Account”) established under the CASA andcollaterally assigned exclusively to the TIFIA Lender.

The Borrower shall fully fund the TIFIA Debt Service Reserve Required Balance with LTF Funds by no later than [the first business day following the Initial LTF Funds Deposit Date (defined below)].

**Required Deposits to Revenue Account; TAMC Irrevocable Instruction**

- **LTF Fund Deposits.** From and after the first date following the execution and delivery of the CASA on which the Borrower is entitled to receive LTF Funds (the “Initial LTF Funds Deposit Date”), the Borrower shall cause all LTF Funds payable to it to be deposited to the Revenue Account established under the CASA as described below.

- **TAMC Irrevocable Instruction.** The Borrower shall issue an irrevocable direction letter to the Transportation Agency of Monterey County (“TAMC”), in form and substance satisfactory to the TIFIA Lender, directing TAMC to send all LTF Funds allocated to the Borrower directly to the Revenue Account on a monthly basis (each monthly deposit date, a “Monthly LTF Deposit Date”). Please see “Flow of Funds” below for additional information regarding the LTF Funds.

- **Shortfall Funding with Other Revenues.** As further detailed in “Flow of Funds” below, if, as of the first date of any period of six (6) months ending on the date prior to a semi-annual payment date (each a “Payment Period”), LTF Funds deposited to the Revenue Account are not sufficient (1) to fund in full the Adjusted Debt Service Amount (defined below) for the TIFIA Debt Service Sub-Account and each Pari Passu Debt Service Sub-Account (defined below) and (2) to cause the TIFIA Debt Service Reserve Account to hold the TIFIA Debt Service Reserve Required Balance and any Pari Passu Debt Service Reserve Account to hold the required balance for such account (whether due to a prior withdrawal or because of an adjusted to the TIFIA Debt Service Reserve Required Balance or such required balance), the Borrower shall promptly (and by no later than a date to be specified) deposit or cause to be deposited Other Revenues to the Revenue Account in such amounts as are needed to cause Adjusted Debt Service Amount to be on deposit in the TIFIA Debt Service Sub-Account and each Pari Passu Debt Service Sub-Account and to cause the TIFIA Debt Service Reserve Account to hold the TIFIA Debt Service Reserve Required Balance and any Pari Passu Debt Service Reserve Account to hold the required balance for such account.
Flow of Funds

The flow of funds from the Revenue Account will be detailed in the CASA. The following is a summary of the flow of funds.

- **First**, on a pari passu basis, deposits to the TIFIA Debt Service Sub-Account and to the debt service sub-account of the senior debt service account established under the CASA of any Pari Passu Obligations (each, a “Pari Passu Debt Service Sub-Account”) up to the Adjusted Debt Service Amount for each such account;

- **Second**, on a pari passu basis, deposits to fund (i) the TIFIA Debt Service Reserve Account (as necessary so that the balance thereof equals the TIFIA Debt Service Reserve Required Balance) and (ii) any debt service reserve sub-account established for any Pari Passu Obligations (each, a “Pari Passu Debt Service Reserve Account”) up to the debt service reserve requirement for such Pari Passu Obligations; and

- **Third**, any remaining amounts after items *first* and *second* will be transferred to the Borrower.

“Adjusted Debt Service Amount” means the amounts described in clauses (a) and (b) below, subject to the adjustment described in the proviso below:

(a) for the TIFIA Debt Service Sub-Account, an amount equal to (i) the interest due on the TIFIA Loan on the next semi-annual payment date plus (ii) (A) for any Payment Period beginning on July 1, fifty percent (50%) of the principal due on the TIFIA Loan on the next annual principal payment date or (B) for any Payment Period beginning on January 1, one hundred percent (100%) of the principal due on the TIFIA Loan on the next annual principal payment date, plus (iii) any fees, costs, expenses and other amounts then due and payable under the TIFIA Loan Agreement; and

(b) for any Pari Passu Debt Service Sub-Account, an amount equal to (i) the interest due on the applicable Pari Passu Obligation with respect to such account on the next semi-annual payment date plus (ii) (A) for any Payment Period beginning on an annual principal payment date, fifty percent (50%) of the principal due on the applicable obligation with respect to such account on the next annual principal payment date or (B) for any Payment Period that does not begin on an annual principal payment date, one hundred percent (100%) of the principal due on the applicable obligation with respect to such account on the next annual principal payment date; provided that if the principal on any applicable Pari Pass Obligation is payable
on a semi-annual basis, clause (ii) shall read “the principal due on the applicable obligation with respect to such account on the next semi-annual principal payment date for such Pari Passu Obligations”, plus (iii) any fees, costs, expenses and other amounts then due and payable under the issuing document for the applicable Pass Passu Obligation with respect to such account.

| Additional Debt | ▪ The Borrower shall not issue indebtedness for borrowed money that is senior to the TIFIA Loan in right of payment from any Revenues.  
▪ The Borrower shall not issue and Pari Passu Obligations unless the LTF Funds received by the Borrower during any twelve (12) consecutive months during the eighteen (18) months prior to the date of the issuance of such additional indebtedness are at least equal to 2.0x maximum amount of TIFIA Debt Service and debt service in respect of all Pari Passu Obligations payable, in the aggregate, during any year while the TIFIA Loan or any such Pari Passu Obligations are (or are scheduled to be) outstanding.  
▪ Following the occurrence of an Event of Default under the TIFIA Loan Agreement, the Borrower shall not incur any indebtedness for borrowed money payable from Revenues without the prior written consent of the TIFIA Lender. |

| LTF Claims | The Borrower shall budget and apply for LTF Funds in each fiscal year in amounts at least sufficient to pay 2.0x (A) all principal and interest payments on the TIFIA Loan that will be due and payable during such fiscal year plus (B) all principal and interest payments on all Pari Passu Obligations due and payable during such fiscal year. In the event that TAMC allocates to the Borrower an amount of LTF Funds that is lower than the amount requested by the Borrower, the Borrower shall deliver to the TIFIA Lender written notice of such event within five (5) Business Days after the date of such allocation, which notice shall include an explanation for the reasons for such shortfall in allocation of LTF Funds to the Borrower. |
Web Attachment 2 (B)

Attachment B to MST Resolution 2021-11: DRAFT TIFIA Loan Agreement

https://mst.org/about-mst/board-of-directors/board-meetings/
Web Attachment 2 (C)

Attachment C to MST Resolution 2021-11: *DRAFT* Collateral Accounts and Security Agreement (CASA)

[https://mst.org/about-mst/board-of-directors/board-meetings/](https://mst.org/about-mst/board-of-directors/board-meetings/)
Monterey-Salinas Transit District
DEBT MANAGEMENT POLICY

October 12, 2020
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I. Introduction

The purpose of the Monterey-Salinas Transit District ("MST") Debt Management Policy ("Policy") is to promote sound and uniform practices for issuing and managing bonds, loans, and other forms of indebtedness, to provide guidance to decision makers regarding the appropriate use of debt and other repayment obligations of MST.

The Policy is also intended to comply with California Government Code section 8855(i), which became effective January 1, 2017 and requires that governmental agencies that issue any form of debt have a “debt management policy” in place if any form of debt is being contemplated or anticipated.

II. Policy Objectives

The Policy objectives are as follows:

- To help maintain the financial stability of MST’s transit system by encouraging sound decision-making so that its long-term financing commitments are affordable and do not create undue risk or burden to transit operations and service delivery.
- To protect MST’s creditworthiness and minimize MST’s borrowing costs.
- To meet the requirements of state and federal law and regulation, including state debt issuance reporting requirements and federal requirements regarding disclosure and administration of tax-exempt (or taxable) indebtedness.
- To incorporate best practices into MST’s borrowings and administration of its indebtedness.
- Ensure that MST’s debt is consistent with MST’s planning goals and objectives and operating and capital budget or, as applicable.

III. Issuance Authority and Scope of Indebtedness

MST is a special purpose district created by state law AB644 and formed July 1, 2010. Pursuant to (a) California Assembly Bill No. 730, Chapter 394, adopted September 27, 2013 and (b) the California Revenue Bond Law of 1941 (Chapter 6, Section 54300 et. seq. of Part 1 of Division 2 of Title 5 of the California Government
Montebery-Salinas Transit District
Debt Management Policy
Page 2

Code), MST is authorized to borrow money for the purpose of financing projects of MST.

MST is an infrequent issuer of debt. The extent of its borrowings are expected to be in the form of line of credits and loan agreements, primarily represented by a Transportation Infrastructure Finance and Innovation Act (TIFIA) Loan with the United States Department of Transportation. If MST considers alternative forms of indebtedness, this Policy provides flexibility to do so and may also be amended to address relevant issues. While this Policy does not specifically address vendor financings, capital leases, or other forms of installment contracts, to the extent MST were to consider such forms of financing, the spirit of these Policies would apply.

IV. Debt Management Responsibility

The General Manager/CEO is appointed as the MST official responsible for the following:

 Borrowing and debt issuance management, recognizing that assigned staff may be charged with certain day-to-day responsibilities.

 Working with the Assistant General Manager/Treasurer and other staff deemed appropriate in formulating MST’s debt management plans, seeking Board of Directors’ approval to execute such plans, and ensuring the appropriate management of debt.

 Keeping the Board of Directors informed of MST’s debt-related activities through informational reports, briefings, or workshops.

