



TRANSIT DISTRICT MEMBERS:

*City of Carmel-by-the-Sea • City of Del Rey Oaks • City of Gonzales • City of Greenfield
City of King • City of Marina • City of Monterey • City of Pacific Grove • City of Salinas
City of San Jose • City of Seaside • City of Soledad • County of Monterey*

Board of Directors Regular Meeting
February 2, 2015

Monterey Bay Unified Air Pollution Control District
Board Room, 3rd Floor
24580 Silver Cloud Ct., Monterey

10:00 a.m.

TRANSPORTATION: Ride Line 8 from Monterey Transit Plaza (Munras Gate) at 9:15 a.m. or Sand City Station at 9:30 a.m. Request a taxi voucher from MST Customer Service for your return trip. (Good for a \$17 one-way trip).

1. CALL TO ORDER

- 1-1. Roll Call.
- 1-2. Pledge of Allegiance.
- 1-3. Conduct Swearing in Ceremony for new board members.

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.

3. CLOSED SESSION

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.

- 3-1. Liability Claims, Gov. Code § 54956.95: Review Claim of Yanghee Moon v. MST. (Kelly Halcon) (Enclosure)

- 3-2. Conference with property negotiators. (Parcel # APN 259-011-067, 003-171-024, 002-248-009-010, 032-171-005, 259-031-058-000, L.2.1, 1.2.4.3, L.2.4.2, L.2.2.1, L.2.2.2, L.2.3, L.2.4.1).
(No enclosure) (C. Sedoryk)

4. RETURN TO OPEN SESSION

- 4-1. Report on Closed Session and possible action.

5. CONSENT AGENDA

- 5-1. Review highlights of the agenda. (Carl Sedoryk)

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

- 5-2. Adopt Resolution 2015-21 recognizing Paul Scott, Utility Service Person, as Employee of the Month for January 2015. (Michael Hernandez) (pg. 7)
- 5-3. Adopt Resolution 2015-22 recognizing Doris Martinez, Schedule/Planning Analyst, as Employee of the Month for February 2015. (Lisa Rheinheimer) (pg. 9)
- 5-4. Adopt Resolution 2015-23 recognizing Beronica Carriedo as Employee of the Year for 2014. (Tom Hicks) (pg. 11)
- 5-5. Adopt Resolution 2015-24 recognizing Jerome Garza for his 9 years of service. (Robert Weber) (pg. 13)
- 5-6. Adopt Resolution 2015-25 recognizing Margit Skipper for her 38 years of service. (Sandra Amorim) (pg. 15)
- 5-7. Adopt Resolution 2015-26 recognizing Mary Escalera for her 33 years of service. (Michael Hernandez) (pg. 17)
- 5-8. Adopt Resolution of Appreciation 2015-27 for services rendered by Maria Orozco. (Carl Sedoryk) (pg. 19)
- 5-9. Minutes of the regular meeting of January 12, 2015. (Deanna Smith) (pg. 21)
- 5-10. Claim Rejection – Greene, Koginu. (Ben Newman) (pg. 29)
- 5-11. Claim Rejection – Moon, Yanghee. (Ben Newman) (pg. 31)
- 5-12. Receive updated 2015 MST committee assignments. (Carl Sedoryk) (pg. 33)

- 5-13. Financial Report – November and December 2014. (Angela Dawson) (pg. 35)
- 5-14. Adopt updated Disposal of Surplus Property Policy. (Michael Hernandez) (pg. 51)
- 5-15. Approve Resolution 2015-28 authorizing General Manager to execute required documents of the Community Development Block Grant Program. (Michelle Overmeyer) (pg. 55)
- 5-16. Receive 2014 Comprehensive Annual Finance Report (CAFR). (Hunter Harvath) (pg. 59)
- 5-17. Disposal of Property left aboard buses. (Sonia Bannister) (pg. 81)

End of Consent Agenda

6. SPECIAL PRESENTATIONS

- 6-1. January Employee of the Month – Paul Scott. (Michael Hernandez)
- 6-2. February Employee of the Month – Doris Martinez, Schedule/Planning Analyst. (Lisa Rheinheimer)
- 6-3. 2014 Employee of the Year – Beronica Carriedo. (Robert Weber)
- 6-4. Jerome Garza – Retirement. (Robert Weber)
- 6-5. Margit Skipper – Retirement. (Sandra Amorim)
- 6-6. Mary Escalera – Retirement. (Michael Hernandez)
- 6-7. Resolution of Appreciation – Maria Orozco. (Carl Sedoryk)
- 6-8. 2015 General Manager's Excellence Award – Kelly Halcon, Director of HR & Risk Management. (Carl Sedoryk)

7. COMMITTEE REPORTS

No action required unless specifically noted.

8. MAJOR PROCUREMENTS

9. PUBLIC HEARINGS

10. UNFINISHED BUSINESS

11. NEW BUSINESS

- 11-1. Renew Rabobank line of credit in the amount of \$1 million.
(Hunter Harvath) (pg. 83)

12. REPORTS & INFORMATION ITEMS

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

- 12-1. General Manager/CEO Report – December 2014. (pg. 89)
- 12-2. Washington D. C. Lobbyist Report – January 2015. (pg. 125)
- 12-3. State Legislative Advocacy Update – January 2015. (pg. 127)
- 12-4. TAMC Highlights – January 2015. (pg. 131)
- 12-5. Staff Trip Reports. (pg. 133)
- 12-6. Correspondence. (pg. 135)
- 12-7. Staff Announcements.

13. COMMENTS BY BOARD MEMBERS

- 13-1. Reports on meetings attended by board members at MST expense
(AB1234).
- 13-2. Board member Comments and Announcements.
- 13-3. Board member Referrals for future agendas.

14. ATTACHMENTS

- 14-1. Detailed monthly Performance Statistics and Disbursement Journal,
December 2014.

Attachments can be found online within the GM Report at:
<http://www.mst.org/about-mst/board-of-directors/board-meetings/>

15. ADJOURN

NEXT MEETING DATE: March 2, 2015

Monterey Bay Unified Air Pollution Control District Board Room, 3rd Floor

NEXT AGENDA DEADLINE: February 17, 2015

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 office at 1 Ryan Ranch Road, Monterey, CA during normal business hours.

Upon request, MST will provide written agenda materials in appropriate alternative formats, or disability-related modification or accommodation, including 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 and brief description of the requested materials and preferred alternative format or auxiliary aid or service at least three working days prior to the meeting. Requests should be sent to Deanna Smith, MST, One Ryan Ranch Road, Monterey, CA 93940 or dsmith@mst.org.

Blank Page

**PAUL SCOTT JR.
JANUARY 2015
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 their positive contribution to MST and to the entire community; and

WHEREAS, Paul Scott Jr. began his career as a Utility Service Person with Monterey-Salinas Transit in March 2003; and is responsible for the daily fueling, cleaning, and inspection of MST's fleet; and

WHEREAS, Paul Scott has been recognized for his attendance and skill in his support of MST's fleet, including his role in the replacement of bus ads; and

WHEREAS, Paul Scott continues to perform his duties and responsibilities as a Utility Service Person with exceptional capacity and is committed to the safety of our employees, customers, and the fleet; and

WHEREAS, Paul Scott has demonstrated an ongoing commitment and skill in noting mechanical issues on the fleet and recently reported a safety issue on a coach he was servicing.

THEREFORE, BE IT RESOLVED that the Board of Directors of Monterey-Salinas Transit recognizes Paul Scott Jr. as Employee of the Month for January 2015; and

BE IT FURTHER RESOLVED that Paul Scott Jr. is to be congratulated for his excellent work at Monterey-Salinas Transit.

THE BOARD OF DIRECTORS OF MONTEREY-SALINAS TRANSIT
PASSED AND ADOPTED RESOLUTION 2015-21 this 2nd day of February, 2015.

Libby Downey
Chairperson

Carl G. Sedoryk
Secretary

Blank Page

**DORIS J. MARTINEZ
FEBRUARY 2015
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 their positive contribution to MST and to the entire community; and

WHEREAS, Doris J. Martinez began her career as a Coach Operator with Monterey-Salinas Transit in September of 1984. Throughout the years, she demonstrated exceptional skills in operations, safety and training, scheduling, and data analysis; and

WHEREAS, Doris J. Martinez showed outstanding leadership in coordinating and implementing the DORIS (Dispatch Operations Reference Information System) that streamlined the coordination and dissemination of route and scheduling information to operations staff; and

WHEREAS, Doris J. Martinez was previously recognized as Employee of the Month in December of 2004 for her exceptional handling of the scheduling and coach operator sign-up process. She is the creator of the Operations Summary Report, which is provided in the Board of Directors meeting agenda packet every month and is credited with introducing Line 11 Edgewater Carmel Express, MST's most productive regularly-scheduled bus line.

THEREFORE, BE IT RESOLVED that the Board of Directors of Monterey-Salinas Transit recognizes Doris J. Martinez as Employee of the Month for February 2015; and

BE IT FURTHER RESOLVED that Doris J. Martinez is to be congratulated for her excellent work at Monterey-Salinas Transit.

THE BOARD OF DIRECTORS OF MONTEREY-SALINAS TRANSIT
PASSED AND ADOPTED RESOLUTION 2015-22 this 2nd day of February, 2015.

Libby Downey
Chairperson

Carl G. Sedoryk
Secretary

Blank Page

**BERONICA CARRIEDO
2014
EMPLOYEE OF THE YEAR**

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

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

WHEREAS, Beronica Carriedo began her career with Monterey-Salinas Transit District as a Mobility Trainer in February of 2010. She was previously recognized as Employee of Month in September of 2013 and December of 2014 for her exceptional performance providing mobility training to senior and disabled communities; and

WHEREAS, Beronica Carriedo was instrumental in promoting MST's special services within her community on her personal time; and

WHEREAS, Beronica Carriedo's continued efforts have helped to raise community awareness of MST services among members of the senior and disabled community in Monterey County.

THEREFORE, BE IT RESOLVED that the Board of Directors of Monterey-Salinas Transit recognizes Beronica Carriedo as Employee of the Year for 2014; and

BE IT FURTHER RESOLVED that Beronica Carriedo is to be congratulated for her excellent work and dedication at Monterey-Salinas Transit.

THE BOARD OF DIRECTORS OF MONTEREY-SALINAS TRANSIT
PASSED AND ADOPTED RESOLUTION 2015-23 this 2nd day of February, 2015.

Libby Downey
Chairperson

Carl G. Sedoryk
Secretary

Blank Page

**JEROME GARZA
9 YEARS OF SERVICE**

WHEREAS, Jerome Garza began his career with the Monterey-Salinas Transit District as a Coach Operator in February of 2005. During his more than nine years at MST, Jerome Garza supported the MST Transportation Department and MST customers; and

WHEREAS, Jerome Garza has been recognized for his expert handling of an emergency on-board his coach; and

WHEREAS, Jerome Garza has been recognized for attendance during his career at MST; and

WHEREAS, Jerome Garza is recognized as an asset to MST for his courtesy and assistance to his customers; and

WHEREAS, Jerome Garza supported the Transportation Department by working on his days off during staff shortages; and

WHEREAS, after 9 years and 10 months of service Jerome Garza retired on December 26, 2014.

THEREFORE, BE IT RESOLVED that the Board of Directors of Monterey-Salinas Transit recognizes and congratulates Jerome Garza for his support and service to MST and our customers; and

BE IT FURTHER RESOLVED the Board of Directors expresses its sincere gratitude to Jerome Garza and wishes him continued success, and a satisfying retirement.

THE BOARD OF DIRECTORS OF MONTEREY-SALINAS TRANSIT PASSED AND ADOPTED RESOLUTION 2015-24 this 2nd day of February, 2015.

Libby Downey
Chairperson

Carl G. Sedoryk
Secretary

Blank Page

MARGIT SKIPPER 38 YEARS OF SERVICE

WHEREAS, Margit Skipper, MST's longest term employee, began her career with Monterey-Salinas Transit in August 1976 as a Maintenance Clerk, was then promoted to a Senior Maintenance Clerk, and has ended her career at MST as an Inventory Control Specialist; and

WHEREAS, Margit Skipper was recognized for her support in moving to the new building after the fire in 1979 and setting up the new parts room, and in 1988 for the outstanding manner in which she performed her duties and added assignments; and

WHEREAS, Margit Skipper was recognized as the March 1992 Employee of the Month for assisting with the transition of the new Director of Maintenance and keeping track of \$270,000 of parts inventory; and

WHEREAS, Margit Skipper was recognized in May of 1998 for providing leadership and contributing to the positive morale at Monterey-Salinas Transit for her help with the Marina Vanpool; and

WHEREAS, Margit Skipper was most recently recognized in 2011 for providing assistance and demonstrating exceptional skill and competence on MST's Restoration Project for Trolley 1908; and

WHEREAS, after 38 years of service with MST, Margit Skipper retired on December 30, 2014.

THEREFORE, BE IT RESOLVED that the Board of Directors of Monterey-Salinas Transit recognizes and congratulates Margit Skipper for her outstanding service to MST; and

BE IT FURTHER RESOLVED the Board of Directors expresses its sincere gratitude to Margit Skipper and wishes her continued success, and a satisfying retirement.

THE BOARD OF DIRECTORS OF MONTEREY-SALINAS TRANSIT
PASSED AND ADOPTED RESOLUTION 2015-25 this 2nd day of February, 2015.

Libby Downey
Chairperson

Carl G. Sedoryk
Secretary

Blank Page

MARY ESCALERA 33 YEARS OF SERVICE

WHEREAS, Mary Escalera began her career with the Monterey-Salinas Transit District as a Coach Operator in June of 1981. During her more than 33 years at MST, Mary Escalera supported the MST Transportation Department and MST customers; and

WHEREAS, Mary Escalera was recognized on numerous occasions during her 33 years of service for assisting with additional work during staffing shortages, was recognized for her professional uniform appearance and providing key recommendations for changes to women's coach operator uniforms; and

WHEREAS, Mary Escalera has been recognized for her professional composure and providing detailed information during critical incidents; and

WHEREAS, Mary Escalera accumulated more than 600,000 miles behind the wheel of MST buses during her career as a Coach Operator; and

WHEREAS, Mary Escalera is a former MST Employee of the Month; and

WHEREAS, after 33 and one-half years of service Mary Escalera retired on December 31, 2014.

THEREFORE, BE IT RESOLVED that the Board of Directors of Monterey-Salinas Transit recognizes and congratulates Mary Escalera for her support and service to MST and our customers; and

BE IT FURTHER RESOLVED the Board of Directors expresses its sincere gratitude to Mary Escalera and wishes her continued success, and a satisfying retirement.

THE BOARD OF DIRECTORS OF MONTEREY-SALINAS TRANSIT
PASSED AND ADOPTED RESOLUTION 2015-26 this 2nd day of February, 2015.

Libby Downey
Chairperson

Carl G. Sedoryk
Secretary

Blank Page

APPRECIATION FOR SERVICES RENDERED BY MARIA OROZCO

WHEREAS, Maria Orozco has served on the Board of Directors of Monterey-Salinas Transit as an ex-officio member from 2004 to 2007 and as a board member from November of 2008 to January of 2015; and

WHEREAS, Maria Orozco has served on the Planning/Operations and Marketing Committees; and

WHEREAS, Maria Orozco was the first board member from a south county jurisdiction to serve on the MST Board of Directors; and

WHEREAS, Maria Orozco was active in organizing the community to start the original Line 23 Gonzales Express which eventually paved the way for Line 23 to serve the rest of the south county cities; and

WHEREAS, Maria Orozco was a strong advocate for the citizens of the City of Gonzales who depend upon public transportation; and

WHEREAS, Maria Orozco remains a staunch advocate of public transportation; and

WHEREAS, Maria Orozco has made a substantial and lasting contribution to the improvement of public transportation throughout Monterey County;

THEREFORE BE IT RESOLVED that the Board of Directors gives Maria Orozco its sincerest thanks and best wishes as she leaves the MST Board of Directors.

THE BOARD OF DIRECTORS OF MONTEREY-SALINAS TRANSIT
PASSED AND ADOPTED RESOLUTION 2015-27 this 2nd day of February, 2015.

Libby Downey
Chairman

Carl G. Sedoryk
Secretary

Blank Page

MST BOARD OF DIRECTORS

Monterey Bay Unified Air Pollution Control District
24580 Silver Cloud Ct., Monterey

Minutes

January 12, 2015

1. CALL TO ORDER

- 1-1. Roll call
- 1-2. Pledge of Allegiance
- 1-3. Conduct Swearing in Ceremony for new board members.

Chair Downey called the meeting to order at 9:02 a.m. Roll Call was taken and the Pledge of Allegiance followed.

Chair Downey swore in new board members Dan Miller, City of Pacific Grove; David Pacheco, City of Seaside; and Mike Le Barre, City of King City.

Present:	Fernando Armenta	County of Monterey
	Tony Barrera	City of Salinas
	Victoria Beach	City of Carmel-by-the-Sea (9:25 a.m.)
	Kristin Clark	City of Del Rey Oaks
	Libby Downey	City of Monterey
	Mike Le Barre	City of King
	Dan Miller	City of Pacific Grove
	Frank O'Connell	City of Marina
	Maria Orozco	City of Gonzales
	David Pacheco	City of Seaside
	David Pendergrass	City of Sand City (9:39 a.m.)
	Patricia Stephens	City of Soledad
Absent:	Leah Santibanez	City of Greenfield
Staff:	Carl Sedoryk	General Manager/CEO
	Hunter Harvath	Asst. General Manager/Finance & Administration
	Michael Hernandez	Asst. General Manager/COO
	Kelly Halcon	Director of Human Resources & Risk Management
	Mark Eccles	Director of Information Technology
	Robert Weber	Director of Transportation Services
	Lisa Rheinheimer	Director of Planning & Development
	Zoé Shoats	Marketing Manager
	Tom Hicks	MST
	Andrea Williams	General Accounting & Budget Manager

Dave Laredo
Miriam Gutierrez

De Lay & Laredo
MST Customer Service Representative

Public: MacGregor Eddy
Ken Walker
Jordan Colligwon
Heather Adamson
Virginia Murillo
Debbie Hale

Salinas Californian
ATU
CSUMB student
AMBAG
TAMC
TAMC

Apology is made for any misspelling of a name.

2. PUBLIC COMMENTS ON MATTERS NOT ON THE AGENDA

Jordan, a CSUMB student commented on issues with Line 16. The line is skipping three stops, one in front of the library and two on 6th Avenue. It is also going off-route onto Inter Garrison instead of Divarty. MST staff will follow up with Jordan.

MacGregor Eddy, columnist for the Salinas Californian, thanked Jordan for attending the board meeting and using public transit to get to the meeting. She requested that the Board consider bus riders as members of the Measure Q oversight committee.

3. CONSENT AGENDA

3-1. Review highlights of the agenda.

Mr. Sedoryk provided highlights of agenda items 3-2 and 3-3. Director Pacheco asked if MST considered local preference of vendors during the RFP process. Mr. Sedoryk briefly explained the FTA RFP restrictions on local preference.

3-2. Authorize the purchase of two electric sedans

3-3. Adopt Resolution 2015-21 authorizing execution of agreements with the State Board of Equalization for implementation of a local transactions and use tax, and authorize agreements with the State Board of Equalization.

3-4. Claim Rejection – Moon, Yanghee.

Director Barrera pulled agenda item 3-4 for follow up. MST General Counsel, Dave Laredo, advised that there was still time to move item 3-4 to the February, 2015, Closed Session for further discussion.

Director Clark made a motion to approve the Consent Agenda with the exception of item 3-4 and was seconded by Director Armenta. The motion passed unanimously.

Director Beach arrived at 9:25 a.m.

4. CONDUCT STRATEGIC PLANNING WORKSHOP

1. Review of Agenda.

Mr. Sedoryk reviewed the Strategic Planning Workshop agenda.

2. Discuss Organizational Progress.

Mr. Sedoryk reviewed MST's Strategic Goals.

The Board requested further details on preventable accidents/severity in board dashboard.

Director Pendergrass arrived at 9:39 a.m.

Goal 1: Develop Adequate and Stable Long Term Revenues

No recommendations.

Goal 2: Provide Quality Transit and Mobility Management Services

Public Comment

MacGregor Eddy suggested that MST have a special app to help fulfill MST's Strategic Goal #2. She stated that "next bus information" would be a great step in the right direction.

Goal 3: Implement board protocols and best practices to achieve effective and efficient board operations and board meeting management

No recommendations.

Goal 4: Educate the public on MST services through promotion, communication and advocacy

South County would like more MST participation in local events. Mr. Sedoryk asked members to provide him with the events they would like MST to participate in.

Director Armenta asked MST to participate in the Veteran's Day Parade in Salinas. He suggested entering a trolley with MST staff and their families who are veterans.

Goal 5: Actively promote organizational values to maintain high quality relationships with MST employees, contractors, vendors, board members, and community stakeholders.

No recommendations.

Goal 6: Research, implement, and promote policies and practices that encourage environmental sustainability and resource conservation.

Public Comment

MacGregor Eddy asked the board to consider holding meetings via conference call or webinar.

Goal 7: To attain industry leadership for like-sized agencies within California and the United States.

No recommendations.

Mr. Sedoryk reviewed MST's Action Plan.

Director Armenta requested a breakdown of where MST gets RIDES referrals.

Director Beach asked why MST switched ridership by regions. Mr. Sedoryk provided a brief description of the regional breakdown. Director Beach requested staff to address the reported abuse of the Senior Voucher Program in Carmel.

Director Armenta requested board member involvement in MST community activities.

Public Comment

MacGregor Eddy asked if MST planned on holding another "Dump the Pump" day. MST staff will follow up with this request.

3. Receive Update on Status of Major Capital Projects.

Mr. Harvath provided a Capital Budget update. Michael Hernandez provided a Capital Project Update.

Mr. Sedoryk discussed federal and state funding opportunities.

Public Comment

Debbie Hale pledged TAMC's support on supporting legislative changes to TDA. TAMC would also like to engage MST in discussions regarding additional funding and ridership.

4. Discuss Board Structure and Protocols.

Mr. Sedoryk led a discussion on board structure.

Director Pendergrass does not like being assigned to a committee. He would prefer that directors provide staff with a “wish list” of their preferred committee assignments.

Director Downey asked where the concerns over board structure and protocols came from.

The Board concurred that no changes should be made to committee structures.

Director Armenta suggested that new board members should be able to attend an APTA conference.

Director Downey provided a handout detailing which board members have attended APTA meetings over the past ten years.

Mr. Sedoryk led a discussion on board protocols for public comments.

Director Downey likes Option #3 for transparency purposes.

Director Beach and Le Barre both recommended switching #6 and #7 of Option #3.

Director O’Connell suggests leaving Option # 3 as-is. He reminded staff that MST can request, but not require, members of the public to state their name or place of residence to provide public comment.

The Board requested staff to bring back a board policy on how to move forward with board comment and action protocol.

5. Non-agricultural Vanpools.

Mr. Harvath led a discussion on non-agricultural vanpools and provided a handout on vanpool statistics.

Dan Miller left the meeting at 11:58 a.m.

Public Comment

MacGregor Eddy asked if an AMBAG representative was present, and if this was a duplication of their efforts. AMBAG representative Heather Adamson confirmed that this was not a duplication of their efforts.

Debbie Hale stated that she thought it would be great for MST to get involved in this effort. TAMC has been working on taking over the Rideshare program in Monterey County; however, it has not gained traction. TAMC would like to work with MST and AMBAG on this program.

The Board directed MST staff to bring this item back to the board for action.

6. Measure Q Update and Planning.

Mr. Sedoryk led a discussion on establishing a Measure Q Citizen Oversight Committee.

Director Downey made a recommendation to include someone with a financial background in the recruitment process.

Dave Laredo suggested that, as a compromise, MST could include a question on the application for the applicant to list their credentials relevant to serving on the committee.

7. Proposed “Transit Champion” Award.

Director Armenta stated that he had made this recommendation to the board, and suggested that MST staff create the program.

Director Downey suggested that the MST board could set the criteria for staff recognition.

The board recommended that MST allow the board to introduce people or groups for recognition.

8. Return to Agenda for Closing Remarks.

5. COMMENTS BY BOARD MEMBERS

5-1. Board member Comments and Announcements.

Director Orozco announced that this was her last meeting as an MST board representative. She introduced her replacement, Mr. Robert Bonincontri.

Director Beach announced that FORA is hosting a Trail Symposium on January 22nd. The relationship between communities and transit infrastructure will be discussed. In February, FORA will hold a two-week charrette.


Director Armenta announced that the new Board of Supervisors chairperson will be Simon Salinas. Director Armenta will continue to be the MST representative and the new chairperson of the county finance committee.

Director Barrera will not be at the February board meeting. A concern regarding transit service between North Sanborn Road and Natividad Hospital will be made at the next City of Salinas council meeting. He requested an MST staff member to be present at the January 19, 2015, council meeting.

5-2. Board member Referrals for future agendas.

6. ADJOURN

Director Downey adjourned the meeting at 12:28 p.m. in honor of Maria Orozco.

Prepared by: 
Deanna Smith, Deputy Secretary

Blank Page

To: Board of Directors
From: Ben Newman, Risk Manager
Subject: Liability Claim Rejection

RECOMMENDATION:

Reject claim by the claimant below.

FISCAL IMPACT:

\$ 3,777.12

POLICY IMPLICATIONS:

None.

DISCUSSION:

The claim was received from State Farm Insurance regarding an accident that involved their insured Koginu Greene and an MST bus on July 9, 2014. The amount requested is for property damage only. No claimed injuries.

After conducting a preliminary investigation into this matter, it is determined that Monterey-Salinas Transit has no liability in this claim and recommends that it be rejected in its entirety.

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:  APPROVED BY: 
Ben Newman Carl Sedoryk

Blank Page

To: Board of Directors
From: Ben Newman, Risk Manager
Subject: Liability Claim Rejection

RECOMMENDATION:

Reject claim by the claimant below.

FISCAL IMPACT:

\$10,000.

POLICY IMPLICATIONS:

None.

DISCUSSION:

On December 11, 2014, a claim was received regarding an accident that occurred on July 28, 2014. Yanghee Moon was driving a vehicle that was struck from behind in stop-and-go traffic by an MST bus alleging injury to her lower back, neck, and left side of body.

After conducting a preliminary investigation into this matter, it is determined that Monterey-Salinas Transit has no liability in this claim and recommends that it be rejected in its entirety.

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:  APPROVED BY: 
Ben Newman Carl Sedoryk

Blank Page

To: Board of Directors
From: C. Sedoryk, General Manager/CEO
Subject: Updated MST Committee Assignments

RECOMMENDATION:

Receive updated committee appointments for the remainder of FY 2015.

FISCAL IMPACT:

None.

POLICY IMPLICATIONS:

According to the MST Bylaws, Article VI., Officers, "The Chair may appoint committees from time to time for any purpose he or she deems proper for the conduct of Board business."

DISCUSSION:

In August of 2014, Chairperson Downey appointed board members and chairpersons to serve on MST committees. Recent municipal elections have resulted in new MST representatives being appointed by several MST jurisdictions. New MST board members include: Robert Bonincontri, City of Gonzales; Leah Santibanez, City of Greenfield; Mike Le Barre, City of King City; Dan Miller, City of Pacific Grove; and David Pacheco, City of Seaside.

The following MST Committee Roster has been updated to reflect these new appointments. The roster also includes the appointments of Director Clark as chairperson for the Planning/Operations committee and Director Pendergrass as chairperson for the Marketing committee.

ATTACHMENT: Updated committee appointments for FY 2015

Prepared by:


Deanna Smith, Deputy Secretary

ATTACHMENT 1

2015 MST Committee Assignments

	Facilities	Finance	Legislative	Marketing	Human Resources	Planning/ Operations
Armenta		•	•	•		
Barrera	•		Chair			
Beach	Chair	•				
Bonincontri				•		•
Clark			•		•	Chair
Downey	•		•			
Le Barre	•					•
Miller				•	•	
O'Connell	•	Chair				
Pacheco					•	•
Pendergrass			•	Chair		
Santibanez		•		•		
Stephens		•			Chair	

To: Board of Directors
From: Angela Dawson
Subject: Financial Reports – November 2014

RECOMMENDATION:

1. Accept report of November 2014 cash flow presented in Attachment #1
2. Approve November 2014 disbursements listed in Attachment #2
3. Accept report of November 2014 treasury transactions listed in Attachment #3

FISCAL IMPACT:

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

Beginning balance November 1, 2014	\$9,930,182.55
Revenues	3,005,240.96
Disbursements	<u><3,306,631.76></u>
Ending balance November 30, 2014	<u>\$9,628,791.75</u>

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.

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

Prepared by:


Angela Dawson

Reviewed by:


Hunter Harvath

Blank Page

(REVENUES & DISBURSEMENTS)

CASH FLOW

Beginning balance November 1, 2014		9,930,182.55
Revenues		
Passenger Revenue	592,167.82	
DOD Revenue	60,912.00	
LTF / STA / 5307	1,963,684.96	
Grants	357,290.24	
TAMC Loan/Rabo LOC advance	-	
Non Transit Revenue	31,185.94	
Total Revenues		3,005,240.96
Disbursements		
Operations (See Attachment #2)	3,143,393.23	
Capital	163,238.53	
Total Disbursements		(3,306,631.76)
Ending balance November 30, 2014		9,628,791.75

COMPOSITION OF ENDING BALANCE

Checking - First National Bank	-
Checking - Rabo Bank	445,854.52
Checking(s) - Wells Fargo Bank	10,187.26
Local Agency Investment Fund (LAIF)	42,667.77
Money Market - Homeland Security	1,116,109.26
Money Market - Rabo MM	1,420,078.60
Money Market - PTMISEA	5,590,449.16
Money Market - Rabo Prop. 1 B	906,398.12
Bank of America - Escrow	8,977.14
Petty cash fund, STC Coin Machine, and 2 change funds	8,750.00
RBC Wealth - Fuel Hedging	79,319.92
Total	9,628,791.75

PAYROLL ACCOUNT

October 31 Payroll taxes	106,205.24	
November 14 Payroll & Related Expenses	488,401.14	
November 28 Payroll	408,910.62	
Pers & 457	182,132.52	
Garnishments	4,147.30	
Payroll adj	-	
	<u>1,189,796.82</u>	1,189,796.82

GENERAL ACCOUNT

Disbursements on Attached Summary	2,086,518.05	
Paydown loan	-	
Workers Comp. Disbursements	15,696.82	
Interest expense	-	
Bank Service Charge/Armored Car	14,620.07	
RBC-Fuel Hedge Margin Calls	-	
Transfer from WFB	-	
	<u>2,116,834.94</u>	2,116,834.94

Total Disbursements	<u>3,306,631.76</u>
Less Capital Disbursements & Transfers	<u>(163,238.53)</u>
Operating Disbursements	<u>3,143,393.23</u>

DISBURSEMENTS SUMMARY:
GENERAL ACCOUNT DISBURSEMENTS FOR November 1, 2014 - November 30, 2014

VENDOR / DESCRIPTION	CHECKS	AMOUNT
Accounts Payable 11/04/14	36497	247,786.33
Accounts Payable 11/07/14	36498 - 36594	1,282,805.17
Accounts Payable 11/13/14	36595 - 36606	1,200.00
Accounts Payable 11/14/14	36607	80,052.63
Accounts Payable 11/17/14	36608	142.00
Accounts Payable 11/21/14	36609 - 36725	423,628.83
Accounts Payable 11/25/14	36726 - 36758	50,903.09
TOTAL		2,086,518.05

CHECKS \$100,000 AND OVER

VENDOR / DESCRIPTION	BOARD APPROVED	CHECK NUMBER	CHECK DATE	AMOUNT
PERS-Health Ins	Recurring Expense	36497	11/04/14	247,786.33
MV Transportation	Recurring Expense	36551	11/07/14	772,645.72
City of Salinas	CA030717-Salinas Train Station	36563	11/07/14	185,809.39
Sc Fuels	Recurring Expense	36636	11/21/14	103,765.18

TREASURY TRANSACTIONS
FOR NOVEMBER 2014

LAIF ACCOUNT

<u>Date</u>	<u>Account</u>	<u>Bank</u>	<u>Deposit</u>	<u>Withdrawal</u>	<u>Balance</u>
	Balance Forward at 11/01/14				42,667.77
	Transfer to checking for payroll			-	
	Local Agency Investment Fund:				
	Interest earned - 0.000%			-	
	LAIF Treasury Balance at 11/30/14				42,667.77

RABOBANK MM ACCOUNT

<u>Date</u>	<u>Account</u>	<u>Bank</u>	<u>Deposit</u>	<u>Withdrawal</u>	<u>Balance</u>
	Balance Forward at 11/01/14				8,631.40
11/25/14		LTF	1,411,405.11		1,420,036.51
11/30/14		Interest @ 0.25%	42.09		1,420,078.60
	RABO MM Balance at 11/30/14				1,420,078.60

MONTEREY - SALINAS TRANSIT
Revenue & Expense - Consolidated
 Budget vs Actual
 For the Period from November 1, 2014 to November 30, 2014
 (Amounts are in USD)
 (Includes Fund: 001)
 (Includes G/L Budget Name: BUDFY15)

Fund 1
Fixed Route

	Cur Mo. Actual	Cur Mo. Budget	Cur Mo. Variance	YTD Actual	YTD Budget	YTD Variance
Revenue						
Passenger Fares	-380,066	-386,484	6,418	-1,950,403	-1,932,422	-17,980
Special Transit	-234,946	-258,796	23,850	-1,175,303	-1,293,981	118,678
Cash Revenue	-31,920	-31,167	-753	-169,863	-155,833	-14,030
Cash Grants & Reimbursement	-2,174,663	-1,933,386	-241,277	-10,484,226	-9,666,930	-817,296
Total Revenue	-2,821,596	-2,609,833	-211,762	-13,779,795	-13,049,167	-730,628
Expenses						
Labor	1,016,240	1,002,298	13,942	5,455,157	5,011,492	443,665
Benefits	661,664	643,615	18,049	3,092,191	3,218,075	-125,884
Advertising & Marketing	12,906	10,000	2,906	23,070	50,000	-26,930
Professional & Technical	26,127	33,858	-7,732	209,483	169,292	40,191
Outside Services	18,033	20,283	-2,251	94,532	101,417	-6,884
Outside Labor	85,979	63,210	22,769	315,756	316,048	-292
Fuel & Lubricants	196,267	283,008	-86,740	1,462,918	1,415,038	47,881
Supplies	49,294	55,564	-6,269	265,365	277,818	-12,453
Vehicle Maintenance	52,073	59,650	-7,577	332,156	298,250	33,906
Marketing Supplies	1,481	2,500	-1,019	16,700	12,500	4,200
Utilities	35,229	31,292	3,936	174,441	156,461	17,980
Insurance	32,276	32,252	24	157,791	161,260	-3,469
Taxes	13,355	20,070	-6,715	78,687	100,351	-21,664
Purchased Transportation	391,439	317,584	73,856	2,014,465	1,587,920	426,546
Miscellaneous Expenses	26,224	20,328	5,896	112,073	101,641	10,432
Pass Thru/Behalf of Others	185,809		185,809	721,977		721,977
Interest Expense		2,167	-2,167	143	10,833	-10,690
Leases & Rentals	9,755	12,154	-2,399	52,252	60,771	-8,519
Total Operating Expenses	2,814,151	2,609,833	204,318	14,579,158	13,049,167	1,529,991
Operating (Surplus) Deficit	-7,445	0	-7,445	799,363	0	799,363

MONTEREY - SALINAS TRANSIT
Revenue & Expense - Consolidated
 Budget vs Actual
 For the Period from November 1, 2014 to November 30, 2014
 (Amounts are in USD)
 (Includes Fund: 002)
 (Includes G/L Budget Name: BUDFY15)

Fund 2
RIDES

	Cur Mo. Actual	Cur Mo. Budget	Cur Mo. Variance	YTD Actual	YTD Budget	YTD Variance
Revenue						
Passenger Fares	-96,176	-26,245	-69,931	-223,059	-131,224	-91,835
Special Transit						
Cash Revenue						
Cash Grants & Reimbursement	-236,203	-236,203	0	-1,181,013	-1,181,013	0
Total Revenue	-332,378	-262,447	-69,931	-1,404,072	-1,312,236	-91,835
Expenses						
Labor	3,625	3,919	-294	22,186	19,593	2,593
Benefits	3,028	2,381	648	12,855	11,903	952
Advertising & Marketing						
Professional & Technical		167	-167		833	-833
Outside Services						
Outside Labor	3,031	4,292	-1,260	13,655	21,458	-7,803
Fuel & Lubricants	25,897	39,583	-13,687	189,967	197,917	-7,949
Supplies		875	-875	800	4,375	-3,575
Vehicle Maintenance		1,000	-1,000		5,000	-5,000
Marketing Supplies						
Utilities						
Insurance						
Taxes						
Purchased Transportation	198,597	209,898	-11,301	1,073,353	1,049,490	23,863
Miscellaneous Expenses		333	-333	284	1,667	-1,383
Interest Expense						
Leases & Rentals						
Total Operating Expenses	234,178	262,447	-28,270	1,313,100	1,312,237	864
Operating (Surplus) Deficit	-98,201	0	-98,201	-90,971	0	-90,972

To: Board of Directors
From: Angela Dawson
Subject: Financial Reports – December 2014

RECOMMENDATION:

1. Accept report of December 2014 cash flow presented in Attachment #1
2. Approve December 2014 disbursements listed in Attachment #2
3. Accept report of December 2014 treasury transactions listed in Attachment #3

FISCAL IMPACT:

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

Beginning balance December 1, 2014	\$9,628,791.75
Revenues	1,073,055.29
Disbursements	<u><2,787,821.31></u>
Ending balance December 31, 2014	<u>\$7,914,025.73</u>

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.

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

Prepared by:


Angela Dawson

Reviewed by:


Hunter Harvath

Blank Page

(REVENUES & DISBURSEMENTS)**CASH FLOW**

Beginning balance December 1, 2014		9,628,791.75
Revenues		
Passenger Revenue	561,345.71	
DOD Revenue	144,162.00	
LTF / STA / 5307	-	
Grants	326,117.72	
TAMC Loan/Rabo LOC advance	-	
Non Transit Revenue	41,429.86	
Total Revenues		1,073,055.29
Disbursements		
Operations (See Attachment #2)	689,782.38	
Capital	2,098,038.93	
Total Disbursements		(2,787,821.31)
Ending balance December 31, 2014		<u><u>7,914,025.73</u></u>

COMPOSITION OF ENDING BALANCE

Checking - First National Bank	-
Checking - Rabo Bank	372,455.75
Checking(s) - Wells Fargo Bank	11,753.23
Local Agency Investment Fund (LAIF)	42,667.77
Money Market - Homeland Security	250,513.68
Money Market - Rabo MM	270,263.18
Money Market - PTMISEA	5,177,507.56
Money Market - Rabo Prop. 1 B	1,771,137.42
Bank of America - Escrow	8,977.14
Petty cash fund, STC Coin Machine, and 2 change funds	8,750.00
RBC Wealth - Fuel Hedging	-
Total	<u><u>7,914,025.73</u></u>

PAYROLL ACCOUNT

November 28 Payroll taxes	104,308.50	
December 12 Payroll & Related Expenses	490,083.13	
December 26 Payroll & Related Expenses	495,274.46	
Pers & 457	175,450.89	
Garnishments	7,494.78	
Payroll adj	-	
	<u>1,272,611.76</u>	1,272,611.76

GENERAL ACCOUNT

Disbursements on Attached Summary	1,334,226.82	
Paydown loan	-	
Workers Comp. Disbursements	40,147.96	
Interest expense	-	
Bank Service Charge/Armored Car	13,014.85	
RBC-Fuel Hedge Margin Calls	127,819.92	
Transfer from WFB	-	
	<u>1,515,209.55</u>	1,515,209.55

Total Disbursements	<u>2,787,821.31</u>
Less Capital Disbursements & Transfers	<u>(2,098,038.93)</u>
Operating Disbursements	<u>689,782.38</u>

DISBURSEMENTS SUMMARY:
GENERAL ACCOUNT DISBURSEMENTS FOR December 1, 2014 - December 31, 2014

VENDOR / DESCRIPTION	CHECKS	AMOUNT
Accounts Payable 12/05/14	36759 - 36841	590,208.48
Accounts Payable 12/09/14	36842 - 36856	18,740.69
Accounts Payable 12/10/14	36857	355.00
Accounts Payable 12/18/14	36858	30.00
Accounts Payable 12/19/14	36859 - 36957	541,286.10
Accounts Payable 12/22/14	36958 - 36959	21,224.68
Accounts Payable 12/23/14	36960 - 37028	162,381.87
TOTAL		<u>1,334,226.82</u>

CHECKS \$100,000 AND OVER

VENDOR / DESCRIPTION	BOARD APPROVED	CHECK NUMBER	CHECK DATE	AMOUNT
PERS-Health Ins	Recurring Expense	36816	12/05/14	240,306.73
Wave	December 12, 2012	36839	12/05/14	110,568.60
AECOM	November 4, 2013	36867	12/19/14	215,659.00

TREASURY TRANSACTIONS
FOR DECEMBER 2014

LAIF ACCOUNT

<u>Date</u>	<u>Account</u>	<u>Bank</u>	<u>Deposit</u>	<u>Withdrawal</u>	<u>Balance</u>
Balance Forward at 12/01/14					42,667.77
Transfer to checking for payroll					-
Local Agency Investment Fund: Interest earned - 0.000%					-
LAIF Treasury Balance at 12/31/14					42,667.77

RABOBANK MM ACCOUNT

<u>Date</u>	<u>Account</u>	<u>Bank</u>	<u>Deposit</u>	<u>Withdrawal</u>	<u>Balance</u>
Balance Forward at 12/01/14					1,420,078.60
12/08/14		To A/P		350,000.00	1,070,078.60
12/19/14		To A/P		550,000.00	520,078.60
12/26/14		To P/R		250,000.00	270,078.60
12/31/14		Interest @ 0.25%	184.58		270,263.18
RABO MM Balance at 12/31/14					270,263.18

ATTACHMENT # 4

MONTEREY - SALINAS TRANSIT

Revenue & Expense - Consolidated

Budget vs Actual

For the Period from December 1, 2014 to December 31, 2014

(Amounts are in USD)

(Includes Fund: 001)

(Includes G/L Budget Name: BUDFY15)

Fund 1
Fixed Route

	Cur Mo. Actual	Cur Mo. Budget	Cur Mo. Variance	YTD Actual	YTD Budget	YTD Variance
Revenue						
Passenger Fares	-295,925	-386,484	90,559	-2,246,328	-2,318,907	72,579
Special Transit	-269,819	-258,796	-11,023	-1,445,122	-1,552,777	107,655
Cash Revenue	-32,208	-31,167	-1,041	-202,071	-187,000	-15,071
Cash Grants & Reimbursement	-2,084,677	-1,933,386	-151,291	-12,568,903	-11,600,316	-968,587
Total Revenue	-2,682,629	-2,609,833	-72,795	-16,462,424	-15,659,000	-803,423
Expenses						
Labor	913,266	1,002,298	-89,033	6,368,423	6,013,790	354,633
Benefits	789,682	643,615	146,067	3,881,873	3,861,690	20,183
Advertising & Marketing	2,890	10,000	-7,110	25,960	60,000	-34,040
Professional & Technical	44,326	33,858	10,468	253,809	203,150	50,659
Outside Services	18,033	20,283	-2,251	112,565	121,700	-9,135
Outside Labor	52,289	63,210	-10,921	368,045	379,258	-11,212
Fuel & Lubricants	311,457	283,008	28,449	1,774,375	1,698,045	76,330
Supplies	51,726	55,564	-3,838	317,090	333,382	-16,291
Vehicle Maintenance	71,963	59,650	12,313	404,119	357,900	46,219
Marketing Supplies	87	2,500	-2,413	16,786	15,000	1,786
Utilities	31,400	31,292	108	205,842	187,754	18,088
Insurance	32,024	32,252	-228	189,816	193,512	-3,697
Taxes	12,587	20,070	-7,483	91,274	120,422	-29,147
Purchased Transportation	356,715	317,584	39,131	2,371,180	1,905,504	465,676
Miscellaneous Expenses	24,662	20,328	4,333	136,734	121,969	14,765
Pass Thru/Behalf of Others				721,977		721,977
Interest Expense		2,167	-2,167	143	13,000	-12,857
Leases & Rentals	10,999	12,154	-1,155	63,251	72,925	-9,674
Total Operating Expenses	2,724,106	2,609,833	114,273	17,303,264	15,659,000	1,644,264
Operating (Surplus) Deficit	41,478	0	41,478	840,841	0	840,841

MONTEREY - SALINAS TRANSIT
Revenue & Expense - Consolidated
 Budget vs Actual
 For the Period from December 1, 2014 to December 31, 2014
 (Amounts are in USD)
 (Includes Fund: 002)
 (Includes G/L Budget Name: BUDFY15)

Fund 2
RIDES

	Cur Mo. Actual	Cur Mo. Budget	Cur Mo. Variance	YTD Actual	YTD Budget	YTD Variance
Revenue						
Passenger Fares	-35,538	-26,245	-9,293	-258,597	-157,469	-101,128
Special Transit						
Cash Revenue						
Cash Grants & Reimbursement	-236,203	-236,203	0	-1,417,215	-1,417,215	0
Total Revenue	-271,741	-262,447	-9,293	-1,675,812	-1,574,684	-101,128
Expenses						
Labor	2,675	3,919	-1,243	24,862	23,512	1,350
Benefits	3,682	2,381	1,302	16,537	14,284	2,254
Advertising & Marketing						
Professional & Technical		167	-167		1,000	-1,000
Outside Services						
Outside Labor	3,031	4,292	-1,260	16,686	25,750	-9,064
Fuel & Lubricants	28,554	39,583	-11,029	218,521	237,500	-18,979
Supplies	50	875	-825	850	5,250	-4,400
Vehicle Maintenance		1,000	-1,000		6,000	-6,000
Marketing Supplies						
Utilities						
Insurance						
Taxes						
Purchased Transportation	222,516	209,898	12,618	1,295,869	1,259,388	36,481
Miscellaneous Expenses		333	-333	284	2,000	-1,716
Interest Expense						
Leases & Rentals						
Total Operating Expenses	260,509	262,447	-1,938	1,573,609	1,574,684	-1,075
Operating (Surplus) Deficit	-11,232	0	-11,232	-102,203	1	-102,203

50

To: Board of Directors

From: Michael Hernandez, Assistant General Manager/COO

Subject: Adopt updated Disposal of Surplus Property Policy

RECOMMENDATIONS:

Approve staff's revision to MST's Disposal of Surplus Property Policy to include vehicle donation procedures.

FISCAL IMPACT:

Fiscal impact will vary depending on whether a vehicle is sold or donated. The sale of vehicles can range from approximately one hundred dollars to several thousand dollars depending on the vehicle type/condition and market demand.

POLICY IMPLICATIONS:

Your Board approves policies regarding the purchase and disposal of MST's major assets. The Disposal of Surplus Property Policy, adopted on July 12, 2010, allows your Board to designate specific procedures for disposal of vehicles.

DISCUSSION:

MST receives funding from the Federal Transit Administration (FTA) and Caltrans for the purchase of vehicles and must maintain and operate the vehicles for a minimum of 12 years, or 500,000 miles for heavy-duty coaches; 7 years, or 200,000 miles for medium duty buses; and 5 years or 150,000 miles for the mini-bus fleet.

MST's support fleet "useful life" requirement is 7 years, or 125,000 miles for sedans, vans and light trucks and 10 years for heavy duty trucks. MST's support vehicles may be retired earlier based on vehicle condition, operating costs or failure to meet California emission requirements

After vehicles reach the end of their useful life MST sells or donates them depending on vehicle condition and market demand.

Over the past couple of years MST has donated more than a dozen vehicles and we continue to receive requests for more donations, sometimes receiving multiple requests from a single non-profit organization.

Based on the continued interest in vehicle donations, staff recommends approval of the revised Disposal of Surplus Property Policy to include procedures for donation of vehicles. Priority for vehicle donations, including the donation of multiple vehicles to one organization, will go to groups that directly enhance mobility services within MST's service area; as one example, to organizations that transport elderly/disabled passengers to care centers.

Approval of this item authorizes staff to:

- Dispose of retired vehicles through sale, auction or donation as outlined above.
- In the order of their original request, fulfill MST's current commitments to the non-profit groups/Agencies who requested vehicles in 2014.
- Use the new donation procedures in determining eligibility and priority for future vehicle donations.
- Staff will report back to the Board on the status of all vehicle retirements, sales and donations annually, or as requested.

Attachment: Revised Donation of Surplus Property Policy

PREPARED BY:


Michael Hernandez

REVIEWED BY:


Carl Sedoryk

ATTACHMENT 1

DISPOSAL OF SURPLUS PROPERTY POLICY

Adopted: 7/12/2010

OBJECTIVE: To ensure the most economical method of disposing of MST Surplus Property.