V. Uses and Limits on Indebtedness

Debt provides a tool for financing capital projects that are too large to accommodate as part of the annual budget, to share the cost of major improvements between current and future customers and/or to accelerate the delivery of a project when compared to funding on a pay-as-you-go-basis. On the other hand, debt service represents a fixed cost that will compete with other expenditures in MST’s budget and cannot be deferred in any given year.

In order to achieve the proper balance in its use of debt, MST will follow the following policy goals:

 MST will not use debt to finance operating expenses, except to alleviate cash-flow timing issues within a fiscal year. MST may consider use of debt in the event of an extraordinary expense, such as the financing of a major judgment.

 MST will plan for capital improvements and maintenance as part of its budgeting process, seeking to set funds aside in advance of need so that most
capital projects can be financed on a “pay-as-you-go” basis. Debt financing will be reserved for extraordinary capital expenditures.

- MST believes that prudent amounts of debt can be an equitable and cost-effective means of financing infrastructure and capital project needs of MST. MST will evaluate the benefit and risks of each proposed issue of new debt on a case by case basis, considering such factors as MST’s overall fiscal health, the potential impact of increased debt service on then current service levels, the offsetting benefits of a project on operating costs that may mitigate the cost of debt, and other long-term considerations.

In general, debt may be considered to finance such projects if it meets one or more of the following minimum criteria:

- It meets MST’s goal of distributing the payments for the asset over its useful life so that benefits more closely match costs for both current and future users of the MST system.

- The need for the project is compelling in terms of on-going cost savings or the need for public safety or services, and the size of the project makes funding out of existing resources or near-term revenues impractical.

VI. MST Revenues and Debt Service Payments

The following revenue sources of MST will be available to pay debt service on the TIFIA Loan and other obligations of MST (collectively “Revenues”):

- LTF: all Local Transportation Funds (“LTF Funds”) allocated to MST; and

- Other Revenues: other Revenues of MST consisting of:
  o Farebox Revenues: all farebox revenues received by the Borrower (“Farebox Revenues”);
  o STA: all State Transit Assistance funds (“STA Funds”) received by the Borrower;
  o Measure X: all Measure X tax revenues (“Measure X Funds”) received by the Borrower; and
  o Ancillary Revenues: (i) all income derived from permitted investments, (ii) proceeds from business interruption and delay in start-up insurance policies, (iii) revenue from any lease or other contract (e.g., advertising), (iv) the proceeds of any Permitted Disposition, and (v) all net cash payments received by the Borrower under or in connection with any hedging agreements (collectively, “Ancillary Revenues”).

Loan payments and debt service requirements are to be made by MST from Revenues whether or not the project being financed or any part thereof is
operating or operable or seized or its use is suspended, interfered with, reduced or curtailed, or terminated in whole or in part.

VII. Financing Professionals

The General Manager/CEO and/or Assistant General Manager/Treasurer will be responsible for recommending the various professionals required for a financing, based on prior experience, recommendations or a request for proposal process, as he or she deems appropriate.

A. Bond, Disclosure, or Special Finance Counsel

Bond counsel or special finance counsel prepares the various legal documents for a transaction and renders a variety of opinions, including opinion regarding the tax-exemption of bonds. For all public sales of debt (that, is through the issuance of bonds or other securities sold to multiple investors), MST will retain the services of disclosure counsel to prepare the official statement. The General Manager/CEO and/or Assistant General Manager/Treasurer will also determine whether to select another law firm to provide the services of disclosure counsel or to assign such duties to bond counsel.

B. Municipal Advisor

A municipal financial advisor assists in evaluating financing options, structuring of debt offerings or borrowings, making recommendations as to the method of sale, conducting competitive sales, and assisting with bringing negotiated sales to market, including making recommendations to MST on proposed interest rates, prices and yields in light of market conditions and the characteristics of the offering. MST will utilize a registered municipal advisor for its debt offerings and borrowings as well as other matters as it pertains to the management of MST’s outstanding obligations.

C. Underwriter

When MST issues its debt through a public market, negotiated sale, it will select one or more underwriters. The basis for selection will primarily be the firm’s experience in the transit and related transportation sectors, and its perceived ability to secure the lowest cost of funds, including underwriter’s fees and expenses.

D. Trustee and Collateral Agent

The trustee or collateral agent is a division of a commercial bank that services debt service payments on bonds and other obligations, including the TIFIA Loan. The General Manager/CEO and/or Assistant General Manager/Treasurer shall have the discretion to select a commercial banking firm for recommendation as trustee or collateral agent, either through a request for qualifications process or by relying on existing banking relationships if deemed to be advantageous.
VIII. Structuring Debt Financing

A. Term and Structure

Long-term debt financing of capital projects will be amortized over a period no longer than the useful life of the assets being financed. Generally, MST will structure its financings such that the term does not exceed thirty years. However, as the case with the TIFIA Loan Agreement bearing a low fixed interest rate, if there is a financial benefit to MST to extend the term of debt beyond 30 years, it may so as long as the debt does not extend beyond the useful life of the project.

Debt service will generally be structured to be level over the length of the borrowing. Alternate debt structures may be used to wrap new debt around existing debt to create overall level debt service or to achieve other financial planning goals appropriate to the specific project.

B. Debt Service Reserve Fund

To the extent required by the market, MST may fund a debt service reserve fund out of borrowing proceeds no greater than the amount allowed under federal tax law. At the time of the adoption of this policy, MST will not structure a debt service reserve fund for its loan agreements.

C. Capitalized Interest

Funding interest payments out of borrowing proceeds during construction is referred to as capitalized interest. MST may consider funding capitalized interest when it is appropriate to begin the payment of debt service after project completion.

D. Variable Rate Debt

To maintain a predictable debt service burden, MST will give preference to debt that carries a fixed interest rate.

E. Call Provisions

In general, MST’s securities will include a call feature/prepayment feature to ensure ongoing financial flexibility. Based on public municipal market conventions, a call feature is typically at par ten (10) years from the date of delivery of tax-exempt offering. The 2017 tax act stipulates that tax-exempt obligations can only be refunded on a tax-exempt basis 90 days before the call date and cannot be advance refunded with tax-exempt bond proceeds. MST may determine that a shorter call feature is appropriate by balancing cost and/or the desire for increased future optionality. Bank borrowings or loans may offer greater or more limited prepayment features than the public municipal market, which should be evaluated when pursuing alternative borrowing vehicles.
F. Additional Debt Test

Any new money debt issuance must not cause MST’s debt service to be expected to exceed the level at which Revenues are less than 2.0 times the maximum annual debt service for the aggregate outstanding loans and bonds including the debt service for the new issuance, calculated in accordance with the TIFIA Loan Agreement or form of Trust Indenture.

G. Credit Enhancement

MST will consider the use of credit enhancements such as bond insurance on a case-by-case basis. The cost-benefit of insurance will be evaluated through the final maturity and through the first optional call date, recognizing that municipal bonds are commonly refunded prior to maturity. MST will consider the use of a surety policy in lieu of a cash funded debt service reserve, but in doing so will consider estimated earnings on a cash funded reserve and the cost of replacing that surety at the time of a potential refunding, if applicable.

H. Derivatives

MST will not use interest rate swaps in connection with its debt program unless a separate swap policy is prepared and approved by the MST Board of Directors. MST may use derivative-like investment products to invest borrowing proceeds, but only upon staff’s analysis of the investment as part of the staff report transmitting the financing and specific approval as part of the Board of Directors’ action.

I. Disclosure

For all public sales of debt, MST will retain the services of disclosure counsel (who may also serve as bond counsel) to prepare the Official Statement to be used in connection with the offering and sale of debt. The General Manager/CEO, Assistant General Manager/Treasurer, and other appropriate staff will be asked to review this document to ensure that it is accurate and does not fail to include information that such staff and officials think might be material to an investor. The MST will make every effort to ensure the fullest disclosure possible in the MST’s disclosure documents, including, as appropriate, seeking staff training in disclosure matters. A Preliminary Official Statement will be released to the market only after the completion of the "due diligence" meetings with appropriate staff and approval by the Board of Directors.

J. Credit Ratings

The General Manager/CEO and/or Assistant General Manager/Treasurer, in consultation with the Municipal Advisor and other members of the financing team, will evaluate and make recommendations to the MST Board of Directors regarding the number of credit ratings to seek on any given public offering. MST will work to maintain its current credit ratings and to increase ratings when the opportunity to do so exists. The General Manager and/or Assistant General Manager/Treasurer
will periodically communicate with the credit rating agencies that rate MST’s debt so that they will remain well-informed.

IX. Method of Sale

MST’s borrowings, issuance of debt, and other municipal securities can be arranged directly with a lender, privately placed with a purchaser, or sold through a public offering in the municipal bond market.

A. Loan or Private Placement

A method of obtaining financing through a private placement or direct borrowing with a bank or other institution. MST will consider privately placing its debt for any small and/or short-term borrowings or in instances where difficult credit or disclosure considerations or other special circumstances so warrant.

B. Public Offering

Bonds and other municipal securities can be sold at a public offering through either a competitive or negotiated sale:

Competitive Sale: Under a competitive sale, the terms of the bonds are determined by MST, with the assistance of its municipal advisor and bond counsel, and the sale is awarded to the underwriter judged to have submitted the lowest true interest cost, which takes into account interest rates and any discounts or premiums, including the underwriters’ spread (their compensation).

Negotiated Sale: Under a negotiated sale, MST selects its underwriter in advance, based on proposals received or by other means. MST, its bond counsel and municipal advisor work with the underwriter in structuring, marketing and finally offering an issue to investors.