Disposal of Property

1. The MST Board approves a list of surplus property, and directs staff to dispose of the property using the most economical method.

Disposal of Vehicles

1. The Board may designate specific procedures for disposal of vehicles. Vehicles valued at less than \$5,000 (Federal limit) may be designated by the Board for leasing to non-profit charitable organizations. Non-profit organizations will be advised in writing that MST intends to sell surplus vehicles. If an organization is interested in a long-term lease at a nominal fee, they must contact MST in writing within two weeks.
2. If more than one non-profit charitable organization wants the same vehicle, selection will be made by lottery among those organizations that express an interest in the vehicle.
3. Vehicles will be leased "as is, where is." The charitable organization will assume full responsibility for the vehicle, including such things as, maintenance, insurance, DMV registration, and smog checks.

Surplus Property Value

1. If the total value of all remaining surplus items is more than \$1,000, then a sealed bid sale will be conducted. MST member jurisdictions will be specifically notified of the sale. The Board may:
 - a. Waive all bids and approve the sale of such property to any individual, firm, or corporation;
 - b. Solicit, process and dispose of bids as provided by the Government Code of the State of California;
 - c. Solicit bids and establish its own procedures where State law permits.

2. If the total value of all remaining surplus items is less than \$1,000, then the items will be disposed of in the most economical manner (e.g., donated to non-profit charitable organizations, sold to junk yards, or recycled.) Selection of a non-profit organization will be made by lottery among those organizations that express an interest in the item.

Vehicle Disposal/Donation Procedures

1. Retired vehicles may be directly sold, sold for scrap metal, auctioned or donated based on vehicle condition and market demand.
2. Donation requests will be filled on a first-come, first-served basis to organizations in the following priority:
 - a. Local non-profit charities or organizations whose use of the vehicle(s) will enhance mobility services within the MST service area.
 - b. To other local non-profit charities, public agencies or other institutions (i.e. local colleges or similar organizations for use in their educational, automotive technology, or community outreach programs)
 - c. To non-profit organizations for distribution outside MST's service area including other cities, states or countries.
3. Requests must be submitted on a firm's letter head, demonstrating non-profit status if applicable, and the intended purpose/use of the vehicle.
4. Entities who have received a vehicle(s) may not be eligible for another vehicle donation for one year, unless:
 - a. MST determines that an additional vehicle donation will directly support mobility services within MST's service area; resulting in priority donation to that organization.
 - b. There are no other current donation requests on file with MST.
5. MST will not make repairs to vehicles or deliver vehicles. Vehicles not picked up after 30 days notice will be sold, donated or scraped. Organizations who received a donated vehicle may not sell the vehicle for a period of one year.

To: Board of Directors

From: Michelle Overmeyer, Grants and Compliance Analyst

Subject: Resolution 2015-28 Community Development Block Grant (CDBG) Program

RECOMMENDATION:

Approve Resolution 2015-28 authorizing MST's General Manager/CEO to execute all required documents of the Community Development Block Grant (CDBG) Program.

FISCAL IMPACT:

Up to \$75,000 in CDBG funds to pay for purchase and installation of four (4) bus shelters along Merritt Street in Castroville. No MST funds would be required.

POLICY IMPLICATIONS:

Your Board must authorize the filing of the grant application requesting up to \$75,000 from County of Monterey CDBG funds.

DISCUSSION:

MST staff is continuously seeking ways to maintain and update MST facilities. Staff attended a County of Monterey CDBG grant workshop in December and determined that bus shelters are eligible for funding under the CDBG program. Staff looked at the condition of existing bus stop shelters within the CDBG project boundaries and determined that bus shelters at four stops along Merritt Street qualify for replacement with CDBG funds. The bus stops are located at Mead Street, Speegle Street, Union Street, and Pajaro Street. With grant funding, MST would replace the old shelters with new shelters. Additionally, an electronic sign would be installed at the bus stop with the highest ridership along the corridor.

To receive these funds your Board must approve the attached resolution which authorizes the General Manager/CEO to execute all required documents of the CDBG program.

Attachment: Resolution 2015-28

PREPARED BY  REVIEWED BY 
Michelle Overmeyer Carl G. Sedoryk

Attachment 1

RESOLUTION 2015-28

RESOLUTION OF THE MONTEREY-SALINAS TRANSIT BOARD OF DIRECTORS AUTHORIZING SUBMITTAL OF APPLICATION(S) FOR COUNTY OF MONTEREY ENTITLEMENT COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDS

WHEREAS, the County of Monterey annually receives Entitlement Community Development Block Grant (CDBG) funds from the United States Department of Housing and Urban Development (HUD); and

WHEREAS, in furtherance of this authority the County of Monterey is required to establish necessary procedures governing the application, awarding and management of its CDBG grants; and

WHEREAS, the CDBG program procedures require, among other things, an applicant's governing body to declare by resolution certain authorizations related to the administration of the CDBG grants.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of Monterey-Salinas Transit authorizes the submittal of application(s) to County of Monterey Entitlement CDBG program for all grants for which Monterey-Salinas Transit may be eligible.

BE IT FURTHER RESOLVED that the General Manager/CEO, or its designee, is hereby authorized and empowered to execute on behalf of Monterey-Salinas Transit all grant-related documents, including, but not limited to, Applications, Payment Requests, Funding Agreements, and Amendments necessary to secure grant funds and to implement the approved grant project; and

BE IT FURTHER RESOLVED that these authorizations are effective for two (2) years from the date of adoption of this resolution.

PASSED AND ADOPTED BY THE BOARD OF DIRECTORS OF MONTEREY-SALINAS TRANSIT this 2nd day of February, 2015 by the following vote:

AYES:

NOES:

ABSENT:

Blank Page

To: Board of Directors

From: Hunter Harvath, Assistant General Manager of Finance & Administration

Subject: Receive FY 2014 Comprehensive Annual Financial Report (CAFR)

RECOMMENDATION:

Receive the agency's FY 2014 Comprehensive Annual Financial Report.

FISCAL IMPACT:

None.

POLICY IMPLICATIONS:

A Comprehensive Annual Financial Report is prepared each year in association with the agency's audit process, posted on the MST website, and submitted to the state of California as well as to the Government Finance Officers Association of the United States and Canada for review and evaluation.

DISCUSSION:

To provide transparency for the general public and local, state and federal stakeholders, MST each year prepares and posts on its website a CAFR, which can be downloaded and printed directly from the site. A primary component of this document is the annual audit, which is conducted by an outside accounting firm to attest to the state of the agency's finances. In recognition of excellence in financial reporting, MST received a certificate of achievement from the Government Finance Officers Association of the United States and Canada for last year's FY 2013 CAFR.

MST has submitted its FY 2014 CAFR to this organization for evaluation and consideration. Pages containing key summary documentation from the report are attached for your review. The complete report – as well as MST's CAFRs dating back to FY 2005 – can be viewed and downloaded through MST's website at <http://mst.org/about-mst/financials/> and can also be provided in hard copy to any member of your Board upon request.

Attachment 1: Jan. 23, 2015, letter from MST auditors Vavrinek, Trine, Day & Co., LLP

Attachment 2: Pages 1-7; and 36-42 of the FY 2014 CAFR

PREPARED BY:  HUNTER HARVATH
REVIEWED BY:  CARL G. SEDORYK



Vavrinek, Trine, Day & Co., LLP
Certified Public Accountants

VALUE THE DIFFERENCE

January 23, 2015

The Board of Directors of the
Monterey-Salinas Transit
Monterey, California

We have audited the financial statements of the Monterey-Salinas Transit (MST) for the year ended June 30, 2014. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards *Government Auditing Standards* and OMB Circular A-133, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the MST are described in Note 2 to the financial statements.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting MST's financial statements were:

Management's estimates used in: risk management claims liabilities, fair values of investments, depreciation expense and the valuation of capital assets and pension and liabilities and disclosures. We evaluated the key factors and assumptions used to develop these estimates in determining that they appeared reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 19, 2014.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to Management's Discussion and Analysis and the Schedule of Funding Progress which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the Introductory section and the Statistical section which accompany the financial statements but are not RSI. We did not audit or perform other procedures on this other information and we do not express an opinion or provide any assurance on it.

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

Very truly yours,

Vavrinek, Trine, Day & Co. LLP

Palo Alto, California
January 23, 2015

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Monterey, California

For the fiscal years ending June 30, 2014 and June 30, 2013



MST
MONTEREY-SALINAS TRANSIT

Blank Page



Vavrinek, Trine, Day & Co., LLP
Certified Public Accountants & Consultants

VALUE THE DIFFERENCE

INDEPENDENT AUDITOR'S REPORT

The Board of Directors of
Monterey-Salinas Transit
Monterey, California

Report on the Financial Statements

We have audited the accompanying basic financial statements of the Monterey-Salinas Transit (MST), as of and for the years ended June 30, 2014 and 2013, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of MST as of June 30, 2014 and June 30, 2013, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

65

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and schedule of funding progress as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the MST's financial statements as a whole. The introductory section, schedule of expenditures of federal awards, as required by *Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*, the consolidating statements by program, budgetary information and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements.

The schedule of expenditures of federal awards, the consolidating statements by program and budgetary information are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards, consolidating statements by program and budgetary information are fairly stated in all material respect in relation to the financial statements taken as a whole.

The introductory section and the statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2014 on our consideration of MST's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering MST's internal control over financial reporting and compliance.

Vavrinck, Trinc, Day & Co. LLP

Palo Alto, California
December 19, 2014

66

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis (MD&A) of activities and financial performance of Monterey-Salinas Transit (MST) provides an introduction to the financial statements of MST for the fiscal years ended June 30, 2014 and 2013.

Following the MD&A are the basic financial statements of MST together with the notes thereto, which are essential to a full understanding of the data contained in the financial statements.

MST ACTIVITIES HIGHLIGHTS

MST is based in Monterey, California, and consists of two operating divisions, Fixed-Route BUS and RIDES Paratransit, operating in two Federal Urbanized Zones: Monterey Peninsula (Seaside-Marina-Monterey) and Salinas. Overseeing some 225 direct and 91 contracted employees, who work together in the public interest, the General Manager/CEO coordinates the operations of these divisions according to the policy and direction of the Board of Directors. For the fiscal year ending June 30, 2014, the Board of Directors consisted of thirteen members representing Monterey County and the twelve member cities: Carmel-by-the-Sea, Del Rey Oaks, Gonzales, Greenfield, King City, Marina, Monterey, Pacific Grove, Salinas, Sand City, Seaside and Soledad. Nearly 4.3 million passengers rode Monterey-Salinas Transit last fiscal year.

The recent economic downturn has resulted in a decrease in ridership for Fixed-Route BUS from historical peak levels of 2007. During fiscal year 2011, MST's reserves were used to further delay the need for additional fare increases or service reductions to balance the annual operating budget. In coordination with fiscal uncertainty and budgetary stress, increases to fares were enacted near the end of fiscal year 2012, the effects of which were felt during fiscal year 2013. In addition, significant cuts to bus services were implemented during fiscal year 2013 as a result of ongoing financial pressures as well as staffing shortages due to the hiring freeze imposed on MST in association with the state pension reform dispute. However, fixed-route ridership rebounded in fiscal year 2014, posting a gain of nearly 5%. Between FY 2012 and FY 2013 RIDES paratransit demand had decreased by nearly 10% after jumping substantially since 2008, primarily from MST's mobility management efforts including the diversion of trips onto same-day service offered through the taxi voucher program. For fiscal year 2014, demand for RIDES paratransit services has begun to creep back up compared to the previous fiscal year.

	2014	2013	2012
Fixed- Route Passengers	4,161,456	3,976,279	4,333,843
% increase/(decrease)	4.66%	(8.25%)	1.98%
RIDES Paratransit Passengers	107,259	105,241	115,045
% increase/(decrease)	1.92%	(8.52%)	9.68%

Presently, MST is funded approximately 21.9% by passenger fares for Fixed-Route service and 10.8% for RIDES Paratransit service. The remainder is met by federal and state grants as well as a nominal amount of bus advertising and interest revenue. MST is unique compared to Santa Cruz and San Francisco Bay Area transit operations because it provides transit service without support from direct sales tax measures or dedicated general funds. While nearly 90% of the population of the state of California live in counties with these local sales taxes supporting transit, Monterey County has not been one of these so-called "self-help" counties. While in the past the former MST joint powers agency did not have the ability to levy taxes, the new MST District does have that authority. As such, the MST Board of Directors placed a 1/8-cent sales tax to support transit services for veterans, seniors and persons with disabilities on the

November 2014 ballot. With 72.56% of voters approving this tax, revenues will begin to be collected on behalf of MST on April 1, 2015.

FINANCIAL POSITION SUMMARY

Total net position serves over time as a useful indicator of MST's financial position. MST's assets exceed liabilities by \$39 million at June 30, 2014, which was a 2.2% decrease from June 30, 2013. At June 30, 2013 MST's assets exceeded the liabilities by \$40 million which was an increase of 21% from June 30, 2012. A condensed summary of net position at June 30 is shown below (\$ in thousands):

	2014	2013	2012
ASSETS			
Current and other assets	\$ 18,731	\$ 24,067	\$ 9,310
Capital assets	26,513	26,818	28,197
Total assets	<u>45,244</u>	<u>50,885</u>	<u>37,507</u>
LIABILITIES			
Current liabilities	4,578	9,894	3,803
Non current liabilities	1,388	824	627
Total liabilities	<u>5,966</u>	<u>10,718</u>	<u>4,430</u>
NET POSITION			
Invested in capital assets	26,513	26,818	28,197
Restricted	9,715	11,476	5,412
Unrestricted	3,050	1,872	(532)
TOTAL NET POSITION	<u>\$ 39,277</u>	<u>\$ 40,166</u>	<u>\$ 33,077</u>

The largest portion of MST's net position each year (67% at June 30, 2014) is its investment in capital assets (e.g., buses, buildings, improvements, and equipment). MST uses these capital assets to provide services to its patrons, passengers and visitors to the region; consequently, these assets are not available for future spending. The remaining restricted and unrestricted net position (25% and 8% respectively at June 30, 2014) may be used to meet MST's ongoing obligations.

FINANCIAL OPERATIONS HIGHLIGHTS

- Total Revenues in 2014 compared to 2013 before capital contributions decreased by 5.52% from \$36.4 million to \$34.3 million primarily as a result of a decrease Local Transportation Funds, generated by one quarter percent of the state sales tax. Total Revenues in 2013 to 2012 before capital contributions increased by 14.3% from \$31.8 million to \$36.4 million primarily as a result of an increase Local Transportation Funds, generated by one quarter percent of the state sale tax.
- Operating Expenses in 2014 compared to 2013 before depreciation decreased by .6% from \$33.3 million to \$33.1 million, primarily as a result in decreased operating costs from our aging fleet and contractual salary increases. Operating Expenses in 2013 compared to 2012 before depreciation increased by .6% from \$33.1 million to \$33.3 million, primarily as a result in increased operating costs from our aging fleet and contractual salary increases.
- Capital contributions received in the form of grants from the federal and state governments decreased from \$12.8 million in 2013 to \$1.9 million in 2014. Capital contributions received in the form of grants from the federal and state governments increased from \$3.7 million in 2012 to \$12.8 million in 2013. These capital expenditures can vary greatly from year to year as buses are purchased in large batches on an occasional basis, and major infrastructure projects, such as the JAZZ Bus Rapid Transit system and major facilities are significant, but relatively rare occurrences.

SUMMARY OF CHANGES IN NET POSITION (\$ in thousands)

	2014	2013	2012
Total revenues	\$ 34,339	\$ 36,380	\$ 31,821
Operating expenses	33,070	33,303	33,121
Operating income (loss) before depreciation and interest expens	1,269	3,077	(1,300)
Gain (Loss) on sale of assets	36	(8)	12
Depreciation	4,139	3,607	4,029
Net loss before capital contributions	(2,835)	(538)	(5,317)
Capital contributions	1,946	12,833	3,668
Special item	-	(5,206)	-
Increase (decrease) in net position	\$ (889)	\$ 7,089	\$ (1,649)

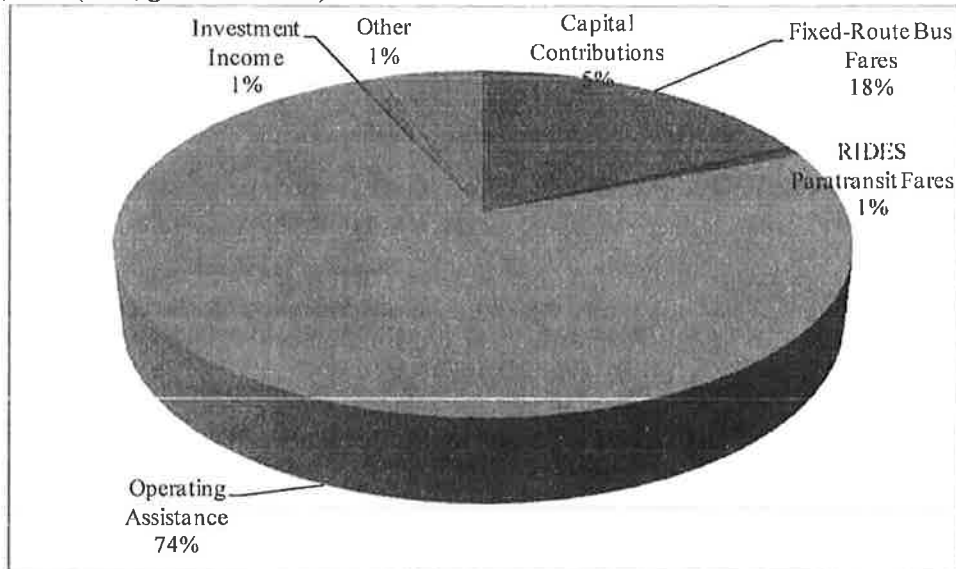
MST PASSENGER FARES

Passenger fares are set by Board Policy and changed when determined necessary by the Board. A complete overhaul of our passenger fares took place in March 2011. The fare structure was changed from an 11-zone and overlap zone configuration to a distanced-based system comprised of only four categories: Primary (Base), Local, Regional and Commuter fares. All categories of fares, including daypasses, monthly passes, weekly passes and paratransit fares were increased by an average of 25% on May 26, 2012. Fares now range from \$1.50 for short-distance local routes, to \$2.50 for primary base-fare routes, to \$3.50 for regional routes between Monterey Peninsula, the Salinas Valley, and rural northern Monterey County, to \$12.00 for long-distance commuter routes that connect to San Jose, Morgan Hill and Gilroy in Santa Clara County, Fort Hunter Liggett in extreme southern Monterey County, and Paso Robles in northern San Luis Obispo County.

	2014	2013	2012	2011	2010	2009
Fixed-Route Bus Fare	\$1.50 - \$3.50	\$1.50 - \$3.50	\$1.50 - \$3.50	\$1 - \$3	\$ 2.50	\$ 2.50
Fixed-Route Bus Transfer	n/a	n/a	n/a	n/a	\$ 0.25	\$ 0.25
RIDES Paratransit Fare	\$3 - \$7	\$3 - \$7	\$3 - \$7	\$2 - \$6	\$ 3.00	\$ 3.00

REVENUES

The following chart shows the major sources and the percentage of operating revenues for the year ended June 30, 2014 (fares, grants and other):



A summary of revenues for the year ended June 30, 2014, including the amount and percentage of change in relation to prior year amounts is as follows (\$ in thousands):

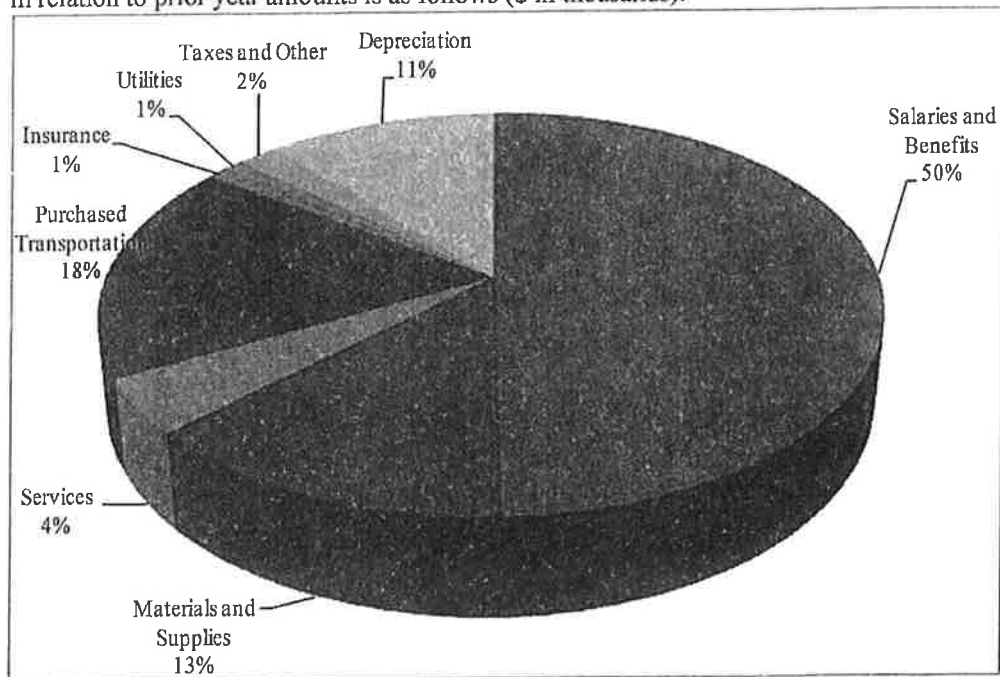
	2014 Amount	Percent of Total	2014 Increase (Decrease) From 2013	Percent Increase/ (Decrease)	2013 Amount	Percent of Total	2013 Increase (Decrease) From 2012	Percent Increase/ (Decrease)	2012 Amount
Operating									
Fixed-Route bus fares	\$ 6,593	18.2%	\$ (328)	(4.7%)	\$ 6,921	14.1%	\$ (596)	(7.9%)	\$ 7,517
RIDES paratransit fares	328	0.9%	(41)	(11.2%)	369	0.7%	27	7.9%	342
Total Operating	6,921	19.1%	(369)	(5.1%)	7,290	14.8%	(569)	(7.2%)	7,859
Nonoperating:									
Federal grants	10,357	28.5%	275	2.7%	10,082	20.5%	1,701	20.3%	8,381
Local transportation funds	16,577	45.6%	(1,886)	(10.2%)	18,463	37.5%	3,158	20.6%	15,305
Investment income	58	0.2%	37	178.5%	21	0.0%	(3)	(12.5%)	24
Other	461	1.3%	(63)	(12.0%)	524	1.1%	273	108.8%	251
Total Nonoperating	27,454	75.6%	(1,636)	(5.6%)	29,090	59.1%	5,129	21.4%	23,961
Capital contributions	1,946	5.4%	(10,887)	(84.8%)	12,833	26.1%	9,165	249.9%	3,668
Special item	-	0.0%	-	100.0%	-	0.0%	0.0%	0.0%	-
Total Revenues	<u>\$ 36,321</u>	<u>100.0%</u>	<u>\$ (12,892)</u>	<u>(26.2%)</u>	<u>\$ 49,213</u>	<u>100.0%</u>	<u>\$ 13,725</u>	<u>38.7%</u>	<u>\$ 35,488</u>

EXPENSES

The following chart shows the major cost categories and the percentage of operating expenses for the year ended June 30, 2014:

	2014 Amount	Percent of Total	2014 Increase (Decrease) From 2013	Percent Increase/ (Decrease)	2013 Amount	Percent of Total	2013 Increase (Decrease) From 2012	Percent Increase/ (Decrease)	2012 Amount
Operating:									
Salaries and benefits	\$ 18,501	49.7%	\$ (929)	-4.8%	\$ 19,430	46.1%	\$ 1,050	5.7%	\$ 18,380
Materials and supplies	4,914	13.2%	(217)	-4.2%	5,131	12.2%	(488)	(8.7%)	5,619
Professional and Technical Services	1,632	4.4%	290	21.6%	1,342	3.2%	(101)	(7.0%)	1,443
Purchased transportation	6,576	17.7%	681	11.6%	5,895	14.0%	(195)	(3.2%)	6,090
Insurance	368	1.0%	(158)	-30.1%	526	1.2%	172	48.6%	354
Utilities	368	1.0%	48	15.1%	320	0.8%	27	9.2%	293
Taxes	194	0.5%	(17)	-8.0%	211	0.5%	(18)	(7.9%)	229
Other	518	1.4%	70	15.6%	448	1.1%	(265)	(37.2%)	713
Total operating expenses before depreciation	33,070	88.9%	(233)	(0.7%)	33,303	79.1%	182	0.5%	33,121
Depreciation	4,139	11.1%	524	14.5%	3,615	8.6%	(403)	(10.0%)	4,018
Total operating expenses	37,209	100.0%	291	0.8%	36,918	87.6%	(221)	(0.6%)	37,139
Non-operating:									
Special Item	-	0.0%	(\$ 2,06)	100.0%	5,206	0.0%	-	0.0%	-
Total Expenses	<u>\$37,209</u>	<u>100.0%</u>	<u>\$ (4,915)</u>	<u>(11.7%)</u>	<u>\$42,124</u>	<u>100.0%</u>	<u>\$ (221)</u>	<u>0.0%</u>	<u>\$37,139</u>

A summary of expenses for the year ended June 30, 2014, including the amount and percentage of change in relation to prior year amounts is as follows (\$ in thousands):



Blank Page



Vavrinek, Trine, Day & Co., LLP
Certified Public Accountants & Consultants

VALUE THE DIFFERENCE

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*,
THE TRANSPORTATION DEVELOPMENT ACT AND CALIFORNIA GOVERNMENT CODE
SECTION 8879.50**

The Board of Directors of
Monterey-Salinas Transit
Monterey, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Monterey-Salinas Transit (MST), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise MST's basic financial statements, and have issued our report thereon dated January 31, 2014. Our report includes an emphasis of matter describing MST's implementation of Governmental Accounting Standards Board (GASB) Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements* and GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, effective July 1, 2012.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered MST's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the MST's internal control. Accordingly, we do not express an opinion on the effectiveness of the MST's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

73

260 Sheridan Avenue, Suite 440, Palo Alto, CA 94306 Tel: 650.462.0400 Fax: 650.462.0500 www.vtdcpa.com

FRESNO • LAGUNA • PALO ALTO • PLEASANTON • SACRAMENTO • RANCHO CUCAMONGA

Compliance and Other Matters

As part of obtaining reasonable assurance about whether MST's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, including the applicable provisions of Section 6667 of Title 21 of the California Code of Regulations and California Government Code Section 8879.50 et seq., noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, Section 6667 of Title 21 of the California Code of Regulations and California Government Code Section 8879.50 et seq.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Vavrinek, Trine, Day & Co. LLP

Palo Alto, California
January 31, 2014



Vavrinek, Trine, Day & Co., LLP
Certified Public Accountants & Consultants

VALUE THE DIFFERENCE

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL
PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB
CIRCULAR A-133**

The Board of Directors of
Monterey-Salinas Transit
Monterey, California

Report on Compliance for Each Major Federal Program

We have audited the Monterey-Salinas Transit's (MST) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the MST's major federal programs for the year ended June 30, 2013. The MST's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the MST's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the MST's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of MST's compliance.