Due to a number of factors, including transit agencies requiring local, state, and federal subsidies to fund operations, the bond market is less receptive to transit credits than it is to most other municipal transportation revenue bond credits. Thus, MST’s credit may price more aggressively through a negotiated offering where there is the ability to pre-market to potential investors to ensure a wide buyer base. As a result, most debt in the transit sector is issued through a negotiated sale. MST expects to sell most of its debt in this matter unless market conditions change.

X. Refunding Offerings

In order to provide for the potential for refunding its loans and other obligations in the future, and absent compelling reasons to the contrary, MST will structure its borrowings with an optional call no longer than ten years from the date of issuance. Such compelling reasons to deviate from this policy, for example, could include a
bond issue that would mature only a few years after the optional call date, making a refunding impractical. When structuring its bond issues, MST will take into account the coupon structure of its debt (i.e., discount bonds or premium bonds that mature after the call date) and its impact on its option to execute a refunding.

MST will periodically review its outstanding debt portfolio to identify opportunities to achieve net economic benefits from refunding its outstanding obligations. Recognizing that MST’s ability to refund its debt is limited because of the market practice of making most fixed-rate bond issues non-callable for their first eight to ten years, and the elimination of the ability to refund bonds substantially before the call date (an “advance refunding,” which was eliminated by the 2017 tax act), MST will seek to deploy its refunding options prudently. At a minimum, the will seek to achieve net present value (“NPV”) savings equal to at least three percent (3%) of the par amount of the bonds that are refunded.

MST may also consider a refunding for a non-economic purpose, including the retirement of an indenture for more desirable covenants, a change in tax status, or to change the type of debt instrument.

XI. Debt Administration

The General Manager/CEO and/or Assistant General Manager/Treasurer and his or her staff shall be responsible for ensuring that the MST’s debt is administered in accordance with its terms, federal and State law and regulations, and industry best practices.

A. Tax-Exemption

Tax-exempt issuances are subject to various IRS rules and regulations regarding the use of borrowing proceeds. MST will make sure that the use of facilities financed with tax-exempt bonds are not used for ineligible private activities, and will consult with bond counsel whenever it identifies a change in use or otherwise undertakes an action that could change the tax-exempt status of its obligations.

MST shall periodically review and will comply with the specific post issuance compliance procedures identified in the tax documents for its tax-exempt financings. MST will retain an arbitrage rebate consultant to assist in calculating any earnings on borrowing proceeds in excess of the rate on its bonds, and to calculate whether arbitrage should be rebated to the Federal Government.

B. Continuing Disclosure

Under federal law, MST must commit to provide continuing disclosure to investors in any of its debt that is sold to underwriters to be offered to the public. All existing and future MST debt should be compliant with the requirements of the Continuing Disclosure Certificates executed at the time of issuance, including the annual filing with the Municipal Securities Rulemaking Board’s (“MSRB”) Electronic Municipal Market Access (“EMMA”) website of MST’s Comprehensive Annual Financial
Report and any other required reports; the filing of notices of the material events set out in the Continuing Disclosure Certificates; and the filing of any voluntary disclosures deemed material. All such filings will be made within the time requirements set forth in the Continuing Disclosure Certificates.

MST may retain a consultant to assist in preparing and filing required reports and notices.

C. Investment of Borrowing Proceeds

Investments of borrowing proceeds shall generally be consistent with MST’s Investment Policy as modified from time to time, and with the requirements contained in the governing bond documents.

D. State Reporting Requirements

The General Manager/CEO and/or Assistant General Manager/Treasurer will file any reports required by State law, including the Annual Debt Transparency Report to the California Debt and Investment Advisory Commission required of all debt issued after January 1, 2017, pursuant to Government Code section 8855(k).

XII. Relationship of Debt to Capital Improvement Program and Budget

MST is committed to long-term capital planning. MST may issue debt for the purposes stated in this Policy and to implement policy decisions incorporated in MST’s annual capital budget. MST shall integrate its debt issuances with the goals of its capital planning efforts by considering when projects are needed in furtherance of MST’s public purposes in determining the timing of debt issuance.

MST shall seek to avoid the use of debt to fund recurring infrastructure and facilities improvements in circumstances when the sole purpose of such debt financing is to reduce annual budgetary expenditures.

XIII. Internal Control Procedures

The General Manager/CEO and/or Assistant General Manager/Treasurer or designee will monitor the expenditure of bond proceeds to ensure they are used for the purpose and authority for which the bonds were issued.

In most cases, proceeds of debt will be held by a third-party trustee or fiscal agent and MST will submit written requisitions for such proceeds. MST will submit a requisition only after obtaining the signature of the General Manager/CEO and/or Assistant General Manager/Treasurer. In case where the proceeds of debt are not to be held by a third-party trustee or fiscal agent, the General Manager/CEO and/or Assistant General Manager/Treasurer shall be responsible for approving expenditures in the same manner as the approval for the expenditures for MST revenues.
XIV. Conclusion

This Policy is intended to guide MST's issuance of debt. This Policy should be reviewed and updated periodically to reflect changes in the market, the identification of other best practices, and to incorporate MST's own experience or changing circumstances. Changes to the Policy are subject to review and approval by the MST Board of Directors at a legally noticed and conducted public meeting.

While adherence to this Policy is generally required, it is recognized that changes in the capital markets and MST's needs and other unforeseen circumstances may from time to time produce situations that are not covered by the Policy or will require modifications or exceptions to best achieve policy goals. Any deviations from this Policy that is recommended by staff should be highlighted in the staff report transmitting the resolution for approval of the financing.
To: MST Board of Directors

From: Robert Weber, Chief Operating Officer

Subject: Approve Amendment No 7 to the Contract with MV Transportation Inc. Permitting Reimbursement of CARES Eligible Expenses.

RECOMMENDATION:

Approve Amendment No 7 to the Contract with MV Transportation – Permitting Reimbursement of CARES Eligible Expenses in the onetime payment amount of $93,000 (approximate) and no more than $35,000 per month beginning in September 2020 and ending on or before January 31, 2021.

FISCAL IMPACT:

$93,000 (approximate) onetime payment and no more than $35,000 per month beginning in September 2020 and ending on or before January 31, 2021.

Funding is available through the Coronavirus Aid, Relief, and Economic Security Act (CARES).

POLICY IMPLICATIONS:

Your Board must approve any expenditure that could exceed $100,000.

DISCUSSION:

Due to the COVID-19 pandemic, MV Transportation's business volume and associated revenues have sharply declined since March of this year. The decline was a direct result of the decrease in vehicle revenue hours for MST's contracted fixed route and RIDES Paratransit services.

This sustained loss in revenues has now prompted the firm to contemplate a reduction in its workforce to reduce expenses to offset the decline in revenues. Also, MV has incurred additional costs for the purchase of personal protective equipment (PPE), enhanced vehicle cleaning, and installation of driver protective barriers on the MST mini-bus fleet.

All of these expenses are eligible for reimbursement with funds provided through the Coronavirus Aid, Relief, and Economic Security Act (CARES). Also, the FTA has issued guidance allowing transit agencies to amend third-party contracts to allow for
CARES reimbursement of these expenses to include paid administrative leave for essential personnel to preserve a state of readiness for operations and maintenance activities.

**Expenses incurred from March 2020 - August 2020**

MV has identified eligible expenses that they have incurred from March to August of this year, totaling approximately $93,000. If approved by your Board, MST would reimburse MV retroactively for these expenses, which is allowable under the CARES Act. These expenses include:

- Additional wages for daily enhanced revenue vehicle deep cleaning
- Cleaning supplies
- Personal protective equipment
- Labor expense for installation of protective driver barriers (One-time expense)

**Reoccurring monthly expenses beginning in September 2020:**

Beginning in September 2020, the amount requested may increase by approximately $20,000 per month to pay for administrative leave for employees who are at risk of being furloughed or laid off from work. In total, the monthly reimbursement would not exceed $35,000 to reimburse MV for the following on-going expenses:

- Additional wages for daily enhanced revenue vehicle deep cleaning
- Cleaning supplies
- Personal protective equipment
- Paid administrative leave for essential workers.
- Training, requalification, or recertification expenses as required for the remobilization of essential workers.

This matter was brought before your Board during the September 14, 2020 meeting for discussion, at which time your Board directed staff to return this matter for further consideration. As part of that direction, staff was asked to prepare a contract amendment with the following terms and conditions with MV Transportation (CONTRACTOR) to facilitate the reimbursement of CARES eligible expenses, as described above.

1. The reimbursed amount shall not exceed $35,000 per month. Any additional amount requested shall not be paid without prior written authorization by MST’s General Manager/CEO or designee.

2. The Amendment and its terms and conditions shall begin on March 4, 2020, and automatically expire at 11:59 p.m. on January 31, 2021 unless extended, terminated, or modified in writing by MST.
3. MST’s responsibility is subject to the availability of funds. Specifically, any payment is contingent upon final approval and receipt of CARES funding grant or grants, or any future funding programs created in response to COVID-19.

4. CONTRACTOR shall provide documentation verifying that all CARES eligible expenses were paid by CONTRACTOR prior to receiving reimbursement from MST.

5. CONTRACTOR shall maintain an appropriate accounting system, consistent with the Federal Acquisition Regulation Part 31, and claimed expenses must be reasonable, allowable, and allocable under the terms of Part 31.201-2.