Opinion on Each Major Federal Program

In our opinion, MST complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

75

Report on Internal Control Over Compliance

Management of MST is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the MST's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the MST's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Vavrinek, Trine, Day & Co. LLP

Palo Alto, California
January 31, 2014

MONTEREY-SALINAS TRANSIT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2013

<u>Federal Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Grant Identification Number</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Transportation</u>			
Direct grants			
Federal Transit Cluster:			
Federal Transit Capital Investments Grants	20.500	CA030717	\$ 62,110
Federal Transit Capital Investments Grants	20.500	CA030814	2,058,220
Total Federal Transit Capital Investments Grants			<u>2,120,330</u>
Federal Transit Capital Formula Grants	20.507	CA90Z005	898,146
Federal Transit Capital Formula Grants	20.507	CA90Z022	6,477,979
Federal Transit Capital Formula Grants	20.507	CA90Y926	145,830
Federal Transit Capital Formula Grants	20.507	CA90Y951	(9,035)
Total Federal Transit Capital Formula Grants			<u>7,512,920</u>
Total Federal Transit Cluster			<u>9,633,250</u>
Clean Fuels	20.519		<u>711,619</u>
Passed Through California Department of Transportation:			
Transit Services Program Cluster:			
Job Access Reverse Commute	20.516		466,813
New Freedom Program	20.521		496,693
Total Transit Services Program Cluster			<u>963,506</u>
Formula Grants for Rural Areas	20.509		<u>1,544,489</u>
Total Expenditures of Federal Awards			<u><u>\$ 12,852,864</u></u>

MONTEREY-SALINAS TRANSIT

SUMMARY OF AUDITOR'S RESULTS YEAR ENDED JUNE 30, 2013

Part I – Summary of Auditor's Results

1. The independent auditor's report on the financial statements expressed an unmodified opinion.
2. Significant deficiencies or material weaknesses in internal control over financial reporting – None.
3. No instances of noncompliance considered material to the financial statements were disclosed by the audit.
4. Significant deficiencies or material weaknesses in internal control over compliance with requirements applicable to major federal awards programs – None.
5. The independent auditor's report on compliance for each major federal award programs expressed an unmodified opinion.
6. The audit disclosed no findings required to be reported by OMB Circular A-133, Section 510(a).
7. The Organization's major programs were:

<u>Name of Federal Program</u>	<u>CFDA Number</u>
Federal Transit Capital and Operating Assistance Formula Grants	20.507, 20.500
Clean Fuels	20.519

8. A threshold of \$385,586 was used to distinguish between Type A and Type B programs.
9. MST qualified as a low risk auditee as that term is defined in OMB Circular A-133.

MONTEREY-SALINAS TRANSIT

SUMMARY OF FINANCIAL STATEMENT FINDINGS YEAR ENDED JUNE 30, 2013

Part II – Financial Statement Findings Section

<u>Reference Number</u>	<u>Findings</u>	<u>Questioned Costs</u>
No matters are reportable		

Part III – Federal Award Findings and Questioned Cost Section

<u>Reference Number</u>	<u>Findings</u>	<u>Questioned Costs</u>
No matters are reportable		

Part IV– Status of Prior Period Audit Findings

<u>Reference Number</u>	<u>Findings</u>	<u>Questioned Costs</u>
No matters were reported		

Blank Page

To: Board of Directors
From: Sonia Bannister, Customer Service Supervisor
Subject: Disposal of unclaimed property left on bus

Goodwill

1 backpack	1 pair pants	3 sweatshirts
4 books	2 purse	1 neck cushion
1 coin purse	2 scarves	1 bike helmet
4 rx glasses	2 shirts	1 ear plugs
2 hats	1 pair sunglasses	1 blanket
1 eye glass cases	3 totes	1 water bottle
2 pair gloves	4 wallets	1 necklace
9 jackets	2 bike locks	1 deck of cards
1 lunch bag	6 cell phones	6 bikes
1 apron	1 water bottle	1 kid's building blocks
1 lunch box	1 cell phone holder	1 pair men's tennis shoes

To be disposed

8 keys	1 card holder	2 rx medications
1 coin purse	1 make up bag	1 rx glasses
1 pack cigarettes	1 bag toiletries	1 hat
2 medical cards	1 plastic container	1 check book
12 credit cards	1 toy	1 note book
1 binder	1 key holder	2 jackets
1 box cutter	2 water bottles	1 scarf
3 back packs	1 lunch box	2 expired bus passes
6 id's	2 wallets	1 glove
1 calculator	1 bike lock	1 pair pants

To be retained

\$30.88 forwarded to accounting for deposit.

MST makes an attempt to contact the owners of Lost and Found items. If the items are unclaimed after 30 days, they are added to the above list.
None of the items listed above match those lost by Mr. Fink.

PREPARED BY:  REVIEWED BY: 
Sonia Bannister Carl Sedoryk

To: Board of Directors

From: H. Harvath, Assistant General Manager – Finance & Administration

Subject: Operating Line of Credit – Renewal

RECOMMENDATION:

1. Approve the renewal of MST's existing line of credit with Rabobank, N.A., in the amount of \$1,000,000 for a term of April 1, 2015, through February 28, 2016, for operating expenditures to address short-term cash-flow difficulties.
2. Authorize execution of line of credit borrowing resolution with Rabobank.

FISCAL IMPACT:

\$500 loan fee, with up to \$1,000,000 available for a revolving line of credit.

POLICY IMPLICATIONS:

Your Board approves expenditures exceeding \$25,000.

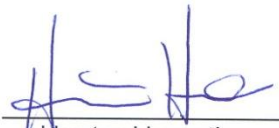
DISCUSSION:

At the July 12, 2010, meeting of your Board, approval was given to accept a line of credit in the amount of \$500,000 from Rabobank, N.A., in order to cover operating expenses on a short-term basis. Subsequently, at the May 14, 2012, meeting, your Board approved an expansion of this line of credit to \$1 million.

Given the ongoing uncertainties and delays that have occurred at the local, state and federal levels with regards to transit funding, there are times when short-term cash flow becomes problematic. Since MST's operating line of credit was established with Rabobank in 2010, funding predictability at the federal level has become even more uncertain and undependable. For instance, the federal government owes MST over \$6 million in funds it has already spent on bus service so far this fiscal year. Because of legislative gridlock in Congress, only 8 months of funding has been appropriated for FY 2015. Even with the partial year's apportionment, the Federal Transit Administration has still not released any of these funds to transit agencies around the country. Once FTA releases the funds, there will still be a nearly three-month delay in MST actually receiving the money in its bank account while paperwork is processed through the FTA regional office in San Francisco as well as through FTA Headquarters and the US Department of Labor in Washington, DC.

At the state level, Caltrans is as much as 18 months behind in reimbursements for MST's transit services operating in rural areas. In addition, MST's new local sales tax revenues will not be remitted to the agency until mid-July 2015. Given this continued funding uncertainty, good business practices would indicate that MST should continue to have available this \$1 million line of credit to meet ongoing cash flow needs throughout the year. As such, staff is recommending that your Board approve a renewal of the \$1 million line of credit with Rabobank for a term of April 1, 2015, through February 28, 2016, to ensure that bi-weekly payroll continues to be met and essential bills are paid. Terms for this line of credit are similar to those of the previous lines of credit. To execute the line of credit, the attached borrowing resolution would be signed by the Chair of your Board.

ATTACHMENT: Rabobank Line of Credit Borrowing Resolution

PREPARED BY: 
Hunter Harvath

REVIEWED BY: 
Carl G. Sedoryk

Attachment 1

BORROWING RESOLUTION
(Governmental Certificate)

WHEREAS, _____
(the "Entity") is the complete and correct name of a governmental entity that would like to borrow from or renew an existing credit facility with Rabobank, N.A. (the "Bank"). The Entity is and at all times will be duly organized, validly existing and in good standing under and by virtue of the laws and regulations of the State of California, with its principal office located at _____, California _____.

WHEREAS, the Entity has the full power and authority to own its properties and to transact the business and activities in which it is presently engaged or which it proposes to engage in as part of the loan or financial accommodation it is seeking from the Bank.

AND WHEREAS, at a meeting of the appropriate governing body of the Entity, duly called and held on _____, 201____, at which a quorum was present and voting the resolutions set forth in this Resolution were adopted.

BE IT RESOLVED, that the Entity is authorized, from time to time, acting by and through the Officials set forth below (the "Authorized Officials"), to obtain from the Bank such credit facilities or other financial accommodations ("Credit Accommodations") as the Bank and the Entity may agree on to meet the Entity's needs, up to an aggregate principal amount not to exceed \$_____ for a transaction or a series of transactions to be entered into on or about _____, 201____. The actions approved by this resolution include but are not limited to:

1. the borrowing of money from the Bank on such terms as may be agreed upon between the Bank and the Entity;
2. the obtaining of commercial and/or standby letters of credit issued by the Bank or an affiliate of the Bank for the account of the Entity; and
3. the obtaining of the Bank's acceptance of drafts and other instruments for the account of the Entity.

BE IT FURTHER RESOLVED, that the Entity is authorized to grant, pledge, hypothecate, or otherwise encumber any real or personal property belonging to or under the control of the Entity in favor of the Bank as security for the Financial Accommodations (the "Security Interests").

BE IT FURTHER RESOLVED, that any _____ of the following:

- a. _____, the _____
- b. _____, the _____
- c. _____, the _____
- d. _____, the _____

of the Entity, shall be the "Authorized Officials," who have been duly elected, appointed or employed by the Entity and are authorized to act on behalf of and bind the Entity.

BE IT FURTHER RESOLVED, that the Authorized Officials are authorized, in the name of the Entity to:

- a. execute and deliver to the Bank or any affiliate thereof, as appropriate, any promissory notes, deeds of trust, security agreements, instruments, or other agreements, including such recitals, covenants, and other provisions as the Bank or any affiliate thereof, may require and which the Authorized Officials may approve, necessary or required by the Bank or an affiliate of the Bank to create, evidence or secure any Financial Accommodations being made to the Entity;
- b. endorse, assign and deliver to the Bank, any and all notes, acceptances, drafts, receivables and other evidences of indebtedness discounted with or sold to the Bank; and
- c. execute any renewals, amendments, extensions, or substitutions for any of the foregoing.

BE IT FURTHER RESOLVED, that the Entity will do all things necessary or appropriate to preserve and to keep in full force and effect its existence, rights and privileges as a governmental entity and shall comply with all regulations, rules, ordinances, statutes, orders and decrees of the Entity and any other governmental or quasi-governmental authority or court applicable to the Entity and the Entity's business activities.

BE IT FURTHER RESOLVED, that the Entity will promptly notify the Bank prior to any change in: (i) the Entity's name; (ii) the structure of the Entity; (iii) the authorized signers on behalf of the Entity; (iv) the address of the Entity's principal office; or (v) any other aspect of the Entity that directly or indirectly relates to any agreements between the Bank and the Entity.

BE IT FURTHER RESOLVED, that any and all acts previously taken by any of the Authorized Officials in furtherance of or consistent with the actions authorized under these resolutions are hereby ratified.

BE IT FURTHER RESOLVED, that the Bank and any affiliate thereof, are authorized to act upon the foregoing resolutions until written notice of revocation is received by the Bank or the affiliate at 915 Highland Pointe Drive, Suite 350, Roseville, California 95678, and that the authority hereby granted shall apply with equal force and effect to the successors in office of the Authorized Officials.

BE IT FURTHER RESOLVED, that this Resolution is being presented to the Bank in addition to any other resolutions that have been presented on behalf of the Entity prior to the date set for the below.

BE IT FINALLY RESOLVED, that the amount approved in this Resolution is in addition to any amounts previously approved by any prior resolution.

CERTIFICATION CERTIFICATE

I, _____, am the _____ of the _____ with _____, a governmental entity duly organized and existing under the laws of the State of California (the "Entity"). I hereby certify that the foregoing is a full, true and correct copy of resolutions of the _____ of the Entity, duly and regularly adopted in all respects as required by applicable law and regulations on _____, 201____, at a meeting at which a quorum of the _____ of the Entity was present and the requisite number of the members of the _____ voted in favor of said resolutions, to the adoption of said resolutions.

I further represent and certify to the Bank that the resolutions set forth above are still in full force and effect and have not been amended or revoked.

Date: _____, 201____.

CERTIFICATION

(Signature)

(Printed or Typewritten Name) and
position of the Person Signing

Blank Page

To: Board of Directors

From: C. Sedoryk, General Manager/CEO

Subject: Monthly Report – November and December 2014

Attached are a summary of monthly performance statistics for the Transportation, Maintenance, and Administration departments for November/December 2014 (Attachments 1-4).

From November 11-14 MST hosted the California Transit Association Annual Conference and Expo at the Monterey Marriot and Convention Center. At the conference I acted as host and attended meetings on diverse topics including best practices in labor relations, improving public participation in community meetings, and workforce development.

From November 17-18 I attended the Self Help Counties Coalition Focus on the Future conference in San Jose. I attended sessions related to new communication strategies utilizing social media, the use of “big-data” to assist transportation planning, new developments in autonomous driverless vehicles, and received updates from state officials regarding new transportation regulations and programs.

From November 19-21 I attended a meeting of the American Public Transit Association Executive Committee where I participated in strategic planning, leadership, and oversight activities to support the association.

From December 4-5 I attended the APTA Legislative Committee and Board of Directors meeting in Washington, D.C. While in Washington, I made a number of lobbying visits to the staff of Senator Dianne Feinstein, as well as key committee staff members responsible for drafting the next Transportation Authorization bill. An itinerary for the visit is attached (Attachment #5)

Attachment #1 – Dashboard Performance Statistics

Attachment #2 – Operations Dept. Report – November & December 2014

Attachment #3 – Facilities & Maintenance Dept. Report – November & December 2014

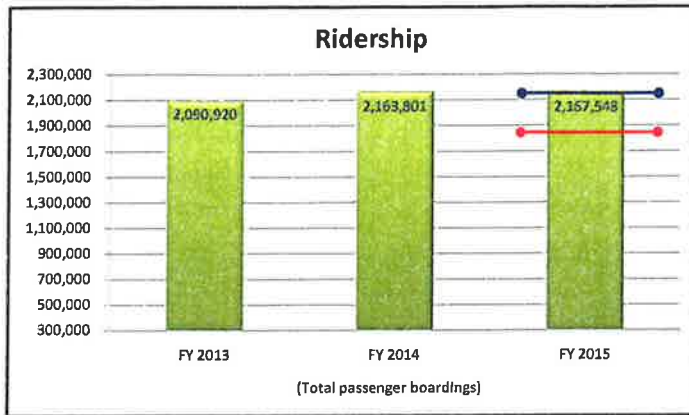
Attachment #4 – Administration Dept. Report – November & December 2014

Attachment #5 – Washington, D.C. Itinerary – December 4-5, 2014

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: 

MST Fixed Route
YTD Dashboard Performance Comparative Statistics
Months of July - December
Fiscal Years 2013-2015