6. All payments under the provisions of this Amendment are subject to audit. CONTRACTOR agrees to submit all related records to MST, its agents, and cognizant state and federal authorities upon request.

Approval of this item shall authorize staff to execute Amendment No 7 to the Contract with MV Transportation Inc. This matter shall be returned to your Board on or before the January 2021 meeting for review and consideration to extend, modify, or terminate this contract amendment.

ATTACHMENT(S):

Amendment No 7 of the Contract by and between MST and MV Transportation Inc.

Prepared by: Robert Weber, Chief Operating Officer
Reviewed by: Carl G. Sedorik, General Manager/CEO
AMENDMENT NO. 7 OF THE CONTRACT
BETWEEN MV PUBLIC TRANSPORTATION, INC.
AND MONTEREY-SALINAS TRANSIT DISTRICT
FOR THE OPERATION OF MST RIDES ADA & SPECIAL TRANSPORTATION SERVICES AND OTHER DIAL-A-RIDE AND FIXED ROUTE TRANSIT SERVICES
MST CONTRACT # 13-03

This Amendment No. 7 to Contract for the Operation of MST Rides ADA & Special Transportation Services and Other Dial-A-Ride and Fixed Route Transit Services MST Contract # 13-03 (this “Amendment”), is entered into as of __________, 2020, but effective as of March 4, 2020 (the “Effective Date”), by and between the Monterey-Salinas Transit District ("MST"), and MV Public Transportation, Inc. ("CONTRACTOR"). MST and CONTRACTOR may hereinafter be referred to collectively as the “Parties” and individually as a “Party.”

RECITALS:

WHEREAS, the Parties have entered into that certain Contract for the Operation of MST Rides ADA & Special Transportation Services and Other Dial-A-Ride and Fixed Route Transit Services MST Contract # 13-03, dated effective as of July 18, 2013, pursuant to which CONTRACTOR provides certain transportation services for MST (as amended, the “Agreement”);

WHEREAS, on March 4, 2020, the Governor declared a state of emergency for all counties throughout the state as a result of the nationwide outbreak of COVID-19 and confirmed person-to-person transmission of the disease;

WHEREAS, in response to the COVID-19 crisis and public health recommendations to shelter in place and maintain social distancing, system ridership and the volume of services necessary under the Agreement have temporarily but significantly decreased;

WHEREAS, in response to the COVID-19 crisis, CONTRACTOR has incurred additional costs to maintain operation of the system, including without limitation, purchasing personal protection equipment for its employees, purchasing hand sanitizer and cleaning supplies, and additional time spent cleaning facilities and vehicles;

WHEREAS, as a consequence of the reduced service levels precipitated by the ongoing pandemic, CONTRACTOR anticipates that it will need to cut costs by, among other things, reducing its workforce, via layoffs and/or furloughs, for the duration of the pandemic;

WHEREAS, CONTRACTOR will incur additional costs when service levels resume to normal as social distancing will likely require additional vehicles, operators, trainers, and hours to operate service;
WHEREAS, the services provided by CONTRACTOR are an essential public service and, as such, it is in the public interest for MST to require CONTRACTOR to maintain its current staffing levels in order for CONTRACTOR to maintain readiness to resume normal operation of the system;

WHEREAS, the Coronavirus Aid, Relief, and Economic Security (CARES) Act was signed into law on March 27, 2020, which provided $2.2 trillion in economic support for American workers, families, businesses, and state and local governments affected by COVID-19, including $25 billion for public transit;

WHEREAS, there are additional relief acts under consideration by the United States’ Congress that may provide further economic support for American workers, families, businesses, and state and local governments affected by COVID-19, including the Parties under this Agreement;

WHEREAS, the Federal Transit Administration has issued guidance allowing transit agencies to modify third-party contracts to require the payment of administrative leave of operations or maintenance personnel or for other operations or maintenance expenses, including increased operating expenses and expenses to retain readiness for operations and maintenance activities, and fixed expenses such as rent; and

WHEREAS, the Parties now desire to amend the Agreement to provide for a revised compensation structure that will allow CONTRACTOR to retain readiness for operations and maintenance activities and provide for reimbursement of CONTRACTOR’s increased costs incurred during the pendency of the coronavirus outbreak.

NOW, THEREFORE, in consideration of the mutual covenants, representations, and warranties contained in this Amendment, and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the Parties, intending to be legally bound, agree as follows:

1. Amendments.

1.1 Compensation. CONTRACTOR’s compensation is temporarily amended in accordance with the rates, cost reimbursement, and terms and conditions as set forth on the attached Exhibit A. Such COVID-19 related reimbursement shall not exceed $35,000.00 per month. Any additional expenses that exceed this amount must be approved in writing in advance by MST’s General Manager or designee.

1.1.1. MST’s responsibility herein is subject to the availability of funds. Specifically, any payment herein is contingent upon final approval and receipt of CARES funding grant or grants, or any future funding programs created in response to COVID-19.

1.1.2. CONTRACTOR shall provide documentation as prescribed in Exhibit A, Section 2 of this Amendment 7, to detail all CARES eligible expenses were paid by CONTRACTOR prior to receiving reimbursement from MST.
1.2 Term. This Amendment and its terms and conditions shall begin on March 4, 2020 and automatically expire at 11:59 p.m. on January 31, 2021, unless extended, terminated, or modified in writing by MST. The terms and conditions of the Agreement existing prior to this Amendment shall control the duties and obligations of the Parties.

1.3 Audit. CONTRACTOR shall maintain an appropriate accounting system, consistent with Federal Acquisition Regulation Part 31-201.2, and claimed expenses must be reasonable, allowable, and allocable under the terms of FAR Part 31-201.2.

1.3.1 All payments made under the provisions of this Amendment are subject to audit and CONTRACTOR agrees to submit all related records to MST, its agents, and cognizant state and federal authorities upon request.

1.4 Workforce Readiness: CONTRACTOR shall maintain salary and benefits for its “affected” employees at levels that are consistent with the terms and conditions of any and all collective bargaining agreements that are in force at the time of this executed amendment. Affected employees shall be defined at follows:

1.4.1 Employees with reduced pay hours of 40 hours per week and maintain full benefits.

1.4.2 Employees with reduced pay hours of less than 40 hours per week and maintain full benefits.

1.5 Effect on Agreement. Except as specifically amended hereby, the terms and provisions of the Agreement are in all other respects ratified and confirmed and remain in full force and effect without modification or limitation.

2. Counterparts. This Amendment may be executed simultaneously in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument. Faxed and e-mailed copies of manually executed signature pages to this Amendment will be fully binding and enforceable without the need for delivery of the original manually executed signature page.

[Signature Page Follows]
IN WITNESS WHEREOF, the Parties have executed this Amendment to be effective as of the Effective Date.

MST:

Monterey-Salinas Transit District

By: ________________________________
Name: ______________________________
Title: ______________________________
Date: ______________________________

CONTRACTOR:

MV Public Transportation, Inc.

By: ________________________________
Name: ______________________________
Title: ______________________________
Date: ______________________________

Approved as to form:

_________________________ Date________
Michael Laredo
MST General Counsel

Attachments:

Exhibit A: Compensation
Exhibit B: Estimated Costs
EXHIBIT A

COMPENSATION

1. **Expense Reimbursement.** MST will reimburse CONTRACTOR for all of CONTRACTOR’s costs resulting from purchasing personal protection equipment for its employees, purchasing hand sanitizer and cleaning supplies, and CONTRACTOR’s payroll costs related to additional time spent cleaning facilities and vehicles. Additionally, MST will reimburse CONTRACTOR for all of CONTRACTOR’s costs for materials and labor resulting from the installation of shielding in the buses and any other costs for sanitizing stations, signage, etc. MST also agrees to reimburse CONTRACTOR for administrative leave costs due to COVID-19. This expense reimbursement shall also include expenses for training, requalification or recertification programs necessary for the performance of the services. Expense reimbursements related to this section shall not exceed $35,000.00 per month without prior written consent by MST’s General Manager or designee.

2. **Supporting Documentation.** Invoiced expenses will be submitted with the following support documents:

- PPE and cleaning supply products: direct purchase invoice, or in the case of group purchases, an invoice to establish pricing, and a piece count (packing slip) of items received.
- ACH confirmations or copies of checks issued to related vendors. Where applicable, credit card statements or receipts for purchases.
- Driver barrier installations: labor costs per installation, accompanied by an inventory of buses installed.
- Bus sanitizing: labor costs per sanitation, accompanied by a daily log of buses sanitized.
- Employee Paid Administrative Leave: the actual cost of employee wages, plus benefit costs.
- Payroll information to substantiate any associated labor reimbursement requests.

3. **Billing Monthly.** Expenses will be included as part of the monthly reports and invoices. These CONTRACTOR expenses and services will be invoiced with attachments itemizing each expense for reconciliation purposes. Payments to be made as per contract terms.
4. Estimated Costs. Please see Exhibit B.

**EXHIBIT B**

**ESTIMATED COSTS**

The costs provided below are an estimate of costs based upon previous purchases made by CONTRACTOR to provide these supplies. These amounts are not exact and may change based upon quantities and hours of work provided each month.

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<thead>
<tr>
<th>Part ID</th>
<th>Part short description</th>
<th>Unit of measure</th>
<th>Cost</th>
<th>Monthly Usage</th>
<th>Monthly Total</th>
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$2,254.00 Total

### Additional Maintenance Costs and Covid-19 efforts

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<tr>
<th>BUSES</th>
<th>Cost Per Bus</th>
<th>Wages Cost Per Hour</th>
<th>With Burden wages/taxes</th>
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<td>$26.00</td>
<td>$33.80</td>
<td>6</td>
<td>$3,588.00 One time</td>
</tr>
<tr>
<td>Daily Bus Sanitizing</td>
<td>39</td>
<td>$15.75</td>
<td>$20.48</td>
<td>0.5</td>
<td>$307.13 Daily average</td>
</tr>
</tbody>
</table>

### Staff reductions necessary to reconcile loss of revenue service:

From the outset CONTRACTOR has taken steps to reduce fixed costs to achieve a cost to revenue balance for ongoing operation. MST agrees that it will reimburse CONTRACTOR for operations and staff placed on Paid Administrative Leave to include employee benefit costs as a result of COVID-19. Further, MST agrees that Paid Administrative Leave and eligible employee benefit expenses are covered under the CARES Act and the CONTRACTOR agrees to provide details to MST at the time CONTRACTOR intends to seek reimbursement.
To: Board of Directors

From: C. Sedoryk, General Manager/CEO

Subject: Monthly Report

Attached is a summary of monthly performance statistics for the Transportation, Maintenance and Administration departments for August 2020. A presentation update on current performance will be at your meeting.

Staff was pleased to be informed on October 2, 2020 that the U.S. Department of Transportation ("DOT") approved a loan of up to $8.45 million to Monterey-Salinas Transit District ("MST") for the South County Operations & Maintenance Facility Project. This is the second loan approved under the Transportation Infrastructure Finance and Innovation Act ("TIFIA") Rural Project Initiative (RPI).

Staff is in the process selecting strategic planning consultants to assist in the facilitation of a 3 Year Strategic Planning Workshop currently planned to be conducted at the Board meeting of January 11, 2021. The CEO will work with the board chair to identify an Adhoc Strategic Planning sub-committee to work with the consultant on workshop planning and preparations.

Attachment #1 – Dashboard Performance Statistics – August 2020
Attachment #2 – Operations Dept. Report – August 2020
Attachment #3 – Facilities & Maintenance Dept. Report – August 2020
Attachment #4 – Administration Dept. Report – August 2020
Attachment #5 – Senator Diane Feinstein Correspondence

A complete detail of Monthly Performance Statistics can be viewed within the GM Report at http://www.mst.org/about-mst/board-of-directors/board-meetings/

PREPARED BY: Carl G. Sedoryk
MST Fixed Route
YTD Dashboard Performance Comparative Statistics
July - August
Fiscal Years 2019-2021

Ridership

Goal = 793,918 passengers
Minimum = 754,222 passengers

Goal = 20 passengers p/h
Minimum = 15 passengers p/h

Goal = 90% on time
Minimum = 75% on time

Goal = 99% completed
Minimum = 95% completed
MST Fixed Route
YTD Dashboard Performance Comparative Statistics
July - August
Fiscal Years 2019-2021

Fare Box Recovery Ratio
(Ratio of passenger fares to total operating cost)

<table>
<thead>
<tr>
<th>Year</th>
<th>FY 2019</th>
<th>FY 2020</th>
<th>FY 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goal</td>
<td>22%</td>
<td>22%</td>
<td>3%</td>
</tr>
</tbody>
</table>

Goal = 25%
Minimum = 15%

Cost Per Revenue Hour
(Total operating cost per hour of service)

<table>
<thead>
<tr>
<th>Year</th>
<th>FY 2019</th>
<th>FY 2020</th>
<th>FY 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goal</td>
<td>$139.29</td>
<td>$154.70</td>
<td>$197.23</td>
</tr>
<tr>
<td>Maximum</td>
<td>$178.58 per RH</td>
<td>$196.43 per RH</td>
<td></td>
</tr>
</tbody>
</table>

FY 2019 FY 2020 FY 2021
(Miles travelled between preventable collisions)

<table>
<thead>
<tr>
<th>FY 2018</th>
<th>FY 2019</th>
<th>FY 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>MST</td>
<td>MV</td>
<td></td>
</tr>
<tr>
<td>178,442</td>
<td>123,176</td>
<td>100,174</td>
</tr>
<tr>
<td>124,262</td>
<td></td>
<td>124,262</td>
</tr>
<tr>
<td>84,829</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Goal = 200,000 Miles
Minimum = 100,000 Miles

Goal = 15,000 Miles
Minimum = 7,000 Miles

Fare Box Recovery Ratio
(Ratio of passenger fares to total operating cost)

<table>
<thead>
<tr>
<th>Year</th>
<th>FY 2019</th>
<th>FY 2020</th>
<th>FY 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goal</td>
<td>22%</td>
<td>22%</td>
<td>3%</td>
</tr>
</tbody>
</table>

Goal = 25%
Minimum = 15%

Cost Per Revenue Hour
(Total operating cost per hour of service)

<table>
<thead>
<tr>
<th>Year</th>
<th>FY 2019</th>
<th>FY 2020</th>
<th>FY 2021</th>
</tr>
</thead>
<tbody>
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<td>$197.23</td>
</tr>
<tr>
<td>Maximum</td>
<td>$178.58 per RH</td>
<td>$196.43 per RH</td>
<td></td>
</tr>
</tbody>
</table>

FY 2019 FY 2020 FY 2021
(Miles travelled between preventable collisions)

<table>
<thead>
<tr>
<th>FY 2018</th>
<th>FY 2019</th>
<th>FY 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>MST</td>
<td>MV</td>
<td></td>
</tr>
<tr>
<td>178,442</td>
<td>123,176</td>
<td>100,174</td>
</tr>
<tr>
<td>124,262</td>
<td></td>
<td>124,262</td>
</tr>
<tr>
<td>84,829</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Goal = 200,000 Miles
Minimum = 100,000 Miles

Goal = 15,000 Miles
Minimum = 7,000 Miles
COVID-19 MST Statistics and Projections

13 Month Rolling Boardings and Scheduled Trips

Cash Flow Projections
Jan 20 - June 22
MST RIDES
YTD Dashboard Performance Comparative Statistics
July - August
Fiscal Years 2019-2021

**Ridership**

- **Goal = 23,536 one-way trips**
- **Maximum = 25,889 one-way trips**

**Passengers Per Hour**

- **Goal = 2.0 passengers p/h**
- **Minimum = 1.8 passengers p/h**

**On Time Performance**

- **Goal = 90% on time**
- **Minimum = 80% on time**

**One Way Trips**

- **Goal = 23,536 one-way trips**
- **Maximum = 25,889 one-way trips**
Minimum = 30,000 Miles

Goal = 11%
Minimum = 10%

Goal = $80.67 per RH
Maximum = $88.74 per RH

Goal = 110,000 Miles
Minimum = 100,000 Miles

Goal = 60,000 Miles
Minimum = 30,000 Miles
MST Fixed Route
Financial Performance Comparative Statistics
July - August
Fiscal Years 2019-2021

MST Fixed Route Total Revenue
YTD Actual and Budget

Minimum 95%

MST Fixed Route Total Expenses
YTD Actual and Budget

Maximum 105%
MST RIDES
Financial Performance Comparative Statistics
July - August
Fiscal Years 2019-2021

MST RIDES Total Revenue
YTD Actual and Budget

MST RIDES Total Expenses
YTD Actual and Budget
September 29, 2020

To: Carl Sedoryk, General Manager / C.E.O.
From: Robert Weber, Chief Operating Officer
Cc: MST Board of Directors

Subject: Transportation Department Monthly Report – August 2020

FIXED ROUTE BUS OPERATIONS:

System-Wide Service: (Fixed Route & On-Call Services):

Preliminary boarding statistics indicate that the ridership fell to 103,571 in August 2020, which represents an 74.89% decrease as compared to August 2019, (412,397). For the fiscal year, passenger boardings have decreased by 74.89% from FY 2020.

Productivity decreased from 17.8 passengers per hour in August 2019 to 6.6 passengers per hour in August of this year.

Note: The sharp decline in passenger boardings and productivity is directly attributed to the COVID-19 county-wide shelter in place order that went into effect on March 18th.

Supplemental / Special Services:

All supplemental and special services were suspended for the month of August due to the COVID-19 pandemic.

System-Wide Statistics:

- Ridership: 103,571
- Vehicle Revenue Hours: 15,689
- Vehicle Revenue Miles: 235,203
- System Productivity: 6.6 Passengers Per Vehicle Revenue Hour
- One-Way Trips Provided: 16,574
**Time Point Adherence:** Of 83,693 total time-point crossings sampled for the month of August, the Transit Master™ system recorded 8,718 delayed arrivals to MST’s published time-points system-wide. This denotes that **89.62%** of all scheduled arrivals at published time-points were on time. (See MST Fixed-Route Bus ~ On Time Compliance Chart FY 2020 - 2021.)

**Note:** Service arriving later than 5 minutes beyond the published time point is considered late. The on-time compliance chart, (attached), reflects system-wide “on-time performance” as a percentage to the total number of reported time-point crossings.