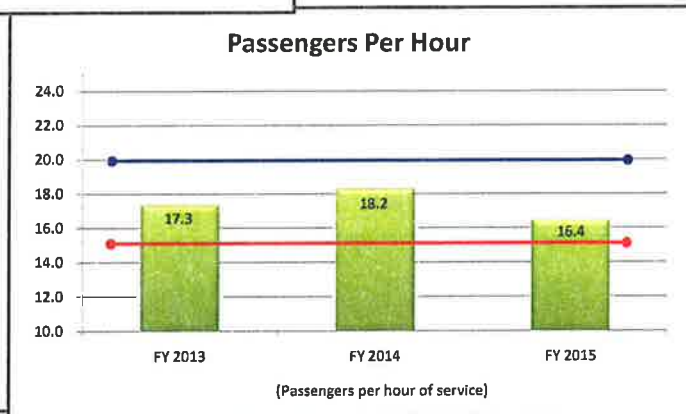


Goal = 2,122,853 passengers

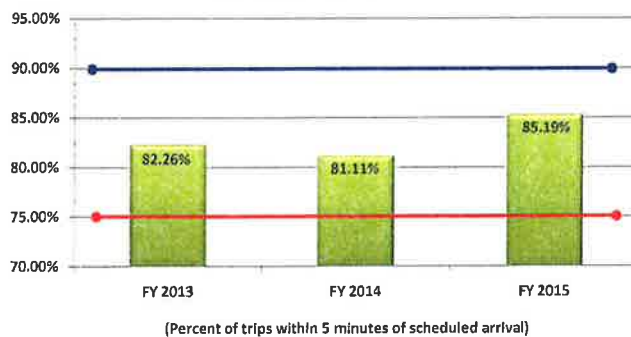
Minimum = 1,873,105 passengers

Goal = 20 passengers p/h

Minimum = 15 passengers p/h



On Time Performance

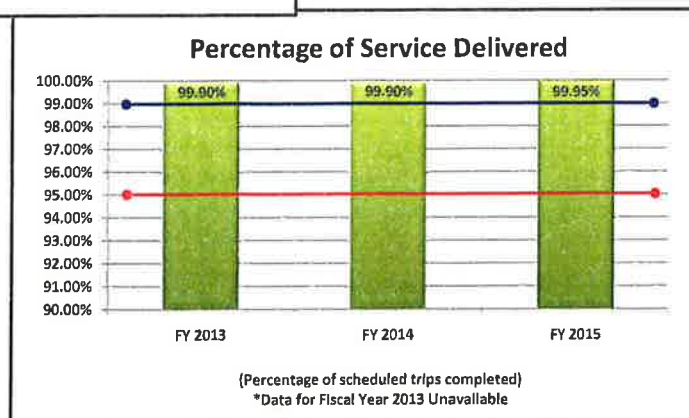


Goal = 90% on time

Minimum = 75% on time

Goal = 99% completed

Minimum = 95% completed

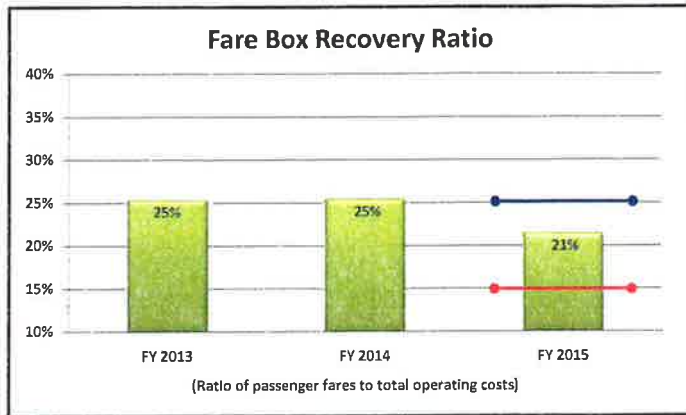


MST Fixed Route

YTD Dashboard Performance Comparative Statistics

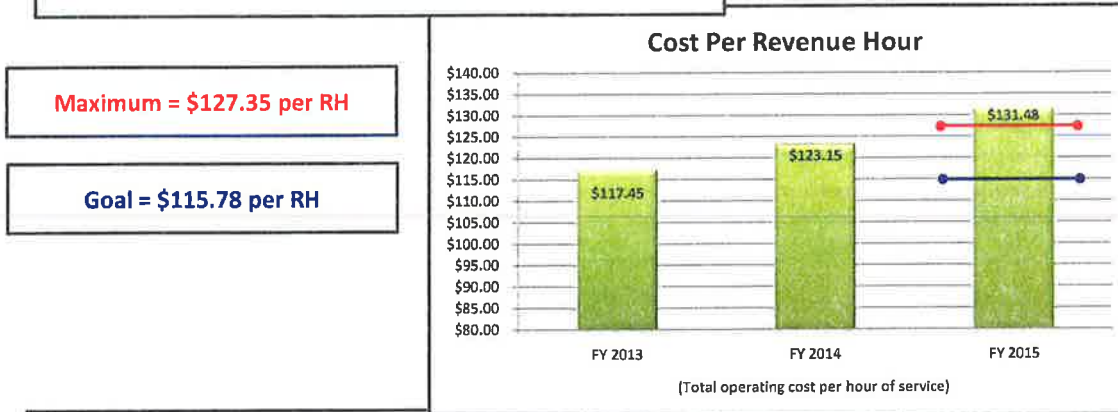
Months of July - December

Fiscal Years 2013-2015



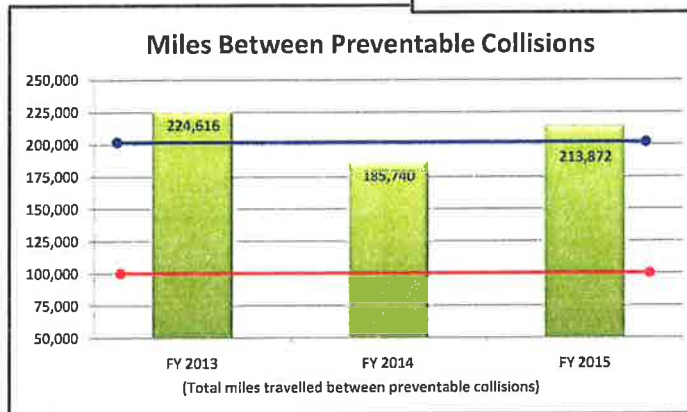
Goal = 25%

Minimum = 15%



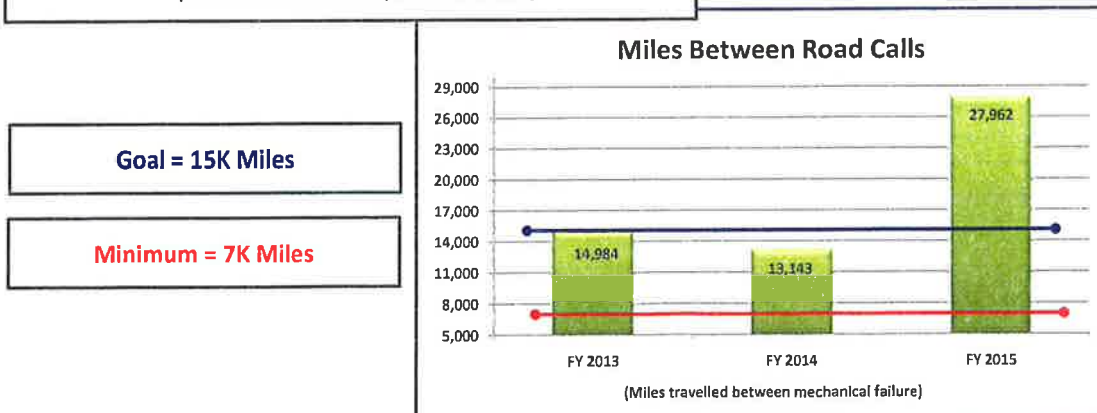
Maximum = \$127.35 per RH

Goal = \$115.78 per RH



Goal = 200K Miles

Minimum = 100K Miles



Goal = 15K Miles

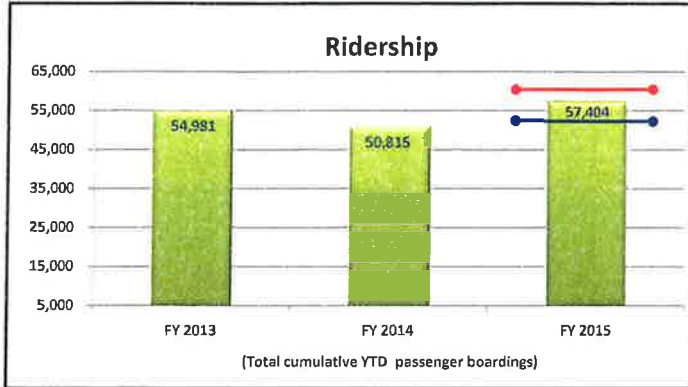
Minimum = 7K Miles

MST RIDES

YTD Dashboard Performance Comparative Statistics

Months of July - December

Fiscal Years 2013-2015



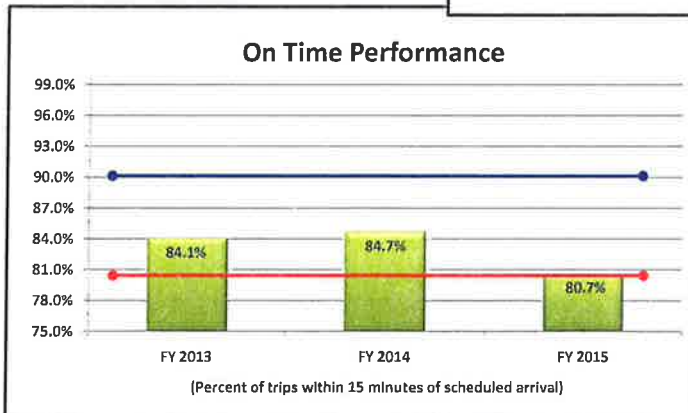
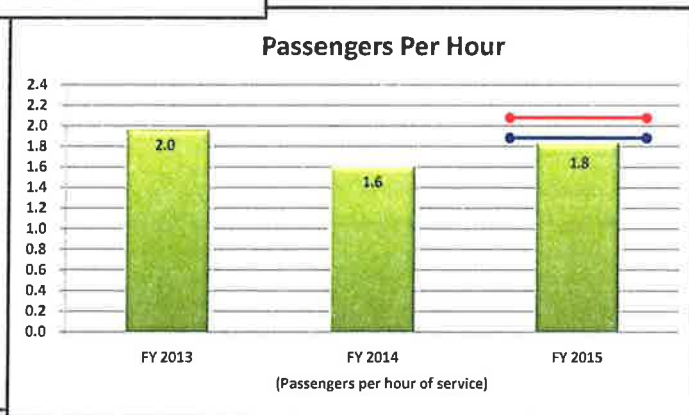
Goal = 54,293 passengers

Maximum = 59,722 passengers

107278

Goal = 1.87 passengers p/h

Maximum = 2.06 passengers p/h

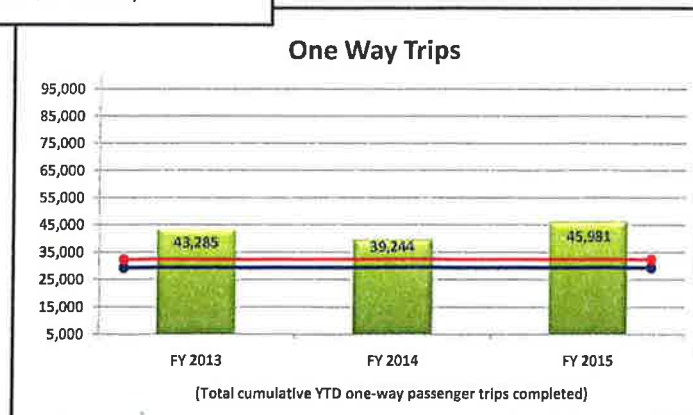


Goal = 90% on time

Minimum = 80% on time

Maximum = 32,890 one-way trips

Goal = 29,900 one-way trips

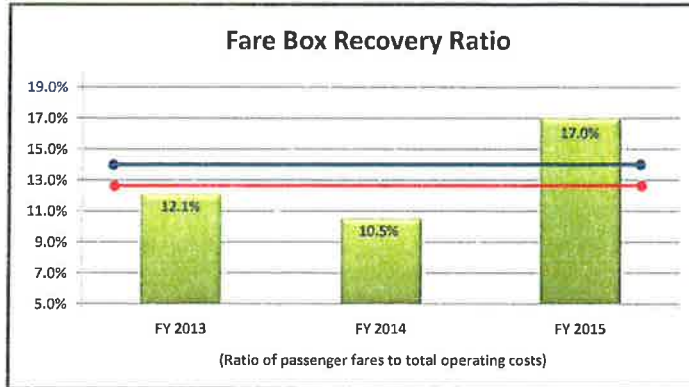


MST RIDES

YTD Dashboard Performance Comparative Statistics

Months of July - December

Fiscal Years 2013-2015

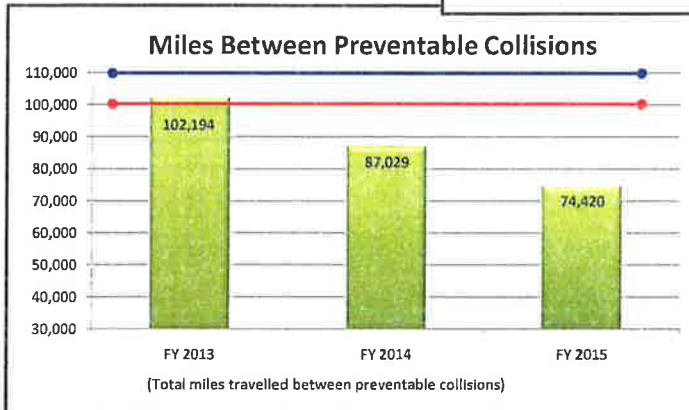
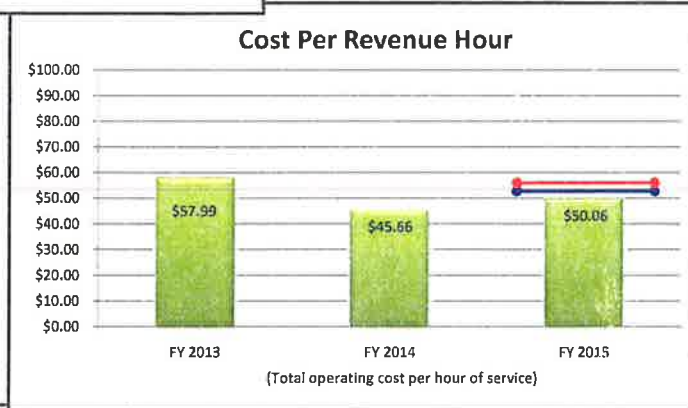


Goal = 11%

Minimum = 10%

Goal = \$54.24

Maximum = \$56.95

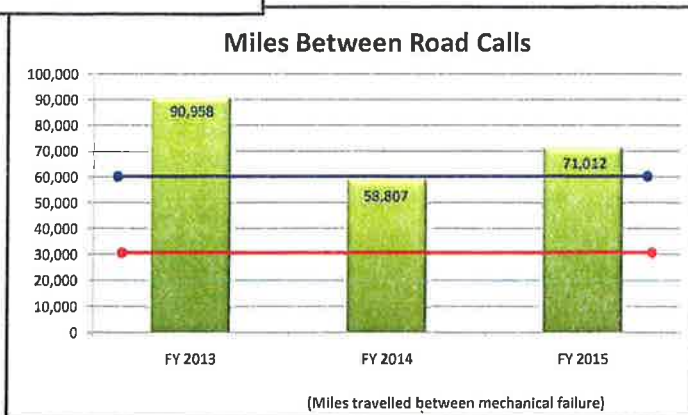


Goal = 110K Miles

Minimum = 100K Miles

Goal = 60,000 miles

Minimum = 30,000 miles

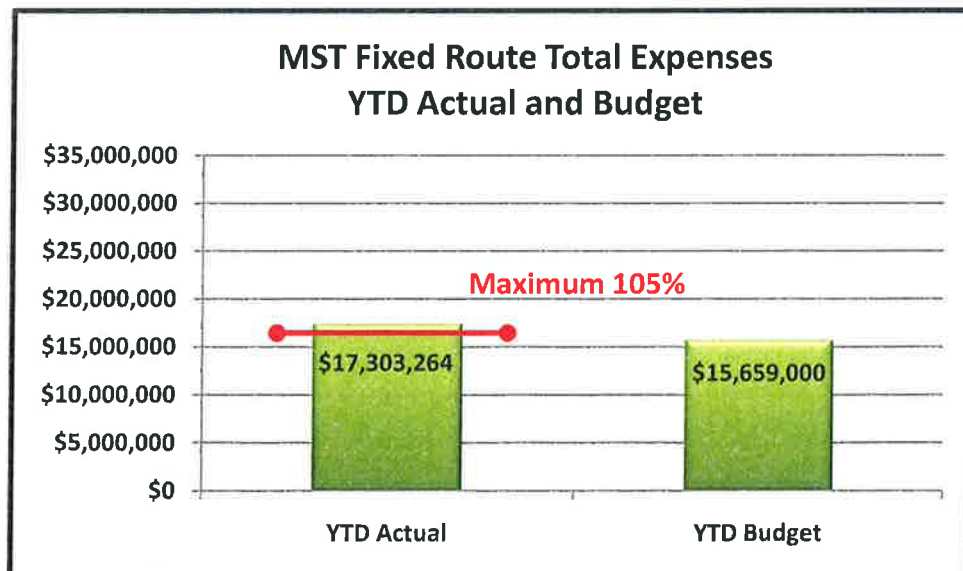
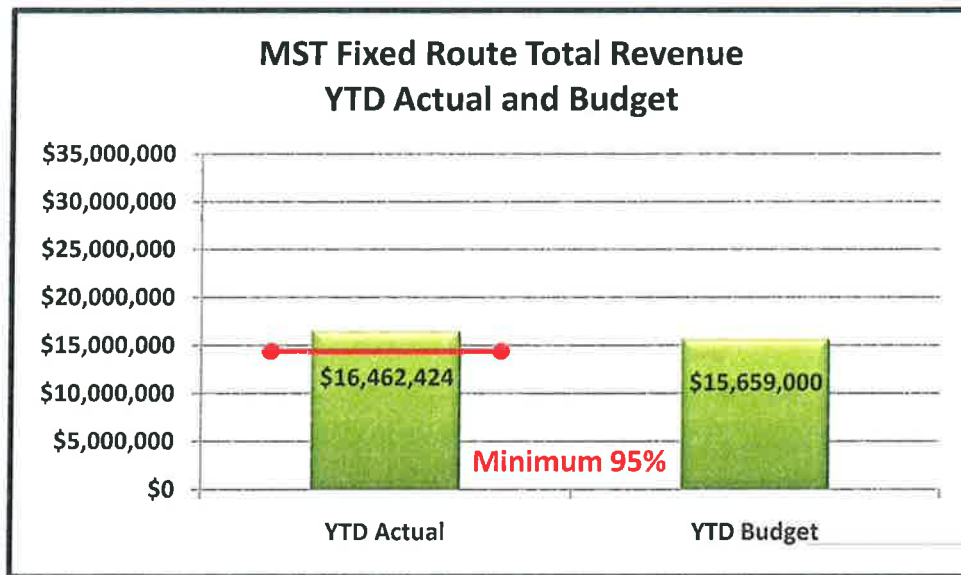


MST Fixed Route

Financial Performance Comparative Statistics

July through December

Fiscal Year 2015

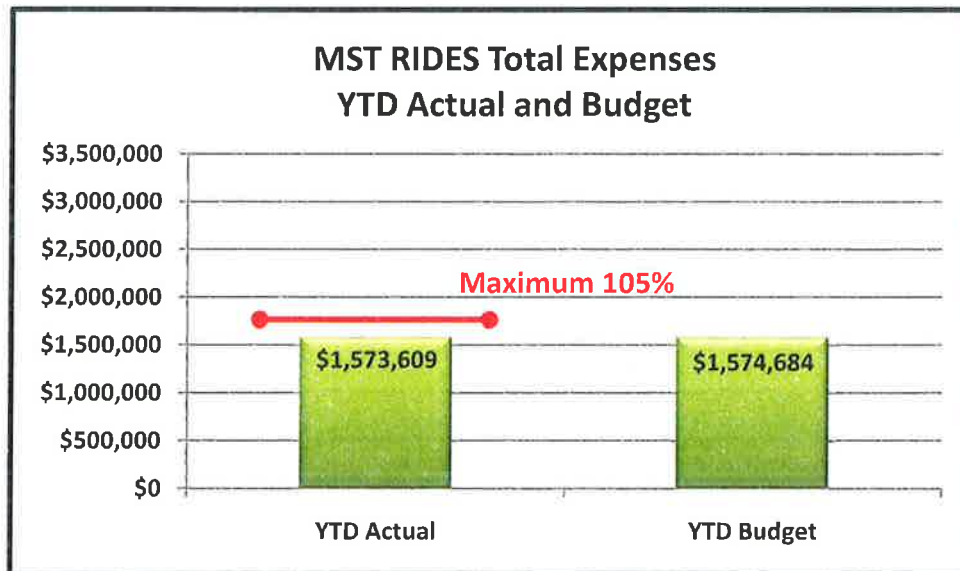
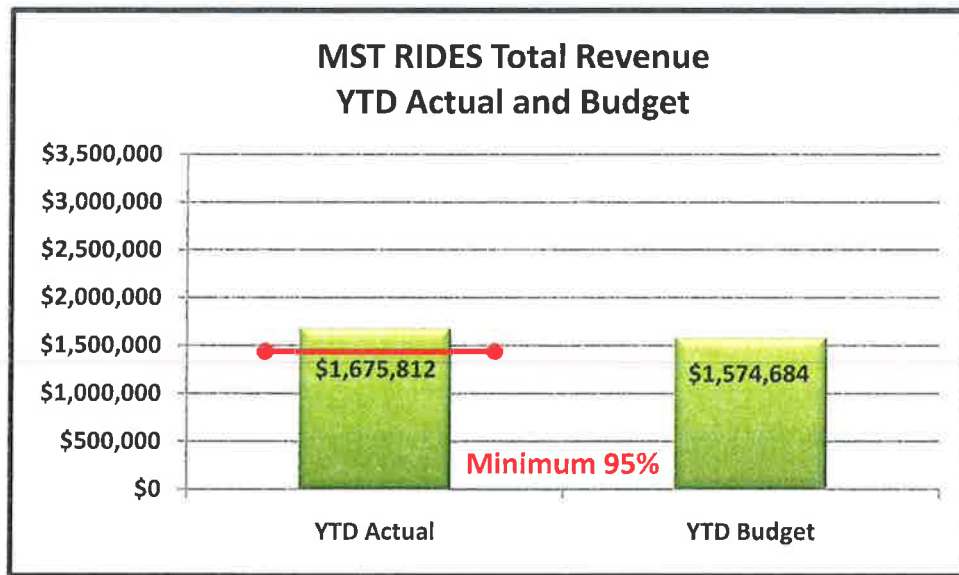


MST RIDES

Financial Performance Comparative Statistics

July through December

Fiscal Year 2015



ATTACHMENT 2

January 8, 2015

To: Mike Hernandez, Assistant General Manager / C.O.O.

From: Robert Weber, Director - Transportation Services

Cc: MST Board of Directors

Subject: **Transportation Department Monthly Report – November 2014**

FIXED ROUTE BUS OPERATIONS:

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

Preliminary boarding statistics indicate that ridership increased by 8.91% in November 2014, (327,670), as compared to November 2013, (300,874).

Productivity decreased slightly from 16.2 passengers per hour (November 2013), to 16.0 PPH in November of this year.

Supplemental / Special Services:

11/9/14: MST provided special service from the Gonzales area to the Monterey Bay Aquarium for its “Free to Learn” program. The service transported 254 passengers.

11/13/14: Special Trolley shuttles were provided during the Aquarium event for the California Transit Association Convention. 136 passengers were transported during the event.

11/15/14: Supplemental services were provided on Line 23 Salinas – King City – transporting 45 passengers to / from Hartnell College for the annual Woman’s Health Symposium sponsored by the Monterey County Health Department.

11/16/14: MST provided special service from the Salinas area to the Monterey Bay Aquarium for its “Free to Learn” program. The service transported 194 passengers.

11/21/14: MST provided special service from the Sally Griffin Center to / from the Monterey Symphony held at Sherwood Hall in Salinas. The service transported 35 passengers during this event.

11/30/14: MST provided supplemental service on Line 43 S. Salinas during the annual Salinas Holiday Parade of Lights. The service transported 129 passengers during the

event – increasing by only two (2) passengers from the previous year. MST also deployed a Trolley to participate in the parade.

System Wide Statistics:

- Ridership: 327,670
- Vehicle Revenue Hours: 20,409
- Vehicle Revenue Miles: 330,045
- System Productivity: 16.0 Passengers Per Vehicle Revenue Hour
- One-Way Trips Deployed: 28,343

Time Point Adherence: Of 110,437 total time-point crossings sampled for the month of November, the TransitMaster™ system recorded 17,699 delayed arrivals to MST's published time-points system-wide. This denotes that **83.97%** of all scheduled arrivals at published time-points were on time. (See *MST Fixed-Route Bus -- On Time Compliance Chart FY 2015.*)

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.

Cancelled Trips: As listed below, there were a total of ten 10 cancelled trips for the month of November for both directly operated and contracted services:

Total Trips Deployed: 28,343			
Category	MST	MV	%
Detour	1	0	10%
Other	4	2	60%
Passenger Load	0	1	10%
Traffic	2	0	20%
Totals	7	3	100%

Documented Occurrences: MST Coach Operators are required to complete an occurrence report for any unusual incident that occurs during their work day. 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 November 2013 and 2014:

Occurrence Type	November-13	November-14
Collision: MST Involved	2	4
Medical Emergency	4	4
Object Hits Coach	0	0
Passenger Conflict	3	7
Passenger Fall	2	2
Passenger Injury	0	0
Other	1	1

Near Miss	0	0
Fuel / fluid Spill	1	0
Unreported Damage	0	0
Total Occurrences	13	18

CONTRACTED SERVICES:

MST RIDES ADA / ST Paratransit Program:

Preliminary boarding statistics for the MST RIDES program reflect that for the month of November there were 8,600 passenger boardings. This denotes a 7.72% increase in passenger boardings from November of 2013, (7,984).

- Productivity for November of this year was at 1.89 passengers per hour, which has increased from November of 2013, (1.82).
- For the month of November, 85.11 % of all scheduled trips for the MST RIDES Program arrived on time, decreasing from 86.27 % in November of 2013.

COMMUNICATIONS CENTER:

In November, MST's Communications Center summoned public safety agencies on *five* (5) separate occasions to MST's transit vehicles and facilities:

Agency Type	Incident Type	Number Of Responses
Police	Passenger Incident / Other	5

Robert Weber

Blank Page

January 21, 2015

To: Mike Hernandez, Assistant General Manager / C.O.O.

From: Robert Weber, Director - Transportation Services

Cc: MST Board of Directors

Subject: **Transportation Department Monthly Report – December 2014**

FIXED ROUTE BUS OPERATIONS:

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

Preliminary boarding statistics indicate that ridership increased by 6.42% in December 2014, (284,403), as compared to December 2013, (267,239).

Productivity decreased from 14.2 passengers per hour (December 2013), to 13.4 PPH in December of this year.

Supplemental / Special Services:

12/20/14: MST provided special service from the Greenfield area to the Monterey Bay Aquarium for its “Free to Learn” program. The service transported 180 passengers.

12/21/14: MST provided special service from the Marina area to the Monterey Bay Aquarium for its “Free to Learn” program. The service transported 55 passengers.

12/31/14: MST provided supplemental shuttle service during the annual First Night Monterey Event. The service transported 1,245 passengers during the event – increasing by 84.17% (676) from the previous year.

System Wide Statistics:

- Ridership: 284,404
- Vehicle Revenue Hours: 21,097
- Vehicle Revenue Miles: 346,174
- System Productivity: 13.4 Passengers Per Vehicle Revenue Hour
- One-Way Trips Provided: 28,558

Time Point Adherence: Of 117,833 total time-point crossings sampled for the month of December, the TransitMaster™ system recorded 16,431 delayed arrivals to MST’s published time-points system-wide. This denotes that **86.06%** of all scheduled arrivals

at published time-points were on time. (See *MST Fixed-Route Bus ~ On Time Compliance Chart FY 2015.*)

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.

Cancelled Trips: As listed below, there were a total of nineteen (19) cancelled trips for the month of December for both directly operated and contracted services:

Total Trips Provided: 28,558			
Category	MST	MV	%
Contractor Error ¹	0	8	42.11%
Mechanical	1	0	5.26%
Traffic	2	0	10.53%
Other ²	1	7	42.11%
Totals	4	15	100.00%

¹ Liquidated damages to be assessed to the Contractor.

² Insufficient information provided – cause(s) still under review

Documented Occurrences: MST Coach Operators are required to complete an occurrence report for any unusual incident that occurs during their work day. 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 December 2013 and 2014:

Occurrence Type	December-13	December-14
Collision: MST Involved	9	4
Medical Emergency	0	1
Object Hits Coach	1	0
Passenger Conflict	3	8
Passenger Fall	2	6
Passenger Injury	2	0
Other	3	3
Near Miss	0	0
Fuel / fluid Spill	0	1
Unreported Damage	1	0
Total Occurrences	21	23

CONTRACTED SERVICES:

MST RIDES ADA / ST Paratransit Program:

Preliminary boarding statistics for the MST RIDES program reflect that for the month of December there were 9,421 passenger boardings. This denotes a 14.44% increase in

passenger boardings from December of 2013, (8,232). Fiscal YTD boardings have increased by 12.97%.

- Productivity for December of this year was at 1.61 passengers per hour, which has decreased from December of 2013, (1.87).
- For the month of December, 83.73 % of all scheduled trips for the MST RIDES Program arrived on time, increasing from 82.80 % in December of 2013.

COMMUNICATIONS CENTER:

In December, MST's Communications Center summoned public safety agencies on *eighteen* (18) separate occasions to MST's transit vehicles and facilities:

Agency Type	Incident Type	Number Of Responses
Police	Passenger Incident / Other	10
EMs	Passenger Illness	8

Robert Weber

Blank Page

ATTACHMENT 3

December 15, 2014

To: Carl G. Sedoryk, General Manager/CEO

From: Michael Hernandez, Assistant General Manager/COO

Subject: Monthly Maintenance Report for November 2014

This monthly report summarizes activities by the Maintenance and Facilities Departments and recent fuel prices during the past month.

FY15 Fuel Budget:	Average Fuel Price: November	Average Fuel Price: FY2015
Diesel: \$3.60	\$2.67	\$3.09
Gasoline: \$3.90	\$2.66	\$3.19

Fleet Status:	Operating Cost Per Mile:	* Miles Between Major Mechanical Road Calls:
November 2014:	\$1.03	24,083
FY2015 - YTD:	\$1.13	26,148
FY2014:	\$1.20	13,397 YTD

* Goal: 7,000 Miles

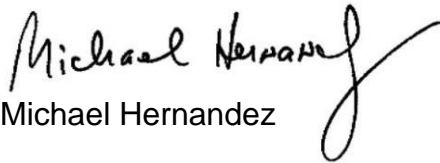
Department Activities/Comments:

There were 11 road calls during the month of November. All eleven road calls were categorized as “major mechanical” with no road calls attributed to minor mechanical or non-mechanical issues. The highest road calls were for electrical issues. Miles between major mechanical road calls continue to trend significantly higher than in FY14.