**Service Canceled:** As listed below, there were a total of two (2) revenue trips cancelled for the month of August:

<table>
<thead>
<tr>
<th>Total Revenue Trips Completed: 16,574</th>
</tr>
</thead>
<tbody>
<tr>
<td>Category</td>
</tr>
<tr>
<td>---------------------------------------</td>
</tr>
<tr>
<td>Mechanical Failure</td>
</tr>
<tr>
<td>Totals</td>
</tr>
</tbody>
</table>

**Documented Occurrences:** MST Coach Operators are required to complete an occurrence report for any unusual incident that occurs during their workday. The information provided within these reports is used to identify trends, which often drive changes in policy or standard operating procedures. The following is a comparative summary of reported incidents for the month(s) of August 2019 and August 2020:

<table>
<thead>
<tr>
<th>Occurrence Type</th>
<th>August-19</th>
<th>August-20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Collision: MST Involved</td>
<td>7</td>
<td>2</td>
</tr>
<tr>
<td>Employee Injury</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Medical Emergency</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>Object Hits Coach</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Passenger Conflict</td>
<td>9</td>
<td>5</td>
</tr>
<tr>
<td>Passenger Fall</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Passenger Injury</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Other</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Near Miss</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Fuel / fluid Spill</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Unreported Damage</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>26</strong></td>
<td><strong>18</strong></td>
</tr>
</tbody>
</table>
CONTRACTED TRANSPORTATION SERVICES:

MST RIDES ADA / ST Paratransit Program:

Preliminary boarding statistics for the MST RIDES program reflect that for the month of August 2020 there were 6,659 passenger boardings. This denotes a 54.15% decrease in passenger boardings from August of 2019, (14,523). For the Fiscal year – passenger boardings have decreased by 52.02% from FY 2020.

- Productivity for August 2020 was 1.52 passengers per hour, decreasing from 1.92 passengers per hour in August 2019.

**Note**: The sharp decline in passenger boardings and productivity is directly attributed to the COVID-19 county-wide shelter in place order that went into effect on March 18th.

- For the month of August 2020, 93.62% of all scheduled trips for the MST RIDES program arrived on time, increasing from August of 2019,(89.38%).

COMMUNICATIONS CENTER:

In August, MST’s Communications Center summoned public safety agencies on eleven (11) separate occasions to MST’s transit vehicles and facilities:

<table>
<thead>
<tr>
<th>Agency Type</th>
<th>Incident Type</th>
<th>Number Of Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Police</td>
<td>Passenger Disturbance / Other</td>
<td>5</td>
</tr>
<tr>
<td>EMS</td>
<td>Passenger Medical Emergency / Injury</td>
<td>6</td>
</tr>
</tbody>
</table>

Robert Weber
Chief Operating Officer
Monterey – Salinas Transit District
September 29, 2020

To: Carl Sedoryk, General Manager/CEO

From: Norman K. Tuitavuki, Deputy Chief Operating Officer


This report summarizes the performance and major activities of the Maintenance Department as well as fuel and operating expenses during the month.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Diesel: $2.75</td>
<td>$1.96</td>
<td>$1.89</td>
</tr>
<tr>
<td>Gasoline: $2.85</td>
<td>$2.52</td>
<td>$2.50</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Period:</th>
<th>Revenue Fleet: Operating Cost Per Mile:</th>
<th>Revenue Fleet: Miles Between Major Mechanical Road Calls:¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>August: 2020</td>
<td>$1.12</td>
<td>48,849</td>
</tr>
<tr>
<td>YTD: FY 2021</td>
<td>$1.07</td>
<td>56,030</td>
</tr>
<tr>
<td>FY 2020</td>
<td>$1.05</td>
<td>22,208</td>
</tr>
<tr>
<td>FY 2019</td>
<td>$0.93</td>
<td>22,305</td>
</tr>
</tbody>
</table>

¹ Minimum: 7,000 Miles; Goal: 15,000 Miles

Department Activities/Comments:

In August, MST’s revenue fleet traveled 48,849 Miles Between major mechanical Road Calls (MBRC). Like previous months, this increase compared to previous years is expected and due to the major decrease in the overall number of hours and miles MST has traveled in response to the COVID-19 pandemic. MST’s fuel cost per gallon increased slightly in August but continues to remain lower than budgeted.

In August, staff continued its efforts combatting and responding to COVID-19. MST’s permanent barriers were received, and staff immediately began installing the barriers inside of the Gillig heavy-duty bus fleet. To date, MST has received positive feedback from coach operators. The barriers add a layer of protection against the coronavirus. Additionally, the barriers strength and quality build add a layer of security.
to the coach operators’ cabin area. Maintenance personnel continued efforts to support MST’s Operation. Cleaning and disinfecting of all vehicles are ongoing and being closely monitored by Maintenance Management. Staff attended several online meetings and informational sessions related to COVID-19 and continue researching and analyzing systems and devices that offer relief against the virus.

Prepared by: Norman Tuitavuki
Reviewed by: Carl G. Sedoryk
Date: September 29, 2020

To: C. Sedoryk, General Manager/CEO

From: Lisa Rheinheimer, Assistant General Manager; Michelle Overmeyer, Director of Planning /Innovation, Andrea Williams, General Accounting & Budget Manager; Mark Eccles, Director of Information Technology; Kelly Halcon, Director of Human Resources/Risk Management; Sonia Wills, Customer Service Supervisor.

Subject: Administration Department Monthly Report – August 2020

The following significant events occurred in Administration work groups for the month of August 2020:

**Human Resources**

A total employment level for August 2020 is summarized as follows:

<table>
<thead>
<tr>
<th>Positions</th>
<th>Budget FY21</th>
<th>Actual</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coach Operators F/T</td>
<td>131</td>
<td>128</td>
<td>-3</td>
</tr>
<tr>
<td>Coach Operators Limited Duty</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>CO Occupational Injuries</td>
<td>1</td>
<td>0</td>
<td>-1</td>
</tr>
<tr>
<td>Operations Staff</td>
<td>37</td>
<td>32</td>
<td>-5</td>
</tr>
<tr>
<td>Maintenance &amp; Facilities</td>
<td>53</td>
<td>49</td>
<td>-4</td>
</tr>
<tr>
<td>Administrative (Interns 1 PT)</td>
<td>30</td>
<td>28</td>
<td>-2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>252</strong></td>
<td><strong>237</strong></td>
<td><strong>-15</strong></td>
</tr>
</tbody>
</table>

*Total budget numbers do not include the C/O on Long Term Leave as those numbers are already reflected in the Coach Operators/Trainees number.

<table>
<thead>
<tr>
<th>August Worker’s Compensation Costs</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Indemnity (paid to employees)</td>
<td>$41,419.29</td>
</tr>
<tr>
<td>Other (includes Legal)</td>
<td>$4,845.94</td>
</tr>
<tr>
<td>Medical includes Case Mgmt, UR, Rx &amp; PT</td>
<td>$13,630.83</td>
</tr>
<tr>
<td>TPA Administration Fee</td>
<td>$5,708.33</td>
</tr>
<tr>
<td>Excess Insurance</td>
<td>$6,583.17</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td><strong>$72,187.56</strong></td>
</tr>
<tr>
<td><strong>Reserves</strong></td>
<td><strong>$777,537.71</strong></td>
</tr>
<tr>
<td><strong>Excess Reserved</strong></td>
<td><strong>($0)</strong></td>
</tr>
<tr>
<td># Ending Open Claims</td>
<td>35</td>
</tr>
</tbody>
</table>

*Total budget numbers do not include the C/O on Long Term Leave as those numbers are already reflected in the Coach Operators/Trainees number.**
## Training

<table>
<thead>
<tr>
<th>Description</th>
<th>Attendees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual Coach Operator Verification of Transit Training</td>
<td>12</td>
</tr>
<tr>
<td>Post-Accident/Incident Re-training</td>
<td>1</td>
</tr>
<tr>
<td>In-Service Training: Drive Safely at all time and Accident Prevention-targeting left turns</td>
<td>12</td>
</tr>
<tr>
<td>Human Trafficking: Modern Day Slavery Training</td>
<td>12</td>
</tr>
<tr>
<td>Return to Work refresher training</td>
<td>3</td>
</tr>
<tr>
<td>Maintenance Safety Training: Hand and Eye Protection, Distraction in the Workplace</td>
<td>18</td>
</tr>
<tr>
<td>In-Service Training: Giro Self Service Bid Web</td>
<td>2</td>
</tr>
<tr>
<td>Eagle Tug Certification Training</td>
<td>1</td>
</tr>
<tr>
<td>In-Service Training: PPE Kit to prevent COVID-19</td>
<td>3</td>
</tr>
<tr>
<td>Zonar Training</td>
<td>1</td>
</tr>
<tr>
<td>Johns Hopkins University: COVID19 Contract Tracing Training</td>
<td>4</td>
</tr>
<tr>
<td>Forklift Certification</td>
<td>2</td>
</tr>
</tbody>
</table>

## Risk Management

<table>
<thead>
<tr>
<th>Description</th>
<th>August 2020 Preventable</th>
<th>August 2019 Preventable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Description</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>POV Vehicle hits MST Vehicle</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>MST Preventable Accidents</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>TOTAL</td>
<td>0</td>
<td>2</td>
</tr>
</tbody>
</table>
**Accident Statistics**

- **Non-preventable**
- **Preventable**

**Monthly Miles Between Preventable Collisions (MBPC)** with 12 Month Rolling Average

- **Standard** = Not more than 1 preventable collision per 100k miles
<table>
<thead>
<tr>
<th>Service Report Type</th>
<th>MST</th>
<th>Other Provider</th>
<th># of valid reports</th>
<th>% of reports received**</th>
<th>August 2019</th>
<th>% of reports received**</th>
</tr>
</thead>
<tbody>
<tr>
<td>ADA Compliance</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0.0%</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Agency Policy</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0.0%</td>
<td>1</td>
<td>1.6%</td>
</tr>
<tr>
<td>Bus Stop Amenities</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0.0%</td>
<td>2</td>
<td>3.2%</td>
</tr>
<tr>
<td>Carried By</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0.0%</td>
<td>1</td>
<td>1.6%</td>
</tr>
<tr>
<td>Discriminatory behavior by employee</td>
<td>1</td>
<td>0</td>
<td>2</td>
<td>2.4%</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Early Departure</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>2.4%</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Employee Other</td>
<td>2</td>
<td>0</td>
<td>0</td>
<td>4.9%</td>
<td>4</td>
<td>6.3%</td>
</tr>
<tr>
<td>Facilities Vandalism</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0.0%</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Fare / Transfer Dispute</td>
<td>2</td>
<td>0</td>
<td>1</td>
<td>4.9%</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Full Bus / Left Behind</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0.0%</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Harassment by Employee</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0.0%</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Improper Driving</td>
<td>1</td>
<td>2</td>
<td>1/2*</td>
<td>7.3%</td>
<td>6</td>
<td>9.5%</td>
</tr>
<tr>
<td>Improper Employee Conduct</td>
<td>1</td>
<td>1</td>
<td>1/1*</td>
<td>4.9%</td>
<td>8</td>
<td>12.7%</td>
</tr>
<tr>
<td>Inaccurate Public Information</td>
<td>0</td>
<td>1</td>
<td>1*</td>
<td>2.4%</td>
<td>2</td>
<td>3.2%</td>
</tr>
<tr>
<td>Late Arrival</td>
<td>0</td>
<td>1</td>
<td>1*</td>
<td>2.4%</td>
<td>7</td>
<td>11.1%</td>
</tr>
<tr>
<td>Late Departure</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0.0%</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td>No Show</td>
<td>1</td>
<td>2</td>
<td>1/2*</td>
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<td>Passed By</td>
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<td>Service Animal</td>
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<tr>
<td>Service Other</td>
<td>12</td>
<td>6</td>
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<td>Sub total reports</td>
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<td>14</td>
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<td>Grand Total MST and *Other Provider</td>
<td>41</td>
<td></td>
<td></td>
<td>100.0%</td>
<td>63</td>
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</table>
Customer Service Call Center Report

During the month of August 2020, MST received a total of 2,670 calls which lasted a total of 87 hours and 38 minutes. The average call duration was one minute and fifty-eight seconds (1:58). MST received the most number of calls on Monday, August 3, at 157. Of the total number of calls, 631 (23%) were routed to RealTime bus arrival information. Technical issues caused by failing hardware impacted RealTime functionality for several days. Due to the wildfires in the area, staff was unable to access cell towers to address the issue, resulting in a lower volume of calls routed to RealTime. Call volume was heaviest during the weekdays and lightest during the weekends, although average call duration spikes on the weekends due to the fact that there are no customer service representatives on duty. Rather, customers are attempting to get information from MST’s pre-recorded automated system, which appears to take more time.
Finance Update

General Accounting/Accounts Payable

During the month of August, staff processed timely and accurate payments to vendors, recorded appropriate revenues, and prepared monthly financial reporting and analysis. Staff continues to work effectively to meet financial reporting deadlines. In August, staff continued working on finalizing the annual audit preparation for FY20. Eide Bailly LLP will perform the remainder of the audit remotely during the week of September 7th. Additionally, staff is continuing to track all COVID-19 related expenses necessary in order to claim expense reimbursements from FEMA, CARES, and Tax Credits in the next coming months. During this unprecedented time, staff has been successfully continuing to adapt to working from a distance as necessary.

Payroll

Routine changes and adjustments to payroll records were maintained along with filing of all federal, state, and retirement reports and payments on a timely basis. Payroll continued to provide hours and earnings reports upon request to MST departments.

Grants

During the month of August, staff provided support in responding to COVID-19. Staff followed up on and responded to pending applications for reimbursement under the 5307 CARES Act, 5311 CARES Act, and FEMA grant programs. In addition to attending several webinars for future grant opportunities, staff also participated in webinars regarding the COVID-19 pandemic, PG&E Zero-Emission Fleet program, clean vehicle infrastructure funding programs, and FEMA grant funding processes. Staff also participated in several meetings regarding current and future projects including the FY 20/21 bus procurements, SURF! Highway 1 Busway and BRT, and South County Maintenance and Operations Facility. Update meetings with internal staff were ongoing to address status changes to various active or pending grants and requests for reimbursements. Staff also provided support for the yearly audit.

Purchasing

During the month of August, staff worked on several procurement and inventory management targets. Parts staff worked on placing orders, expediting orders, receiving, and managing inventory levels at Monterey and Salinas locations. The inventory value for the month of August was $230,419.18 which represents a negligible change over July which was at $230,028. During the month of August, the coach operator barriers were received, which represents a cost of $217,844 for the month of August. The increase over the past few months is a direct response to COVID-19 supply chain shortages and the desire to increase inventory for high use critical items. The increase in inventory value is expected to continue as Parts staff respond to Maintenance, Operations, and Facilities requests for increased inventory on hand. Staff also worked on responding to requests for personal protective equipment (PPE) and
disinfectant related items in the fight against the COVID-19 virus. Staff also worked on large procurements, including an RFP for Universal Mobile Ticketing and Zero Emission Bus Analysis and Rollout Plan.

**Information Technology Update**

Due to the COVID-19 pandemic, staff continued to offer support for remote computer access for administrative employees to continue working from home. This support was for video conference meetings and laptop configuration, if required.

Staff worked with Operations and Maintenance Department personnel in monitoring and configuration of the (ITS) equipment installed on the vehicles and in the MST Communication Centers. Staff monitored and configured the software for the Trapeze Automatic Vehicle Location (AVL) systems on the fixed-route and Paratransit fleets. Staff monitored and configured the fixed-route real-time bus arrival/departure system.

Staff monitored and configured the Trapeze Enterprise Asset Management (EAM) vehicle maintenance system. Staff have delayed the upcoming implementation of the Facilities module, due to the COVID-19 pandemic. Staff continued to support the users of the Serenic Navision accounting/payroll system. Staff monitored and configured the functionality of the customer service database. Staff retrieved the RealTime data text and IVR data for the Customer Service monthly report. Staff ensured that the WiFi systems installed on 15 buses used on the commuter routes were working as designed. Staff monitored and configured the Giro Hastus run cutting/planning system.

Staff monitored the AT&T-managed Voice-Over-Internet Protocol (VOIP) telephone system. Staff continued to support other MST staff members as needed, proactively ensuring that all were supported fully with their IT requirements. Staff worked with MST and contractors on the Contactless Fare system pilot.

Staff received over 140 IT support-related emails and telephone calls that were responded to in a timely manner.

**Marketing Update**

**MST RealTime Usage**

<table>
<thead>
<tr>
<th></th>
<th>Text</th>
<th>RealTime</th>
<th>CSR</th>
<th>App Sessions</th>
<th>App Users</th>
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<tbody>
<tr>
<td></td>
<td></td>
<td>Phone</td>
<td></td>
<td>Sessions</td>
<td>Users</td>
</tr>
<tr>
<td>2019</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>August</td>
<td>10,904</td>
<td>1,422</td>
<td>5,103</td>
<td>220,049</td>
<td>10,329</td>
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<td>September</td>
<td>10,983</td>
<td>1,368</td>
<td>4,674</td>
<td>232,152</td>
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<td>October</td>
<td>10,831</td>
<td>1,315</td>
<td>4,641</td>
<td>234,418</td>
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<td>November</td>
<td>9,650</td>
<td>1,211</td>
<td>3,613</td>
<td>381,021</td>
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<tr>
<td>December</td>
<td>7,527</td>
<td>1,332</td>
<td>4,214</td>
<td>345,483</td>
<td>10,271</td>
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<tr>
<td>2020</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>January</td>
<td>8,297</td>
<td>1,080</td>
<td>4,220</td>
<td>396,890</td>
<td>11,326</td>
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<tr>
<td>Month</td>
<td>Vehicles</td>
<td>Employees</td>
<td>Ridership</td>
<td>Revenue</td>
<td>Budget</td>
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<td>---------</td>
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<tr>
<td>February</td>
<td>8,614</td>
<td>1,199</td>
<td>3,974</td>
<td>393,590</td>
<td>10,542</td>
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<td>849</td>
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<td>214,912</td>
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<td>2,327</td>
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<tr>
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<tr>
<td>June</td>
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<td>July</td>
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<td>August</td>
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<td>631</td>
<td>2,670</td>
<td>55,239</td>
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Published news stories include the following: “Monterey-Salinas Transit donates vehicles to local groups supporting services for agricultural workers” (Monterey County Business Council, 8/7/20), “Congressman Panetta announces $2.5 million federal grant for Monterey-Salinas Transit” (https://panetta.house.gov, 8/10/20), “MST chosen to receive grant for new buses” (KION, 8/10/20), “Hartnell, MPC to offer free Monterey-Salinas Transit rides to students” (Monterey Herald, 8/13/20), “Monterey-Salinas Transit receives $2.5 million grant to replace aging buses with fuel-efficient vehicles” (Monterey County Business Council, 8/14/20), “Letters to the Editor – The bus to register of voters” (Monterey Herald, 8/22/20), “Business Roundtable – Transportation” (Chamber Connection, 8/25/20), “MST donates vehicles to local groups supporting agriculture employees and employers” (Mass Transit, 8/26/20), “MST takes steps toward a designated bus lane along Highway 1” (Monterey County NOW, 8/27/20), “Monterey-Salinas Transit takes steps toward designated bus lane along Highway 1” (Monterey County Business Council, 8/28/20), “Rural California transit agency reinvents itself during Covid” (governing.com, 8/31/20).