Major component expenses for the month of November included the replacement of a two turbo chargers, one differential and a new exhaust “brick” (emission system component).

MST took delivery of two new MCI coaches and four mini buses in November. The electric trolley was also delivered to MST prior to the CTA conference and staff conducted road tests and inspected the vehicle. The trolley returned to the vendor for

additional work and installation of the final battery pack. Facility staff conducted cleanup efforts at the Monterey transit plaza and at various bus stops.


Michael Hernandez

January 21, 2015

To: Carl G. Sedoryk, General Manager/CEO

From: Michael Hernandez, Assistant General Manager/COO

Subject: Monthly Maintenance/Facilities Report for December 2014

This monthly report summarizes the activities of the Maintenance and Facilities Departments as well as fuel prices during the past month.

FY15 Fuel Budget:	Average Fuel Price December:	Average Fuel Price: FY2015
Diesel: \$3.60	\$2.13	\$3.09
Gasoline: \$3.90	\$2.37	\$3.19

Fleet Status:	Operating Cost Per Mile:	* Miles Between Major Mechanical Road Calls:
December 2014:	\$1.14	37,031
FY2015 - YTD:	\$1.13	27,962
FY2014:	\$1.20	13,143 YTD Comparison

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

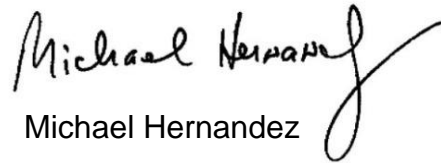
Department Activities/Comments:

There were 13 road calls during the month of December. Seven road calls were categorized as "major mechanical" with 6 road calls attributed to minor mechanical or non-mechanical issues. The highest major road call categories were for cooling and electrical issues. Major component expenses for December included the replacement of an engine in 1803, resulting in a cost per mile of \$2.20 for this fleet series.

The TDA ICU controller crashed on December 26th, this unit collects mileage and fuel consumption data for the fleet, requiring manual data collection into the 3rd week in January; the CJW bus washer required repairs.

Several incidents occurred in December: the shelter and On-Street electronic signage was damaged in King City. There was minor damage to the customer service window at the Salinas Transit Center after an individual attempted to break into the cash register through the window.

Staff participated in the SCRTTC distance based training and mechanic promotion testing was conducted in December.


Michael Hernandez

ATTACHMENT 4

Date: February 2, 2015

To: C. Sedoryk, General Manager/CEO

From: Hunter Harvath, Assistant General Manager – Finance & Administration;
Angela Williams, General Accounting & Budget Manager; Mark Eccles,
Director of Information Technology; Kelly Halcon, Director of Human
Resources/Risk Management; Zoe Shoats, Marketing Manager; Sonia
Bannister, Customer Service Supervisor.

Subject: **Administration Department** Monthly Report – November 2014

The following significant events occurred in Administration work groups for the month of November 2014:

Human Resources

A total employment level for November 2014 is summarized as follows:

Positions	Budget FY15	Actual	Difference
Coach Operators / Trainees	133	136	3
C/O on Long Term Leave *	3	0	-3
Coach Operators Limited Duty	1	1	0
Operations Staff	28	29	1
Maintenance & Facilities	44	42	-2
Administration (Interns 2 PT)	25	25	0
Total	234	233	-1

*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.

November Worker's Compensation Costs	
<i>Indemnity (paid to employees)</i>	\$8,801.64
<i>Other (includes Legal)</i>	\$2,427.62
<i>Medical includes Case Mgmt, UR, Rx & PT</i>	\$8,137.97
<i>TPA Administration Fee</i>	\$5,000.00
<i>Excess Insurance</i>	\$7,341.08
Total Expenses	\$31,708.31
Reserves	\$1,437,249.33
Excess Reserved	(\$521,147.99)
<i># Ending Open Claims</i>	41

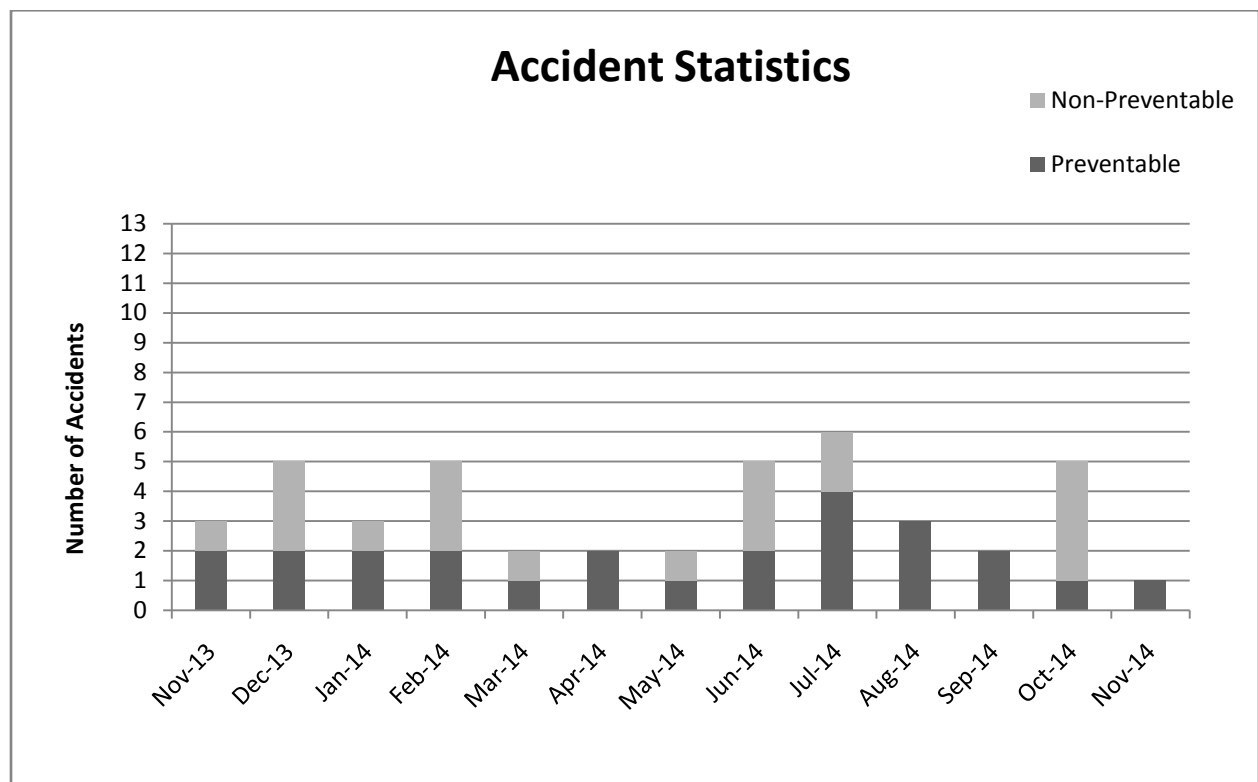
Training

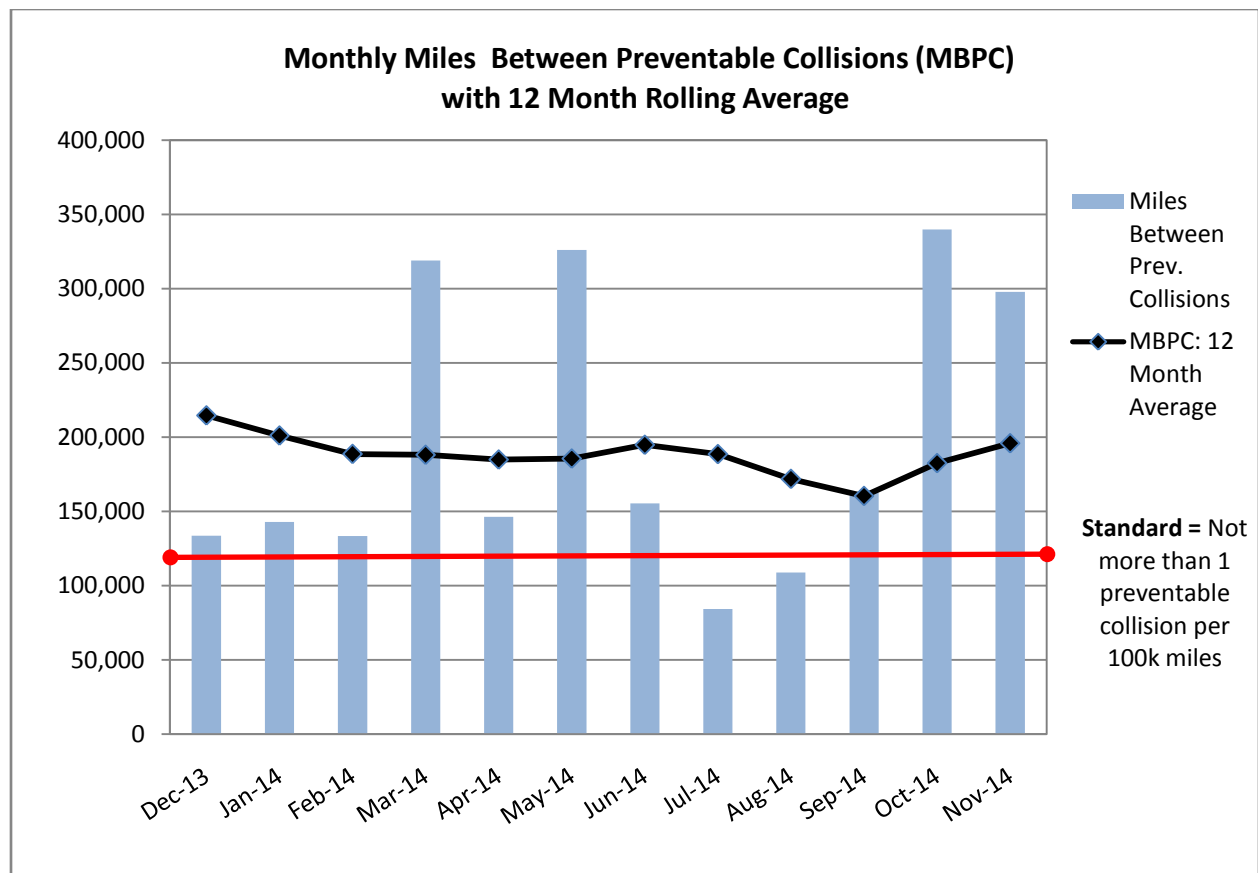
Description	Attendees
Annual VTT Training	14
Line Instructor Training	0

Risk Management Update

Description	November 2014 Preventable		November 2013 Preventable	
	Yes	No	Yes	No
Vehicle hits bus	0	0	0	1
Bus hit stationary object	1	0	2	0
TOTAL	1	0	2	1

During the month of November, there was 1 preventable collision. The bus made contact with a vehicle when making a right turn.





There were no claim recoveries during this period and no claims paid.

Customer Service Update

Service Report Type	MST	*Other Provider	# of valid reports	% of reports received	November '13	% of reports received
Improper Driving	2	4	1	14.3%	7	17.9%
Request To Add Service	0	0		0.0%	4	10.3%
Passed By	1	0	1	2.4%	3	7.7%
Improper Employee Conduct	5	0	1	11.9%	2	5.1%
Bus Stop Amenities	3	0		7.1%	1	2.6%
Late Arrival	0	2		4.8%	1	2.6%
Fare / Transfer Dispute	0	1		2.4%	3	7.7%
No Show	5	3	1/1*	19.0%	3	7.7%
ADA Compliance	1	0	1	2.4%	0	0.0%
Service Other	3	2		11.9%	3	7.7%
Early Departure	0	1		2.4%	2	5.1%
Passenger Injury	0	0		0.0%	1	2.6%
Off Route	1	0		2.4%	0	0.0%

Employee Other	2	2	1	9.5%	4	10.3%
Routing	1	0		2.4%	0	0.0%
Service Schedule	0	0		0.0%	1	2.6%
Agency Policy	1	0		2.4%	3	7.7%
Vehicle Maintenance	1	1	1	4.8%	0	0.0%
Carried By	0	0		0.0%	1	2.6%
Total Complaints	26	16		100.0%	39	100.0%
Employee Compliment	1	0			4	
Service Compliment	0	0			0	

Finance Update

General Accounting/Accounts Payable

During the month of November staff processed timely and accurate payments to vendors, recorded appropriate revenues, and prepared monthly financial reporting and analysis. In addition staff worked with our external auditors, Vavrinek, Trine, Day & Co.,LLP, who were on-site performing our annual audit.

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 November staff completed the Caltrans 5310 grant applications and prepared documentation for grant reimbursements. Staff worked with MST's financial auditors on the FY 14 final audit and participated in California Energy Commission grant workshops.

Purchasing

During the month of November staff was busy with procurement of necessary parts and supplies to support operations. Inventory value dropped by 16% from the previous month, as the high cost items purchased were used on fleet work orders for the month of November. Staff is looking at consolidated procurement of lubricants and is currently evaluating new suppliers.

IT Update

Staff monitored and configured the hardware and software for the impending upgrade to the Trapeze Group TransitMaster system. Staff monitored the Trapeze Enterprise Asset Management (EAM) vehicle maintenance system and configured the test site for the upcoming EAM system upgrade. Staff continued to support the users of the Serenic Navision accounting/payroll system. Staff configured biweekly data for the GIRO DDAM timekeeping system. Staff monitored the functionality of the Customer Service database.

Staff liaised with the County of Monterey Information Technology department regarding the new radio hardware to be installed in Santa Cruz County to extend data/radio coverage to include San Jose, Paso Robles, and other outlying areas of service. Staff continued working on the configuration of the virtual computer system. Staff configured the Exchange email server.

Staff worked with MV Transportation installing AVL equipment into new contractor vehicles. Staff continued to support MST staff as needed, proactively ensuring MST staff was supported fully with their IT needs.

Marketing and Sales Update

Published news stories include: "City races head to election day" (The Californian, 11/2/14); "We could car less: Bernard boosts merits of bike use" (The Californian, 11/2/14); "Election day arrives for local candidates, measures" (Monterey County Herald, 11/3/14); "MST changes bus service for CSUMB" (The Californian, 11/4/14); "CA voters vote a swath of transportation measures today" (Streetsblog Los Angeles, 11/4/14); "CA local ballot measure results: transportation and land use propositions" (Streetsblog Los Angeles, 11/5/14); "MST service modifications to CSUMB" (Monterey County Business Council's Friday Facts, 11/7/14); "Monterey Bay Aquarium announces free admission" (The Californian, 11/11/14); "Combining public transit and public art: MST's music-inspired bus rapid transit route record success" (California Transit Association's 2014 Conference Guide and 2015 Membership Directory, 11/12/14); "The Monterey Trolley reimaged" (California Transit Association's 2014 Conference Guide and 2015 Membership Directory, 11/12/14); "Monterey-Salinas Transit: Innovation and alliances shape transit on the California Coast" (California Transit Association's 2014 Conference Guide and 2015 Membership Directory, 11/12/14); "Agency holds meetings on Monterey County transit needs" (The Californian, 11/13/14); "TAMC hosts public meetings on transit needs" (KCBA, 11/13/14); "Your Town: Public input sought on local transit" (Monterey County Herald, 11/13/14); "Public meetings to address transit needs" (Monterey County Business Council's Friday Facts, 11/14/14); "Two felled by multiple gunshots in two Alisal shootings" (The Californian, 11/19/14); "Wheels on the bus" (Monterey County Weekly, 11/20/14); "North Main and Boronda in Salinas treacherous for walkers" (The Californian, 11/23/14); "Thanksgiving Day closings" (The Californian, 11/25/14); "Your Town: Public input sought on local transit needs" (Monterey County Herald, 11/28/14); "Joy to the world...at least Salians' corner of it" (The Californian, 11/30/14).

Press releases sent include: “Modifications to MST bus service serving CSUMB” (11/3/14); “MST bus service on Veterans Day” (11/6/14); “MST provides limited bus service Thanksgiving Day, Saturday schedule day after Thanksgiving” (11/21/14 & revised 11/24/14).

Marketing activities: Made modifications to schedules for Lines 29 and 56 and posted them to MST’s website; updated brochure for Line 55; installed graphics on electric trolley; took photos of electric trolley; made modifications to schedules for Lines 17, 19, 26 and 82 and posted to MST’s website; converted former RIDES buses to On Call buses with new MST OnCall decal installation; began work on 2014 annual report; attended California Transit Association’s Fall Conference & Expo; ordered 2015 passenger calendars; decorated trolley for Salinas Holiday Parade of Lights; managed MST website content, Facebook page, and Twitter account.

Planning

During the month of November, changes to bus lines which were coordinated with CSUMB in the previous month were implemented. These services are funded 100% by the university and CSUMB requested the changes. Line 19 is a new route connecting CSUMB to downtown Monterey and the Del Monte Shopping Center on Friday, Saturday, and Sunday evenings. CSUMB also requested less frequent service on Line 17.

Staff continues to monitor the revenues and expenses for the military partnerships after implementation of the July 19th Presidio reductions that were required because Congress allowed the expanded federal transit benefit to be reduced by nearly 50% effective December 2013. Revenues received from the federal transit benefit have stabilized during the last four months, so that revenues match expenses. Staff also met with representatives of Camp Roberts to discuss the potential for providing a bus stop at Camp Roberts and serving Line 83.

Staff met with Santa Cruz Metro to discuss the possibility of adding a bus stop in Soquel on Line 78 to better serve that community. Staff is also pursuing an amendment to the existing Memorandum of Agreement with Santa Cruz Metro for reciprocal use of bus stops in both counties for mutual benefit.

Staff attended a Seaside City Council meeting in support of the City of Monterey’s Active Transportation Program project which proposes to add a queue jump for MST buses heading northbound on Fremont at Canyon Del Rey. This Bus Rapid Transit feature will allow MST better travel time reliability primarily on the JAZZ lines.

Staff continued participation with TAMC’s Multimodal Corridor Plan, the Salinas Downtown Vibrancy planning process, and the new FORA Regional Urban Design Guidelines effort as well in meetings with various local agencies, including Monterey County Convention & Visitors Bureau, Salinas Valley Chamber of Commerce, Transportation Agency for Monterey County, Association of Monterey Bay Area Governments, and the Monterey County Hospitality Association.

In addition, during the month staff attended the California Transit Association's 49th Annual Fall Conference and Expo held in Monterey.

Blank Page

Date: February 2, 2015

To: C. Sedoryk, General Manager/CEO

From: Hunter Harvath, Assistant General Manager – Finance & Administration;
Angela Williams, General Accounting & Budget Manager; Mark Eccles,
Director of Information Technology; Kelly Halcon, Director of Human
Resources/Risk Management; Zoe Shoats, Marketing Manager; Sonia
Bannister, Customer Service Supervisor.

Subject: **Administration Department** Monthly Report – December 2014

The following significant events occurred in Administration work groups for the month of December 2014:

Human Resources

A total employment level for December 2014 is summarized as follows:

Positions	Budget FY15	Actual	Difference
Coach Operators / Trainees	133	134	1
C/O on Long Term Leave *	3	0	-3
Coach Operators Limited Duty	1	1	0
Operations Staff	28	29	1
Maintenance & Facilities	44	43	-1
Administration (Interns 2 PT)	25	25	0
Total	234	232	-2

*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.

<i>December Worker's Compensation Costs</i>	
<i>Indemnity (paid to employees)</i>	\$14,425.68
<i>Other (includes Legal)</i>	\$4,390.11
<i>Medical includes Case Mgmt, UR, Rx & PT</i>	\$7,660.46
<i>TPA Administration Fee</i>	\$5,000.00
<i>Excess Insurance</i>	\$7,341.08
<i>Total Expenses</i>	\$38,817.33
<i>Reserves</i>	\$1,455,015.53
<i>Excess Reserved</i>	(\$513,490.11)
<i># Ending Open Claims</i>	46

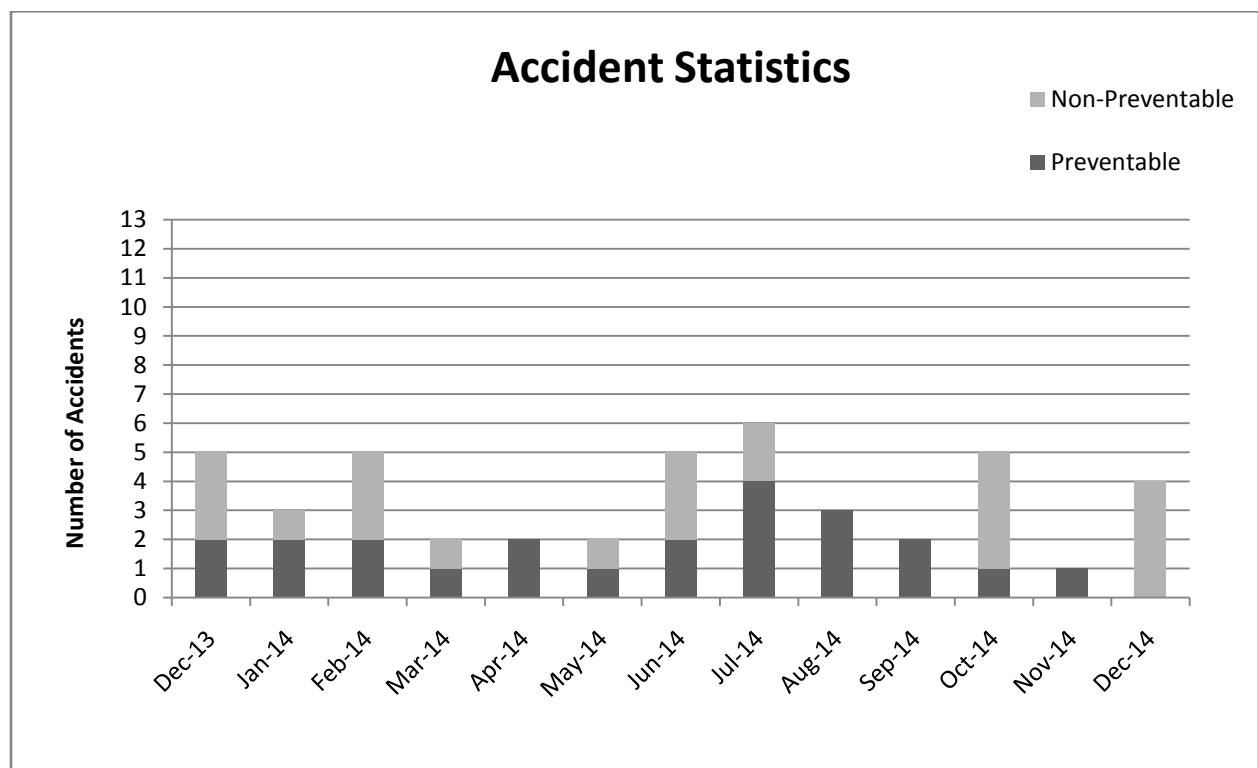
Training

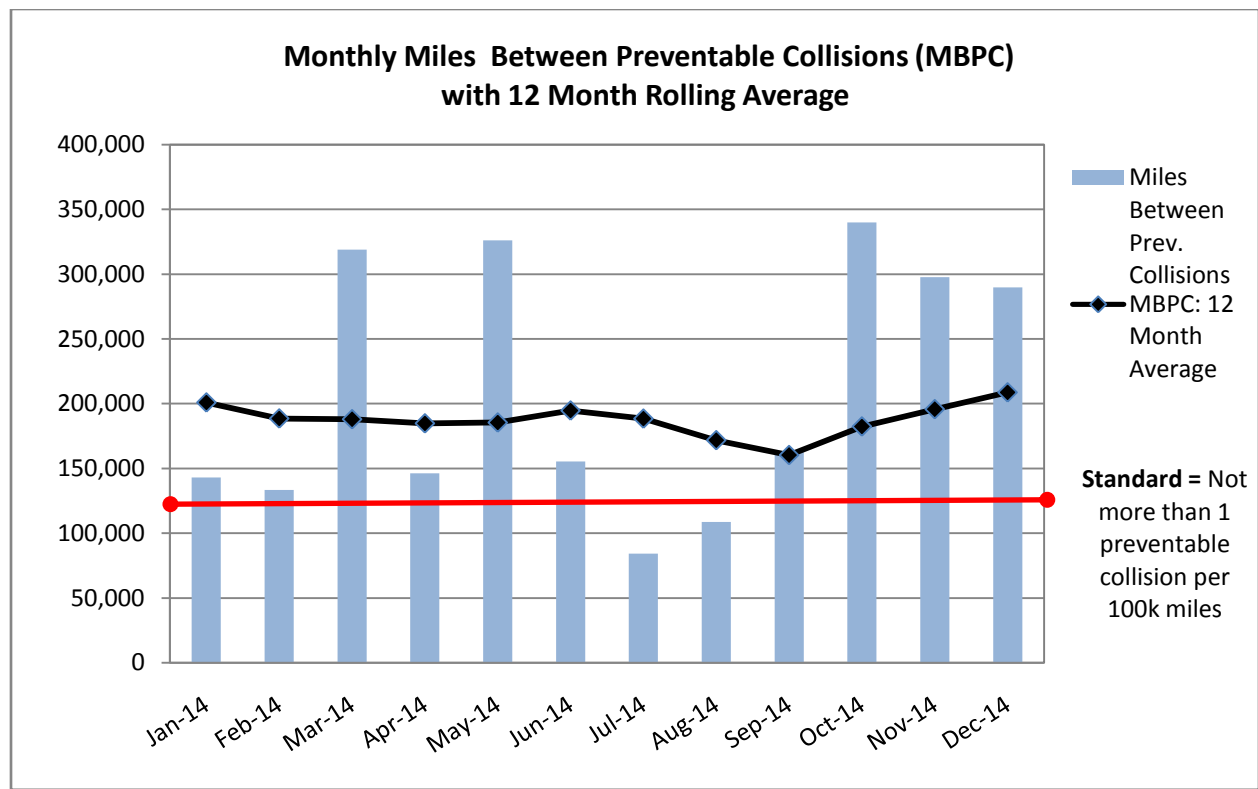
Description	Attendees
Annual VTT Training	12
Line Instructor Training	0

Risk Management Update

Description	December 2014 Preventable		December 2013 Preventable	
	Yes	No	Yes	No
Vehicle hits bus	0	4	0	3
Bus hit stationary object	0	0	2	0
TOTAL	0	4	2	3

During the month of December, there were no preventable collisions





There were no claim recoveries during this period and no claims paid.

Customer Service Update

Service Report Type	MST	*Other Provider	# of valid reports	% of reports received	December '13	% of reports received
Improper Driving	4	1	2/1*	12.5%	8	24.2%
Unsafe Conditions	0	0		0.0%	1	3.0%
Passed By	3	3	2/2*	15.0%	3	9.1%
Improper Employee Conduct	2	0		5.0%	0	0.0%
Bus Stop Amenities	1	0		2.5%	0	0.0%
Late Arrival	1	5	4*	15.0%	4	12.1%
Late Departure	0	0		0.0%	2	6.1%
No Show	4	4	2/2*	20.0%	5	15.2%
Full bus/left behind	0	0		0.0%	0	0.0%
ADA Compliance	0	1		2.5%	0	0.0%
Service Other	2	1	1*	7.5%	6	18.2%
Passenger Conduct	1	0		2.5%	0	0.0%
Early Departure	2	0	1	5.0%	1	3.0%
Passenger Injury	1	0		2.5%	1	3.0%
Off Route	0	0		0.0%	1	3.0%
Employee Other	2	1	1*	7.5%	1	3.0%

Routing	1	0	1	2.5%	0	0.0%
Total Complaints	24	16		100.0%	33	100.0%
Employee Compliment	1				3	
Service Compliment		2	2*		0	

Finance Update

General Accounting/Accounts Payable

During the month of December, staff processed timely and accurate payments to vendors, recorded appropriate revenues, and prepared monthly financial reporting and analysis. During December staff worked with our external auditors, Vavrinek, Trine, Day & Co.,LLP, to complete MST's Comprehensive Annual Financial Report for fiscal year ending June 30, 2014.

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 December staff arranged for MST to join CALSTART and began participating in the Zero Emission Bus Coalition. Staff attended a grant workshop through the County of Monterey for the FY15 cycle of Community Development Block Grant (CDBG) awards and participated in the National Transit Database kick-off workshop for the FY 14 annual report.

Purchasing

During the month of December staff was busy with procurement of necessary parts and supplies to support operations. Inventory value has slightly risen over the past few months, but this is an indication of the increased cost of maintaining an aging fleet. At the half way mark of the fiscal year, parts consumed on buses is at \$371,728. This is at 53% of the projected total spend. If we continue on this track we will meet our budget goal of \$705,000 for FY 2015.

IT Update

Staff configured the hardware and software for finalizing the upgrade to the Trapeze Group TransitMaster system. Staff monitored the Trapeze Enterprise Asset Management (EAM) vehicle maintenance system and updated the test site for the upcoming EAM system upgrade. Staff continued to support the users of the Serenic

Navision accounting/payroll system. Staff configured biweekly data for the GIRO DDAM timekeeping system. Staff monitored the functionality of the Customer Service database.

Staff liaised with the County of Monterey Information Technology department regarding the new radio hardware to be installed in Santa Cruz County to extend data/radio coverage to include San Jose, Paso Robles, and other outlying areas of service. Staff continued working on the configuration of the virtual computer system. Staff configured the Exchange email server.

Staff worked with Maintenance Department and MV Transportation installing AVL equipment into replacement vehicles. Staff continued to support MST staff as needed, proactively ensuring MST staff was supported fully with their IT needs.

Marketing and Sales Update

Published news stories include: "Company rebuilds buses to run on zero-emission, clean technology" (KABC, 12/1/14); "Monterey Bay Aquarium: Making waves for 30 years" (The Californian, 12/5/14); "Carl Sedoryk: Measure Q passage critical, historic" (Monterey County Herald, 12/6/14); "MST thanks organizers, voters for Measure Q" (The Californian, 12/12/14); "FORA approves Preston Park agreements" (Monterey County Herald, 12/18/14); "First Night Monterey buttons on sale" (The Californian, 12/23/14); "What to do on New Year's Eve: First Night Monterey and other parties" (Monterey County Herald, 12/24/14); "System of a downs" (Monterey County Herald, 12/25/14).

Press releases sent include: "MST to provide limited bus service for the holidays" (12/19/14); "Free MST bus service to First Night Monterey" (12/19/14).

Marketing activities: Nominated Monterey County Mobility Coalition for TAMC Excellence Award; began work to repurpose Bus Stop Signage for new 201 Pearl Street office; added option for customers to fill out a customer service report online; began work to improve customer service agency-wide with new customer service training module; created car cards for 2015 MST board meeting dates; discussed trade advertising with Monterey County Weekly; continued work on 2014 annual report; compiled list of needs and wants for new phone system for IT department; ordered new MST banners; coordinated bus service and MST sponsorship to First Night Monterey; managed MST website content, Facebook page, and Twitter account.

Planning

During the month of December, staff continued to monitor the revenues and expenses for the military partnerships after implementation of the July 19th Presidio reductions that were required because Congress allowed the expanded federal transit benefit to be reduced by nearly 50% effective December 2013. Revenues received from the federal transit benefit have stabilized during the last five months, so that revenues match expenses.

Planning and scheduling staff began meeting to review service changes anticipated for implementation in late March 2015.

MST staff met with a subcommittee of the California Transit Association on an approach to modernize the Transportation Development Act State Transit Assistance rules.

Staff continued participation with TAMC's Marina-Salinas Multimodal Corridor planning team, the Salinas Downtown Vibrancy planning process, and the new FORA Regional Urban Design Guidelines effort as well in meetings with various local agencies, including Monterey County Convention & Visitors Bureau, Salinas Valley Chamber of Commerce, Transportation Agency for Monterey County, Association of Monterey Bay Area Governments, and the Monterey County Hospitality Association.

ATTACHMENT 5

Thomas Walters & Associates, Inc.
25 Massachusetts Avenue, N.W., Suite 570
Washington, D.C. 20001
(202) 737-7523

MONTEREY-SALINAS TRANSIT Washington, D.C. Itinerary

Carl Sedoryk, General Manager/CEO
Hunter Harvath, Deputy CEO

December 4-5, 2014

THURSDAY, DECEMBER 4, 2014

7:30 a.m. to 9:00 a.m.	APTA – Small Operators Committee
10:00 a.m.	Joshua Esquivel and Trevor Higgins, Professional Staffs to Senator Dianne Feinstein (D-CA) SH-331 Hart Senate Office Building Contacts: Joshua Esquivel and Trevor Higgins – 224-3841 Subject: Transit Appropriations Issues, Including Continuing Resolutions
11:00 a.m. Johnson (D-SD)	Homer Carlisle, Professional Staff Member to Chairman Tim Senate Committee on Banking, Housing, and Urban Affairs SD-534 Dirksen Senate Office Building Contact: Homer Carlisle – 224-7391 Subject: MAP-21 and Continuing Resolutions
12:30 p.m. Executive	Lunch – with Debbie Merrill, Legislative Director and Tom Tucker, Assistant to Congressman Farr (D-CA)
1:00 p.m. to 4:00 p.m.	APTA – Legislative Committee
2:30 p.m.	Vincent Valdes, Associate Administrator Office of Research, Demonstration and Innovation Room E43-314 East Building, 1200 New Jersey Avenue, SE 202-366-4052

Subject: FTA's Low/No Emission Vehicle Grant Program and the Potential for MST to Participate in Future Rounds of the Program

4:00pm

Kate Hallahan, Professional Staff to Chairman Tom Latham (R-IA)

House Transportation, Housing and Urban Development, and Related Agencies

1016 Longworth House Office Building

Contact: Kate Hallahan – 225-3481

Subject: Transit Appropriations Issues, Including Continuing Resolutions

FRIDAY, DECEMBER 5, 2014

**11:00 a.m.
(CA-08)**

Matthew Groves, Legislative Counsel to Congressman Paul Cook

1222 Longworth House Office Building

Contact: Matthew Groves – 225-5861

Subject: Continuing Resolutions and Tax Extenders

Noon

APTA Board of Directors Meeting

1666 K Street, N.W.

Monterey-Salinas Transit
Washington, D.C. Office

January 23, 2015

TO: Carl Sedoryk

FROM: Thomas P. Walters

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

FY 2016 Budget

Congress wrapped up Fiscal Year 2015 during the December Lame Duck Session by combining eleven of the twelve annual appropriations bills into an omnibus funding measure. In addition, a short-term, stopgap funding bill for the Department of Homeland Security was included in the Omnibus Appropriations Act, and that funding runs through February 27. Although that funding bill does not directly impact MST, we are closely monitoring it to ensure that it does not become a larger fight that impacts transportation legislation.

The President will submit his FY 2016 Budget to Congress on February 2, which will be a key event laying out the agenda for the year. The House and Senate Appropriations Committees will then begin hearings with a view towards returning to the “regular order” of passing 12 individual appropriations bills to fund the Federal government.

Surface Transportation Legislation Reauthorization

In the 113th Congress, the Moving Ahead for Progress in the 21st Century (MAP-21) Act was extended through May 31, 2015. While many issues we lobbied in the 113th Congress have carried over to this year, the new Republican Majority in the Senate ensures that there will be new issues arising as MAP-21 reauthorization legislation is written in the 114th Congress. We expect new Senate Environment and Public Works Committee Chair Inhofe (R-OK) to partner with Ranking Minority Member Boxer to develop a bipartisan bill, but the outlines of that effort remain to be seen. In addition, action by the Senate Banking Committee to add the transit portions, and by the Finance Committee to add the tax provisions needed to pay for the legislation, are additional steps in the process that we are advocating for MST. Action this spring will also be needed by the House Transportation and Infrastructure Committee, if Surface Transportation Legislation is to be enacted by the May 31 deadline.

Highway Trust Fund

The Highway Trust Fund is expected to run out of money in May, which keeps the transportation funding issue front and center in early 2015. Numerous Congressional leaders from both parties have prominently commented this month on the need for additional tax revenue for the Trust Fund, with many specifically mentioning a possible increase in the gas tax. However, increasing the gas tax continues to be a very difficult, so Congress will also be looking at creative ways to add revenue to the trust fund or perhaps transfer money from the General Fund.

Tax Extenders Legislation

MST is seeking legislation in the 114th Congress to set pre-tax benefits for rail and bus commuters at the same level as pre-tax parking benefits. Providing this parity for transit is important for MST's military commuter service routes. During the December Lame Duck Session, House and Senate Leaders extended this authority for only one year, through tax year 2014, which requires this issue to be revisited early in 2015. While we continue to advocate for stand-alone tax legislation to continue the authority, the program has traditionally been dealt with by Congress together with other temporary provisions collectively known as "tax-extendors."

Lobbying Strategies & Opportunities

In December, we briefed the MST Legislative Committee on issues to assist in the drafting of the proposed MST Federal agenda. We also participated in the MST Board meeting to advise on the Federal agenda and to provide an update on legislative issues. Since that time, we have been working with you on actions to follow up and implement the MST Federal Agenda for 2015.

Because it is a new Congress, there will be issues related to the budget and MAP-21 reauthorization that don't become readily apparent until we see the draft bills released later this year. In addition, legislation to resolve these difficult transportation issues will not happen on a specific timetable, and we could easily see the need for additional short-term bills.

Because of the fluid agenda for the 114th Congress, we have recommended Washington, DC, meetings for MST staff in February to coincide with lobbying by the California Transit Association. These meetings will supplement our efforts in Washington, DC, to weigh in on behalf of MST on tax, transportation and budget issues through our direct contacts with Congress and the Administration. In addition, this will allow MST to maintain the momentum of its lobbying agenda from the 113th Congress and influence decision-makers early in the legislative process for 2015.

TPW:dwg

To: Board of Directors

From: C. Sedoryk, General Manager/CEO

Subject: State Legislative Update – November and December 2014

Governor Brown has released the 2015-2016 Proposed Budget. In the transportation area, the Governor's Budget identifies a problem more on the "traditional" infrastructure side – **highways, streets & roads, and bridges** – than on the public transportation side of the equation. Specifically, the Budget notes that the Administration has been working toward building a robust, multi-modal, and sustainable transportation infrastructure by advancing high-speed rail and creating new funding programs for transit, bicycling, and walking. "However," says the Budget, "the state continues to face ongoing funding challenges in the tens of billions of dollars for the maintenance and repair of core infrastructure – state highways, roads, and bridges."

In his press conference, the Governor referenced a team of administration members looking at the problem (which we assume includes the stakeholder group run by CalSTA, addressing the California Transportation Infrastructure Priorities process). While he proposes no specific solutions, the Budget addresses the need for this group to identify long-term funding sources, engage stakeholders, and work on a solution. "There is a need and we have to take care of it," said the Governor.

With regard to **public transit**, the Budget notes, "Existing authority for local revenues can, and does, help address local preservation shortfalls for roads and transit. As such, new local-option revenues should also be considered for these investments."

The sales tax on diesel projections contained in the Budget yield the following estimates for the **State Transit Assistance (STA) Program**:

- 2014-15 – The current year projection is now \$ 385,933,362, up about \$6.5 million from the 2014 May Revision estimate of \$379,400,000;
- 2015-16 – The budget year projection is for a \$387,798,000 Program, a less-than-1% increase above the current year estimate.

The Governor's Budget includes **\$1.002 billion in anticipated revenue from Cap and Trade** from four allowance auctions during the fiscal year. The growth in anticipated revenues from 2014-15 is due in large part to the addition of transportation fuels to the Cap and Trade program. Of the anticipated funds, 60 percent was committed for four specific programs as part of last year's budget: 25 percent for high-

speed rail; 20 percent for affordable housing & sustainable communities; and 15 percent for transit and intercity rail. The remaining 40 percent is appropriated during the budget process. In 2015-16, the Governor has proposed to once again use this funding for low carbon transportation, energy efficiency & clean energy, and natural resources & waste diversion.

Of the transportation related programs funded through the ongoing allocation of Cap and Trade revenues, there is a steady increase in the amount of funding available to each of the aforementioned programs, as follows:

- Low-Carbon Transit Operations – \$50 million (\$25 million in 2014-15);
- Transit and Intercity Rail Capital Program – \$100 million (\$25 million in 2014-15);
- Affordable Housing and Sustainable Communities – \$200 million (\$130 million in 2014-15); and
- High-Speed Rail – \$250 million (\$250 million in 2014-15).

The Governor also proposes to once again appropriate \$200 million to Low-Carbon Transportation, a portion of which will be dedicated to zero-emission bus programs.

As noted above, the Budget emphasizes that **annual maintenance and repair needs on the state's highway system** are significantly more than can be funded within existing resources, with a current identified gap in the SHOPP of \$6 billion annually.

In considering **new funding sources**, the Budget says the state must focus funding on the priorities that are the state's core responsibility – maintaining and operating the state's network of highways and interstates, and improving the highest priority freight corridors.

The Governor clearly signals that additional borrowing through bonds would ***not*** be appropriate, not only because the funding gap is an ongoing one, but also because roughly one out of every two dollars spent on bond-funded infrastructure goes to pay interest costs rather than construction costs, and currently 9 percent of total transportation revenues are spent on debt service.

The Budget points to two *existing* efforts to address some of these needs, pointing out that the state has already started to explore new and expanded financing strategies for the state's ongoing maintenance and repair needs, including:

- **Road Usage Charge Pilot Program** — The Budget proposes five positions and \$9.4 million in State Highway Account funding to implement a Road Usage Charge Pilot Program pursuant to Chapter 835, Statutes of 2014 (SB 1077). The

purpose of this pilot program is to explore a potential mileage-based revenue collection system, or Road Usage Charge, to support maintenance and operations of California's roads and highways as a possible replacement to the gasoline tax system currently in place. A final report and recommendations, based on the results of the pilot, is due no later than June 30, 2018.

- **Toll Roads** — The state highway system currently includes high-occupancy vehicle lanes, the access to which is limited during rush hours to only those vehicles with two or more passengers. This often leaves unused capacity in these lanes. By converting these lanes to high-occupancy toll lanes and opening these lanes to paying drivers, the state is able to better maximize capacity as well as generate additional revenues. Legislation is proposed that will restore authority for new high-occupancy toll lane projects, including conversions of existing high-occupancy vehicles lanes to toll lanes. This legislation will expand the authority of the California Transportation Commission to approve these lanes.

The budget concludes that “these funding strategies alone are not sufficient to address the state’s ongoing maintenance and repair needs” and states that “the state must consider other funding options to provide for the long-term sustainability of the state’s core highway system.” The solution must address the deferred maintenance needs of the highway system, key freight corridor investments, and include an ongoing pay-as-you-go funding structure that aligns funding with use of the system.

California State Transportation Agency Secretary Brian Kelly subsequently emphasized to us that “***this Budget continues our ‘fix it first’ philosophy.***”

With regard to vehicle weight fees, the Budget notes, “As the state explores options for maintaining state highways and investing in key trade corridors, it is appropriate to consider the weight of vehicles, which is directly related to the wear and tear on the state’s highway system.”

Prepared by: 

Blank Page

TRANSPORTATION AGENCY FOR MONTEREY COUNTY

www.tamcmonterey.org

HIGHLIGHTS

December 3, 2014

DEPARTING BOARD MEMBERS HONORED FOR YEARS OF SERVICE

The Board of Directors for the Transportation Agency for Monterey County honored two of its departing board members for their years of exemplary service.

Departing Monterey City Councilmember, Frank Sollecito was recognized for being a tireless advocate for regional transportation needs during his eight years of service. He's been a board member, as well as, a Board Chair, and has been the Vice-Chair of the Rail Policy Committee for four years. As Vice-Chair he was instrumental in helping to set policy to bring two rail services to Monterey County to help enhance mobility opportunities and lead to economic vitality for the region. In that same vein, Councilmember Sollecito has been a dedicated supporter of finding a solution to address concerns about safety and congestion on Highway 156.

Also recognized for 15 years of service, was Supervisor Lou Calcagno. During his tenure he served as Board Chairperson in 2002 and 2010. As a Board member, Supervisor Calcagno was instrumental in building a coalition of support and funding for establishing Monterey-Salinas Transit service between the South County cities and Salinas, now known as Line 23; served as the champion for the US 101 Prunedale Improvement Project, persuading local and state decision-makers to support a more modest, safety-focused project when the cost of the Prunedale Bypass became prohibitive, always assuring that community interests were respected throughout the design and construction of the project; represented the Transportation Agency before the California Transportation Commission and the State Department of Transportation, tirelessly advocating for funding for major highway safety improvements, including the State Route 1 at Salinas Road interchange, improvements to the interchange at US 101 and Airport Boulevard, and the US 101 interchange at San Juan Road.

With gratitude for their service, the Board of Directors bid a fond farewell to Frank Sollecito and Lou Calcagno!

PUBLIC HEARING FOR UNMET TRANSIT NEEDS

The TAMC Board of Directors held a hearing to solicit public input to identify unmet transit needs in Monterey County. Anyone who knew of a need located where they live, work, go to school or even shop, was given the opportunity to express that need to the Board.

The hearing was just one of several held annually to identify unmet transit needs in the county. Anyone who still wishes to express an unmet need can submit a comment in writing. The deadline to submit a comment is Saturday, January 31, 2015. Comments can be mailed to TAMC, ATTN. Virginia Murillo, 55-B Plaza Circle, Salinas, CA. 93901. Comments can also be emailed to: www.tamcmonterey.org/programs/elderly/UnmetTran.html.

For more information, in English or Spanish, about unmet transit needs, contact Virginia Murillo at (831) 775-4415 or email her at virgina@tamcmonterey.org.

THE COAST DAYLIGHT TRAIN PROJECT

A presentation on the proposed Coast Daylight Train Project was presented to the Board of Directors by TAMC staff. The project is a proposed passenger rail service that would ultimately operate one daily round trip between San Francisco and Los Angeles along the coast. After the presentation, the Board opened a public hearing on the Coast Corridor Draft Program Environmental Impact Statement/Environmental Impact Report.

The next public hearing on this project will be at 6 p.m. on December 9, 2014, during the King City Regular City Council Meeting, located in the City Council Chambers, City Hall, 212 South Vanderhurst Avenue, King City.

Written comments can be mailed to TAMC, ATTN. Christina Watson, 55-B Plaza Circle, Salinas, 93901. Email comments can be sent to: prodgers@slocog.org. The deadline to submit a comment is January 7, 2015.

HAPPY HOLIDAYS FROM TAMC

As we near the end of the year 2014, the Transportation Agency for Monterey County wishes you a Merry Christmas and Happy New Year! May you have a safe and joyous holiday season!



January 22, 2015

To: Carl Sedoryk

From: Hunter Harvath, AICP – Assistant General Manager – Finance & Administration

Subject: TRIP REPORT – December 2014

From December 3rd to 5th, I traveled to Washington, DC to participate in legislative advocacy meetings as well as the Small Operators Committee meeting of the American Public Transportation Association. While in Washington, I met with staff members representing the following officials and committees:

- Senator Dianne Feinstein
- US Congressman Sam Farr (20th California District)
- US Congressman Paul Cook (8th California District)
- Senate Committee on Banking, Housing and Urban Affairs
- House Transportation Committee on Appropriations

In addition, I met with Vincent Valdes, Federal Transit Administration Associate Administrator – Office of Research, Demonstration and Innovation, and Sean Ricketson, FTA Research Grant Manager, regarding MST's innovative Wireless Power Transfer Electric Trolley program.