Projects: Coordinated sales of Low Carbon Transportation Operations Program (LCTOP) School Pass Program bus passes to districts within Monterey County; assembled and coordinated delivery of 2,100 informational/resource bags for distribution to local senior centers and program offices; support Salinas Valley Memorial Hospital’s Telecare Program; continued to participate in COVID-19 Recovery Team meetings; assisted overall agency donation/volunteer efforts, managed communication with community through newsletters, signage on buses and at transit centers, on the website, and through social media; participated in development of marketing materials for proposed SURF! Busway and Bus Rapid Transit project; kicked off process to create 2020 Annual Report, and provided support of upcoming Contactless Fare Payment demonstration project.

Collaborative/Meeting/Committees: Continued to attend meetings via Zoom related to: Census 2020, LCTOP School Pass Program, Telecare program through SVMH, Senior Day Planning Committee, as well as monthly MST Employee Townhall meetings.
Social Media Performance:

Social Media Fans

- Facebook: 1,476 fans (58%)
- Twitter: 71 fans (3%)
- Instagram: 973 fans (39%)

Overview by Social Media Platform:

Twitter @MST_TransitNews

- Tweets: 8
- Followers: 71
- Engagement: 21

Facebook

- Posts: 41
- Fans: 1,400
- Engagement: 1,300
Notes: On Twitter, “following” someone means that you will see their tweets (Twitter updates) in your personal timeline. Twitter lets you see who you follow and also who is following you. Followers are people who receive other people’s Twitter updates.

A Facebook “fan” is a user who likes a particular Facebook page. Users who “like” a page are able to receive updates from that page’s administrator through status updates, posted content, and event invitations. A list of pages a fan has liked will appear on his or her profile page.

“Engagement” is the sum of likes and comments received by all posts. “Traffic” is the total number of clicks on all the links posted.

Planning Update

During the month of August staff efforts continued to be focused on the COVID-19 pandemic. A large part of the month was spent preparing schedule and routing changes for the Labor Day service change.

Ongoing testing of the automatic passenger counters continued through the month in support of required National Transit Database passenger survey efforts.

Staff presented MST’s Designing for Transit guidelines at the TAMC Technical Advisory Committee. This document helps guide cities and the County to better plan for supportive transit facilities and amenities. Comments were collected and the draft was finalized.

Work continued on SURF! Busway and Bus Rapid Transit Project. Staff met weekly with the consultant. The Notice of Preparation (NOP) of an Environmental Impact Report (EIR) was released on August 13th, and a public scoping meeting was held on August 27th.

Throughout the month, staff continued participating in meetings with various local agencies, including the Transportation Agency for Monterey County, and Association of Monterey Bay Area Governments.

Outreach with innovative partners continued for the School Pass Program and contacts were made with each school district.

The South County Service Planning project was underway and staff met weekly with the consultant. Individual meetings were also held with staff from the cities of Gonzales, Soledad, Greenfield and King City to review draft concepts.
September 15, 2020

Dear Carl,

I want to personally thank you for the extraordinary lengths you and the Monterey-Salinas Transit District have gone to help the local community since the onset of the COVID-19 pandemic.

I read with great interest how hard you and your team have worked to find innovative solutions during this pandemic to continue to serve our community, including providing additional help for students, agricultural workers, and homeless and disabled veterans.

In times as challenging as these, it is comforting to know that California’s local government agencies are working hard to support those who are suffering most acutely. Please know that your efforts are appreciated back here in Washington!

Warmest Regards,

[Signature]

Carl Sedoryk
Monterey-Salinas Transit District
Monterey, California
TO: Carl Sedoryk

FROM: Don Gilchrest

The following report summarizes actions taken on behalf of Monterey-Salinas Transit in September.

**FY 2021 Funding Bills**
The Senate is expected to pass H.R. 8337, a short-term Continuing Appropriations Resolution, this week in time for President Trump to sign it into law before the start of the new fiscal year on October 1. Although the House has passed ten of the twelve annual funding bills, including the transportation appropriations bill, the Senate Appropriations Committee has moved much slower and has not drafted any of the bills yet. The House passed H.R. 8337 on September 24, and it includes provisions to fund the federal government through December 11. We continue to advocate for a full-year appropriations bill for the Federal Transit Administration so that transit funds can be apportioned MST.

**Surface Transportation Programs Reauthorization**
The Continuing Resolution that is working its way through Congress includes a one-year extension of surface transportation program authorizations at current levels of funding. Current program authorizations in the Fixing America’s Surface Transportation (FAST) Act will expire on October 1. Differences between the parties over how to proceed and how to finance the bill have prevented longer-term reauthorization legislation from being enacted. The House passed H.R. 2, the *Moving Forward Act*, in July which included a five-year, $494 billion reauthorization. The Senate approach to infrastructure legislation has been much more limited. The Senate Environment and Public Works Committee passed S. 2302, the *America’s Transportation Infrastructure Act of 2019 (ATIA)*, which proposes to increase spending on federal highway programs by about 27 percent. The transit portion of that bill has not yet been drafted by the Banking Committee.

**COVID-19 Relief Legislation**
Time is running out for enactment of another pandemic relief package before Congress adjourns to campaign in October. The bipartisan House Problem Solvers Caucus proposed compromise that was released two weeks ago, the *March to Common Ground*, generated a great deal of attention, but Speaker Pelosi and Treasury Secretary Steven Mnuchin have only recently agreed to restart aid negotiations.
We continue to advocate for additional COVID-19 assistance to transit agencies like MST. Trump Administration negotiators have stated several times that they would support a “targeted” bill around $1.5 trillion in size, which is substantially smaller than the roughly $3.4 trillion House-passed HEROES Act. House Democratic leadership is reportedly drafting an alternative bill that is around $2.4 trillion in size and that bill could be brought up for a vote in the House this week.

**Lobbying Opportunities/Outlook**

We are continuing to advocate for your Board’s adopted federal agenda, including transit funding, infrastructure, and COVID-19 relief, as Congress nears the end of the legislative period leading up to the November election. In addition, we are continuing to coordinate with you and your staff regarding lobbying opportunities that may emerge in the Lame Duck Session of Congress that is expected after the November elections.
At the end of legislative session on October 1, Governor Newsom took the following action on bills of interest to MST:

Governor Newsom signed AB 107 a statutory relief measure pursued to provide temporary flexibility in the use of State Transit Assistance – State of Good Repair (SGR) program funds. The measure authorizes a transit agency to expend funds apportioned for the 2019-20 to 2021-22 fiscal years, inclusive, on any operating or capital costs necessary to maintain transit service levels, provided the governing board of the recipient transit agency makes a declaration that the expenditure of those funds is necessary to prevent transit service levels from being reduced or eliminated. MST currently receives nearly $900,000 per year in SGR funds for ongoing bus replacement.

The passage of AB 107 follows the successful enactment of AB 90 earlier this year, which included various other statutory relief measures to:

- Institute a hold harmless provision for calculation and allocation of State Transit Assistance Program, STA-State of Good Repair, and Low Carbon Transit Operations Program (LCTOP) allocations; and,
- Temporarily suspend the financial penalties associated with the Transportation Development Act’s requirements that transit agencies obtain specified fixed percentages of their operating budgets from passenger fares; and,
- Temporarily suspend the financial penalties associated with the State Transit Assistance Program’s requirement that transit agencies’ operating cost per revenue vehicle hour may not exceed operating cost per revenue vehicle hour adjusted by regional CPI, year over year.

Governor Newsom signed SB 288 (Wiener), statutorily exempting from CEQA various transit project types to include a new statutory exemption for the construction of infrastructure needed to support zero-emission bus deployments which may include future MST battery electric/fuel cell electric charging station(s). MST and our SURF! Busway and BRT project partners are determining if this new legislation will allow MST to move through our current environmental review process more quickly.

Governor Newsom signed SB 1159 (Hill & Daly) over the objections of private- and public-sector employer-based organizations, including the California Transit Association. The bill creates a rebuttable presumption for COVID-19-related workers’
compensation claims that is triggered by an “outbreak” of the virus at a “specific place of employment.” The creation of a rebuttable presumption for workers’ compensation claims shifts the burden of proof for disputing a claim to the employer. The bill sunsets on January 1, 2023.

Senate Bill (SB) 1231, authored by Senator Bill Monning (D-Carmel) was also signed into law by Governor Newsom. SB 1231 allows for the Department of Fish and Wildlife (DFW) to issue an incidental take permit for the Santa Cruz Long-toed Salamander for the purpose of completing critical public safety improvements along State Route (SR) 156 in Monterey County which was sponsored by the Transportation Agency of Monterey County (TAMC) and supported by MST.

Additionally, Governor Newsom vetoed, SB 1351 (Beall), which would have authorized the state to sell revenue bonds, backed by the Transportation Improvement Fee, to accelerate the delivery of state highway projects. Transit operators had raised concerns about the bill due to its impact on the allowable uses of funding, received by transit agencies from the Local Partnership Program which MST utilizes for a variety of capital projects.

Submitted by: _______________________

Carl G. Sedoryk