Hunter Harvath

Blank Page



2014 Election Results Bring More Questions the Future of the Federal

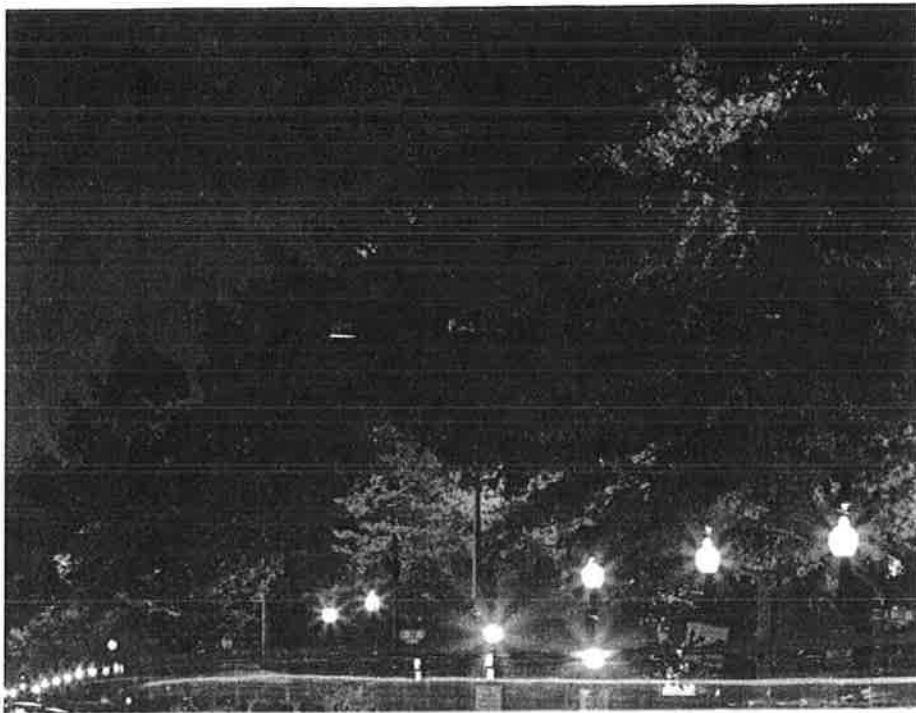


Transit leaders waited for the dust to settle from the 2014 midterm elections, but with massive leadership changes, there's little clarity on long-term funding solutions.

By **Paul Dean**

THE RESULTS OF THE 2014 ELECTION are in. While Republicans are rejoicing at taking control of the Senate, widening their House majority and picking up several new governorships, Democrats are licking their wounds, wondering where it all went wrong. In the meantime, public transportation professionals and advocates are wondering whether Republican control of both chambers of Congress will spell doom and gloom for the federal transit program, or if a unified Congress, working together with President Barack Obama, will present opportunities to stabilize the highway trust fund and bring about a long awaited multi-year surface transportation authorization bill, perhaps with robust increases in federal dollars for public transportation.

While it is impossible to predict how the incoming Congress will deal with the federal transit program in the coming term, two facts are certain. First, a new Republican majority in the Senate, along with some key retirements and defeats, will bring new leadership to many of the committees with jurisdiction over the federal transit program. Second, the latest extension of surface transportation legislation that authorizes and funds the federal transit program, Moving Ahead for Progress in the 21st Century Act (MAP-21), is set to expire at the end of May. In addition, latest U.S. Department of Transportation estimates project the highway trust fund will once again run out of funds by July. Finding additional resources to continue to fund our nation's



than Answers about Transit Program



surface transportation infrastructure will be one of the first issues that the new Congressional leadership must face and find a solution.

With the stage set, these are the major transit-related questions and issues the new Congress and the Obama Administration must confront in the coming months.

Will the new Congress be able to work with the Obama Administration to find a long-term funding solution?

During his press conference the day after the 2014 mid-term elections, Obama mentioned several times that working together with the new Republican Congress to finance our nation's surface transportation system will be one of his top

priorities. At least a short-term solution will be needed by the end of May to keep the federal transit program funded at current levels. Although a permanent solution is unlikely in the coming months, how the Congress handles this crisis will give us some insight on the direction of the federal program into the future.

The key question is where Congress will find the resources needed to continue to fund the surface transportation program — including the transit program — at current levels. Republican control of both the Senate and House of Representatives means that an increase in the gas tax or other similar revenue raising measures perceived as new taxes are likely off the table. However, these solutions were not gaining momentum prior to the elections,

“The key question facing the future of the federal transportation infrastructure program is where Congress will find the resources needed to continue to fund the surface transportation program — including the transit program — at current levels?”

which led to a series of short-term funding extensions with money found under the federal budget couch cushions being transferred into the highway trust fund. These transfers have become increasingly unpopular among more conservative forces within Congress and Republican control over the Senate will make passage of these temporary funding patches even more difficult. With a permanent solution to the

A SHORT-TERM solution will be needed to keep transit funded at current levels. transportation funding problem highly unlikely in the next few months, Congress will soon be faced with the critical decision of whether to allow another short-term funding transfer to keep the highway and transit trust fund afloat, or to allow the extension to expire without action, which could result in large scale reductions in federal transportation spending.

And what about a long-term solution to infrastructure financing? The answer may lie within the tax reform debate. During his press conference, Obama mentioned using proceeds from corporate tax reform to fund infrastructure programs may provide some common ground for him and the new Republican Congress to work together to make America stronger. This solution was championed by the president and outgoing Republican Chairman of the House Ways & Means Committee, Dave Camp (R-Mich.), last year.

With new incoming leadership of both tax-writing committees in the House and the Senate, it is unlikely there will be time to put together a large-scale tax reform

FEDERAL FUNDING

bill prior to the expiration of the MAP-21 extension in May. However, with the Republicans now controlling both chambers of Congress, there is an increased likelihood that a major tax reform package may become reality over the next year or two.

Will the Republicans really be willing to work with a lame duck Democratic president to pass major tax reform, or will they wait to see if they can get a better deal by taking the chance that a Republican will be elected to the White House in 2016?

Even if tax reform does become a reality, will significant resources be generated and will the Republican Congress be willing to dedicate those funds to transportation infrastructure — or will they be more likely to focus on debt reduction or personal income or corporate tax savings? Time will tell. It must be noted, as most transit advocates will point out, even if tax reform does generate some revenue for infrastructure, this really only brings about a longer temporary solution to the future of

infrastructure finance. Funds generated through tax reform may provide an influx of resources for one additional authorization cycle, but after that, a more permanent financing solution will still be necessary.

What impact will changes in committee leadership have on the federal transit program?

A new Congress means new committee leadership, including new faces leading committees overseeing the federal transit program. Committee leadership positions will not be formally announced until the new Congress reorganizes in January, but we do know a few things. In the House of Representatives, Bill Shuster (R-Penn.) will remain chairman of the Transportation & Infrastructure Committee. This is good news for the federal transit program, as Chairman Shuster has a long record of supporting public transportation and brings stability into the surface transportation authorization debate. On the

Democratic side, the defeat of Nick Rahall (D-W.V.) means the new top ranking Democrat will likely be Peter DeFazio (D-Ore.). DeFazio is a stalwart transit supporter and during the last Congress, made headlines by proposing legislation to replace the federal gas tax with a “per-barrel” tax on oil companies. Congressman DeFazio is being challenged for the top Democratic slot by Congressman John Garamendi (D-Calif.), who lacks seniority, but alleges a strong working relationship with Chairman Shuster.

The Senate Banking Committee, which has jurisdiction over the federal transit program, will have a new Republican chairman. Multiple sources indicate that Rep. Richard Shelby (R-Ala.) is expected to take the gavel, which he previously held from 2003 to 2007. Senator Shelby has not shown a strong interest in public transportation in the past, but brings a wealth of experience and has not been an opponent of transit interests. The former chairman of the Banking Commit-

Reliability. Safety. Efficiency.



Providing stored energy solutions for the rail industry for over a century.



Distributed exclusively by National Railway Supply
Visit us online at www.nrsa.com or call 1-800-357-3572

©2014 EnerSys. All rights reserved. Trademarks and logos are the property of EnerSys and its affiliates, except National Railway Supply (NRS), which is not the property of EnerSys. Subject to change without prior notice. E&O E.

For more than 125 years, EnerSys® has proudly served railway operators with the industry's most trusted and innovative stored energy solutions. Our extensive line of batteries ensure dependable power for rail signal, generator and locomotive starting, switchgear, telecommunications and utility applications worldwide. Learn more at www.enersys.com.



For more information, visit www.MassTransitmag.com/10065043

tee, Tim Johnson, has retired, and his replacement as the top Democrat on the committee could be transit champions Charles Schumer (D-N.Y.), Bob Menendez (D-N.J.) or Sherwood Brown (D-OH).

As previously mentioned, changes are coming in both tax-writing committees as well. In the Senate, the finance committee gavel is expected to pass to Sen. Orin Hatch (R-UT), who is a pragmatic legislator with a history of strong support for transit projects in Salt Lake City. Sen. Ron Wyden (D-Ore.), the former chairman and transit proponent, will likely move to top ranking Democratic member slot.

In the house, the Ways & Means chairmanship is expected to pass to former vice presidential candidate and Budget Committee Chairman Paul Ryan (R-Wis.). The expected Ryan chairmanship is the real wildcard. Although not overtly hostile to transit interests — Amtrak aside — the



“Chairman Shuster has a long record of supporting public transportation and brings stability into the surface transportation authorization debate.”

fiscally conservative Ryan has historically, as chairman of the House Budget Committee, presented budget proposals to Congress that would make deep cuts to the federal transportation program.

His primary motive has been to preserve the user-fee nature of the transportation program and avoid general fund transfers into the highway trust fund. To accomplish this, spending must be scaled back to match the level of revenues generated annually from the gas tax.

While this may represent solid accounting principles, as most transit professionals know, federal spending has

long outpaced diminishing gas tax receipts. Ryan’s solution — to cut spending — could have long-lasting negative impacts on the program. However, Chairman Ryan is someone who has a keen recognition that there is a funding crisis and he may very well be the catalyst for a long-term financing solution. The hope

is that the long-term solution does not include drastic measures such as devolving the federal program to the states, or eliminating the mass transit account from the highway trust fund.

Other committee and subcommittee changes will certainly have an impact on the transit program in the upcoming Congress — particularly within the Appropriations Committee, which sets annual spending rates, and the Senate Environment & Public Works Committee, which takes the lead in developing the surface transportation authorization bill in the Senate.

ARBOC *A Specialty Vehicles*

the new *Spirit of Mobility*



Riders of ALL abilities no longer need to contend with steps in the most accessible cutaway bus in the industry today! The ARBOC Spirit of Mobility provides a single, non-discriminatory patented angled and accessible entranceway. Now every passenger, including wheelchair riders and even power scooters, can experience what true

Random Access really means! If speed of operation, ride quality, passenger dignity and safety are important, then the Spirit of Mobility is the bus for you!



Accessibility for
Everyone



For more information Please Contact us at
Phone - 574.825.4880 Fax - 574.825.1750
51185 Greenfield Pkwy, Middlebury, IN 46540
www.ARBOSV.com

For more information, visit www.MassTransitmag.com/10066174

FEDERAL FUNDING

The bottom line is that transit advocates must waste no time in getting to know the new committee leadership and their staff and making a continued case for the growth and preservation of the federal transit program.

Will the new Republican Congress give momentum to the devolution movement or to eliminate the mass transit account from the highway trust fund?

The devolution movement — the notion of eliminating most or all of the federal surface transportation program and returning most of the gas tax receipts to the states to let them take care of their own transportation needs — has been slowly gaining supporters among the most conservative members of Congress. Indeed, even incoming Ways & Means Chairman Ryan has been at least open to considering such a move. I will leave the philosophical and constitu-

tional debates on the federal government's appropriate role in supporting our nation's surface transportation infrastructure to the intellectuals. However, most transportation and transit advocates agree this could have disastrous consequences for transportation investment levels and any hopes of developing a strong, multi-modal national transportation system. The real question is, now that the Congress is more firmly in Republican control, will the devolution movement gain steam? To those who take a "sky is falling" approach toward this issue, I would say that this worst-case scenario is still highly unlikely. While the movement may gain more support, there are still too many Democrats, suburban Republicans and more importantly, "donee states" — those that receive more federal gas tax dollars than they receive under the current federal formulas — to allow this idea to take a foothold.

A more worrisome scenario is the potential elimination of the mass transit

Highway Trust Fund 80%

of the funding for the federal transit program comes from the mass transit account:

2.86¢
of every gallon of gas purchased

portion of the highway trust fund. As many transit professionals will remember, this very real scenario was pushed by a number of House Republicans during the debate over MAP-21. For a bit of background, 2.86 cents of every gallon of gas purchased goes into the mass transit account of the highway trust fund, which funds about 80 percent of the federal transit program. This all but guaranteed stream of funding has for decades stabilized federal transit funding levels and until recently, allowed steady growth.

In 2012, as a proposed solution to stabilize the highway trust fund, House Republicans introduced a transportation



• B-Maxi S - 110 tons



• B-Maxi M - 220 tons



• B-Maxi L - 330 tons



• B-Maxi XL - 770 tons

OUR FLEET OF BATTERY POWERED RAILCAR MOVERS

Railquip is your specialty source for:

- Portable Hydraulic Rerailing Equipment
- Locked Axle Dollies
- Car and Locomotive Maintenance Shop Equipment
- Trucks and Bus Maintenance Shop Equipment
- Maintenance of Way Equipment and Supplies



Railquip, inc.

TRANSPORTATION MACHINERY & EQUIPMENT SPECIALISTS

Toll Free: (800) 325-0296

Fax: (770) 458-5365

e-mail: sales@railquip.com

3731 Northeast Road • Suite 6

Atlanta, GA 30340

www.Railquip.com



For more information, visit www.MassTransitmag.com/10065105

bill eliminating the mass transit account and returned those revenues back to the highway program. This would have put the federal transit program in jeopardy, subjecting it to the annual appropriations process. The proposal was defeated, thanks in large part to the opposition of suburban Republicans. With a more conservative Congress, I would not be surprised if this idea surfaces again. I believe there are still enough Democrats and transit-friendly Republicans in Congress to defeat such a proposal, but be on the lookout.

Return of Earmarks?


At first glance, considering it was the Republicans who eliminated earmarks — Congressionally directed funding for local projects — in the first place, this question may seem to be coming from left field. However, there has been a steadily growing undercurrent from some within the Republican caucus that this may have been a mistake. In recent months, several Republicans

have noted Congress has the constitutional “power of the purse,” and have questioned the wisdom of ceding all financial decision-making power to the administration. An often cited argument for the return of earmarks has been their historical role

“The major question is will this new Congress be one of action, or will we see the same old gridlock of the past several years.”

in securing sufficient votes to allow the passage of major legislation — particularly in transportation. One only needs to look at the last two major, long-term transportation bills for an example — TEA-21 in 1998, and SAFETEA-LU in 2005. Both of these major bills were passed with

Republicans in control of both the House and Senate and many credit the ability of Congressional leaders to win votes by providing substantial earmarks for individual member districts as the key to success. I don’t expect earmarks to return in January, but don’t be surprised if the debate resurfaces in the near future.

As the new leadership makes its priorities known, there’s no doubt more questions will emerge on the impact this election cycle will have on the future of public transportation. The major question is will this new Congress be one of action, or will we see the same old gridlock of the past several years. The deciding factor will be whether the new Republican majority will be willing to avoid internal divisions and unite to work together with the president to pass meaningful transportation legislation. For the sake of the future of our nation’s infrastructure, let’s hope so. 

Paul J. Dean is the director of Dean & Dean Consulting LLC.



Revolutionizing Accessible Transportation.

Built from the ground up and not a conversion, MV-1 is designed to withstand the demands of round-the-clock operations. MV-1 is ADA compliant, FMVSS certified with no exceptions or exemptions and the only purpose-built mobility vehicle that meets the “Buy America” act. Contact Mobility Ventures and learn why more transit authorities are switching to MV-1.

www.mv-1.us
(877) 681-3678

© Mobility Ventures LLC

MV-1®

For more information, visit www.MassTransitmag.com/11316271

DECEMBER 2014/JANUARY 2015 | MassTransitmag.com | *Mass Transit* | 21



January 9, 2015

Carl Sedoryk
General Manager/CEO
Monterey-Salinas Transit
One Ryan Ranch Road
Monterey, CA 93940

Subject: Transportation Excellence Awards Ceremony

Dear Mr. Sedoryk:

Congratulations! The Transportation Agency for Monterey County would like to present MST and the Monterey Bay Aquarium a Transportation Excellence Award for your outstanding contribution to improving transportation and promoting education in Monterey County, specifically for the MST-Free to Learn Program.

The ceremony will take place on January 28, 2015 at 9:30 a.m. during the regularly scheduled Transportation Agency for Monterey County Board Meeting. The meeting will be held at the Agricultural Center Conference Room, 1428 Abbott Street in Salinas.

Feel free to invite guests to be present at the ceremony. There will be light refreshments provided for those in attendance.

Please RSVP via email to theresa@tamcmonterey.org or give Theresa Wright a call at 831-775-4411 by Thursday, January 15, 2015. Be sure to include the number of guests you are bringing.

Congratulations again!

Sincerely,


Debra L. Hale
Executive Director

cc: Barbara Meister, Nominator

*you do an excellent
job in your community
programs - Thank you!*

Blank Page



Commentary

Let's Restore Parity for the Commuter Tax Benefit

BY CARL SEDORYK
General Manager/Chief Executive Officer
Monterey-Salinas Transit

About 30 years ago, a series of smart public policies was placed into effect allowing workers to defray public transportation costs through their employers' benefits packages, helping to reduce public costs of traffic congestion and improving air quality.

In 1998, Congress amended the tax code to allow employees to take advantage of the benefit using pre-tax dollars, and in later years similar benefits were provided to both active-duty and civilian personnel with the Department of Defense. By 2009, the monthly tax-free cap commuters could spend on the public transit benefit was raised to \$230, making the benefit equal to the automobile parking portion. In addition, bicycle commuting was incentivized through the addition of a \$20 per month benefit.

Over its life, the popularity of the commuter benefits has grown; multiple employee surveys have ranked it—along with health, retirement, and disability insurance—among the top benefits offered by companies.

However, equity between the benefit's public transit commuter portion and the parking portions was short-lived. By 2012, the transit portion was reduced to \$125, then raised to \$245 in 2013, and then

cut to \$130 in 2014. Over the same time, the monthly parking benefit has steadily increased to \$250 per month. The current tax policy unfairly penalizes both the commuters who use public transit and the companies that employ them, and it provides an incentive for automobile commuters, adding more congestion to overburdened highway infrastructure and increasing traffic congestion and emissions.

A lesser-known population that has been adversely affected by reductions in the commuter benefit is the hardworking men and women of our armed services and Department of Defense. Instead of a receiving a pre-tax benefit for commuting, qualifying military and DOD personnel receive a monthly cash stipend in the form of a check or debit card they can use to purchase a transit pass from their local public transit operator.

Dozens of military bases and installations have partnered with their local public transit operator in communities

large and small throughout the U.S. Tens of thousands of active duty military and civilian defense employees are seeing their annual income reduced by thousands of dollars each year that Congress fails to extend the benefit.

High Value of Full Benefit

Monterey-Salinas Transit (MST) provides just one example of how the increased public transit benefit positively impacted a community. When the commuter benefit program received a funding boost from the American Recovery and Reinvestment Act to increase from \$110 to \$230 monthly, MST was able to create a sustainable model to fund partnerships with local military bases and create express routes that serve the Presidio of Monterey, Naval Postgraduate School, and Fort Hunter Liggett.

More than 1,000 military personnel signed up to use the bus service in its first month, and more than 122,000 passengers boarded the service during its first year. At its peak (when the commuter benefit program increased to \$240 per month), MST had 16 new routes connecting military personnel and the general public to work, school, and shopping destinations, with ridership

growing to more than 530,000 annual boardings.

In addition to dramatically reducing vehicle miles traveled, carbon emissions, and traffic congestion, this growth helped create and sustain 26 new jobs at MST, with wages adding \$2 million annually to the local economy.

When the transit benefit was reduced overnight to \$130, MST was forced to dramatically reduce service to our military community and the general public to close a \$800,000 deficit that was created by the loss of transit-benefit-funded bus pass sales.

This scenario is being repeated in defense communities across the nation, decreasing the quality of life both the military members and the residents

of the communities that support their activities. Every year, the continued success of these very popular programs is dependent upon Congress continuing the commuter transit benefit at a rate that is comparable to the current parking benefit.

Nonpartisan Support

The Frontier Group, a nonprofit organization that provides policy guidance on a range of issues, including transportation, offers three recommendations:

- Increase the maximum value of the public transit tax benefit to restore parity with parking tax benefits;
- Require employers that offer tax-free parking to their employees to also offer transit benefits or empower their workers to "cash out" the value of the subsidized parking they receive by converting it to cash income; and
- Expand the scope of commuter tax benefits to include benefits for bike sharing and car sharing and to provide parallel benefits for workers who carpool.

The Joint Committee on Taxation—a nonpartisan committee of the Congress—issued a new "score," or rating, of the cost of establishing parity. The score estimated that by equalizing the benefits at \$235 a month, the nation would experience a savings to the federal treasury of \$131 million over 10 years.

In addition, all of us—public transit leaders in the public and private sectors—know that the nation would also experience increased ridership, reduced traffic congestion, and improved air quality.

Now is the time for Congress to act—once and for all—to establish permanent parity between the transit and parking benefits, to eliminate subsidies that promote traffic congestion, and enact policies and incentives that support the nation's transportation policy goals and fiscal priorities.

This "Commentary" section features different points of view from various sources to enhance readers' broad awareness of themes and views that affect public transportation.

PASSENGER Transport

ISSN 0364-345X

The Source for Public Transportation News and Analysis
VOLUME 72, NUMBER 24
ESTABLISHED 1943

Published bi-weekly by the American Public Transportation Association, 1666 K St., N.W., Washington, D.C., 20006; (202) 496-4800; Fax (202) 496-4321; www.apta.com

It is the mission of *Passenger Transport* to communicate news and information about public transportation and to serve as the voice of the public transportation industry.

Rosemary Sheridan, Publisher

rsheridan@apta.com

Kathy Golden, Editor

kgolden@apta.com

Deborah Bongiorno, Senior Managing Editor

dbongiorno@apta.com

Susan Berlin, Senior Editor

sberlin@apta.com

Jack Gonzalez, Director-Marketing and Sales

jgonzalez@apta.com

Erin Cartwright, Marketing & Communications Assistant

ecartwright@apta.com

Mitchell Wood, Graphic Designer

mwood@apta.com

News & Commentary: *Passenger Transport* welcomes articles, announcements, commentary, and letters to the editor. Submitted photographs become the property of APTA and may be used for other association purposes. Send submissions to sberlin@apta.com.

Passenger Transport is a registered trademark of the American Public Transportation Association (APTA). Statements and opinions expressed in *Passenger Transport* are those of the authors and do not necessarily reflect those of APTA. Acceptance of advertising, advertisements, and articles does not imply APTA endorsement of goods, products, or services.

Subscriptions: Individual subscriptions within North America & U.S. possessions, \$75 per year; \$125 for two years. First-class subscriptions, \$113 per year; \$201 for two years. Subscriptions outside North America, \$87 per year; Annual service outside North America, \$147 per year. Quantity discounts available to APTA members, when billed to one address:
\$120 each copy \$65 each copy
24 and above \$60 each copy

Advertising Sales: The appearance of advertisements and new product or service information in *Passenger Transport* does not constitute an endorsement of such products or services by APTA.

For Advertisers, Inc.

adinfo.pasgofortny.com

Chicago (312) 634-3888 New York (212) 725-2166 Atlanta (404) 443-0211

Dynaliti (248) 626-0511 Los Angeles (213) 228-1250

POSTMASTER: Send address changes to *Passenger Transport*, 1666 K St., N.W., Washington, D.C. 20006. Periodicals postage paid at Washington, D.C., and additional mailing offices.

APTA Officers

Phillip A. Washington, Chair

Valerie J. McCall, Vice Chair

Dorran J. Barnes, Secretary/Treasurer

Peter Varga, Immediate Past Chair

Executive Committee Members-at-Large

Michael A. Allgeier, Utah Transit Authority

Christopher P. Boylan, General Contractors Association of New York, Inc.

Nathaniel P. Ford Sr., Jacksonville Transportation Authority

Huelon A. Harrison, Legacy Resource Group

Angela Iannozzello, ASCEM

Paul C. Jablonski, San Diego Metropolitan Transit System

Joanne Krelig, Eastern Connecticut Transit Authority

Dennis P. McNamee, LAKETRIAN

Rosa Navejar, The Riss Group

Keith T. Parker, Metropolitan Atlanta Rapid Transit Authority

Thomas E. Prendergast, New York Metropolitan Transportation Authority

Michael A. Sanders, Connecticut DOT

Patrick J. Scully, Meier Coach Industries

Carl G. Sedoryk, Monterey-Salinas Transit

President & CEO

Michael P. Melaniphy

Petra Mollet, Chief of Staff

Pamela L. Basswell, Vice President, Workforce Development and Educational Services

Mary Childress, Vice President, Finance

Arthur Guzzetti, Vice President, Policy

Robert Brady, Vice President, Government Affairs

James LaBrosse, Chief Counsel and Vice President, Corporate Affairs

Rosemary Sheridan, Vice President, Communications and Marketing

Kathryn D. Waters, Executive Vice President, Member Services

Follow APTA on Twitter @APTA_info and visit our Facebook page at facebook.com/americanpublictransportationassociation

