



**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 Sand City • City of Seaside • City of Soledad • County of Monterey*

**Board of Directors Regular Meeting  
October 8, 2018**

Frank J. Lichtanski Administrative Building  
Board Room, First Floor  
19 Upper Ragsdale Dr., Suite 100, Monterey 93940  
**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 at the board meeting for your return trip or a trip to the destination of your choice up to \$17.00.

**1. CALL TO ORDER**

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

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

*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. CONSENT AGENDA**

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

- 3-1. Adopt Resolution 2019-07 recognizing Jessica Diaz, HR Assistant as Employee of the Month for October 2018. (Angelina Ruiz) (Page 5)

*Advocating and delivering quality public transportation as a leader within our community and industry.*

**Transit District Members** Monterey County • Carmel-by-the-Sea • Del Rey Oaks • Gonzales • Greenfield • King City • Marina • Monterey  
Pacific Grove • Salinas • Sand City • Seaside • Soledad **Administrative Offices** 19 Upper Ragsdale Drive, Suite 200 Monterey, CA 93940

PH 1-888-MST-BUS1 (1-888-678-2871) • FAX (831) 899-3954 • WEB [mst.org](http://mst.org)

- 3-2. Adopt Resolution 2019-08 Adopt Resolution recognizing Ken Walker, Coach Operator for his 21 years of service. (Robert Weber) (Page 7)
- 3-3. Minutes of the regular meeting of September 10, 2018. (Jeanette Alegar-Rocha) (Page 9)
- 3-4. Minutes of the BOPC Meeting of September 10, 2018. (Jeanette Alegar-Rocha) (Page 15)
- 3-5. Financial Report – August 2018. (Lori Lee) (Page 17)
- 3-6. Disposal of Property Left On Board Buses. (Sonia Wills) (Page 25)
- 3-7. Approve Performance Incentive Pool for MSTEA and Confidential Unit. (Carl Sedoryk) (Page 27)
- 3-8. Extension of Advertising Sales with Chidlaw Marketing. (Hunter Harvath) (Page 29)
- 3-9. Claim Rejections- Jarrod Dirig, Karen Reinhard and Vonda White. (Ben Newman) (Page 31)

End of Consent Agenda

#### **4. RECOGNITION AND SPECIAL PRESENTATIONS**

- 4-1. October Employee of the Month – Jessica Diaz, HR Assistant (Angelina Ruiz)
- 4-2. 21 Years of Service- Ken Walker, Coach Operator. (Robert Weber)

#### **5. PUBLIC HEARINGS**

- 5-1. Public Hearing for Emergency Service Reductions and/or Fare Increases (Hunter Harvath) (Enclosure) (Page 33)

#### **6. ACTION ITEMS**

- 6-1. Receive Update Approve Financing Documents for South County Maintenance & Operations facility. (Hunter Harvath) (Page 41)
- 6-2. Authorize MST to purchase one (1) 40 ft low floor coach from Gillig Corporation not to exceed \$554,600. (Norm Tuitavuki) (Page 57)
- 6-3. Authorize the purchase of three (3) service trucks at the lowest price/best options at the time of purchase not to exceed \$37,000.00 each. (Norman Tuitavuki) (Page 59)

- 6-4. Approve a Three Year Agreement with ZONAR™ Corporation for an Electronic Verified Inspection Reporting System. (Robert Weber) (Page 61)

## **7. REPORTS & INFORMATION ITEMS**

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

- 7-1. General Manager/CEO Report – August 2017. (Page 63)
- 7-2. Washington, D.C. Lobby Report – September 2017. (Page 93)
- 7-3. State Legislative Advocacy Update – August 2017. (Page 95)
- 7-4. Staff Trip Reports. (Page 97-101)
- 7-5. Correspondence
  - a. Air District Press Release - AB2766 (Page 103)
  - b. Innovative Clean Transit Letter (Page 105)
  - c. Janus Decision (Page 109)

## **8. BOARD REPORTS, COMMENTS & REFERRALS**

- 8.-1 Reports on meetings attended by board members at MST expense. (AB 1234)
- 8-2. Board member comments and announcements.
  - a. Zero Emission Bus Ribbon Cutting at Salinas City Hall, Tuesday, October 9, 2018
- 8-3. Board member referrals for future agendas.

## **9. CLOSED SESSION**

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

*As permitted by Government Code §64956 et seq. of the State of California, the Board of Directors may adjourn to Closed Session to consider specific matters dealing with personnel and/or pending possible litigation and/or conferring with the Board's Meyers-Milias-Brown Act representative*

- 9-1. Conference with Labor Negotiators Gov. Code § 54957.6. Amalgamated Transit Union (ATU), and MST. (D. Laredo, K. Halcon)

## 10. RETURN TO OPEN SESSION

- 10-1 Report on Closed Session and possible action.

## 11. ATTACHMENTS

- 11-1. The detailed monthly Performance Statistics and Disbursement Journal for August 2018 can be viewed online within the GM Report at <http://mst.org/about-mst/board-of-directors/board-meetings/>

## 12. ADJOURN

**NEXT MEETING DATE:** November 5, 2018

19 Upper Ragsdale Dr., Monterey, Suite 100

**NEXT AGENDA DEADLINE:** October 23, 2018

*\*Dates and times are subject to change.*

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

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

*Upon request, Monterey-Salinas Transit will provide written materials in appropriate alternative formats, including disability-related modifications or accommodations, auxiliary aids, or services to enable individuals with disabilities to participate in public meetings. Please send a written request, including your name, mailing address, phone number, description of the requested materials, and preferred alternative format or auxiliary aid or service at least three working days prior to the meeting. Requests should be sent to MST – c/o Clerk to the Board, 19 Upper Ragsdale Dr., Suite 200, Monterey, CA 93940 or [clerk@mst.org](mailto:clerk@mst.org).*



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**JESSICA DIAZ  
OCTOBER 2018  
EMPLOYEE OF THE MONTH**

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

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

WHEREAS, Jessica Diaz began her career with Monterey-Salinas Transit in September of 2013 after working as a temp in the HR Department as a Human Resources Assistant. She has demonstrated initiative and professionalism with all aspects within the HR Department; and

WHEREAS, Jessica Diaz has taken initiative in assisting employees with issues or questions with a helpful attitude and a smile on her face. She was previously recognized as Employee of the Month in October of 2015; and,

WHEREAS, Jessica Diaz was recently solely tasked with taking on the entire coach operator recruitment. Her efficiency in multi-tasking and prioritizing her work load allowed her to effectively work on each step of the recruitment process; and

WHEREAS, Jessica Diaz flawlessly executed a successful Coach Operator recruitment that yielded a class of eleven new coach operators when MST has normally only been able to bring in five candidates; and

THEREFORE BE IT RESOLVED that the Board of Directors of Monterey-Salinas Transit District recognizes Jessica Diaz as Employee of the Month for October 2018; and

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

THE BOARD OF DIRECTORS OF MONTEREY-SALINAS TRANSIT  
PASSED AND ADOPTED RESOLUTION 2019-07 this 8<sup>th</sup> day of October 2018.

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Michael LeBarre  
Chairperson

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Carl G. Sedoryk  
Secretary

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**KEN WALKER  
21 YEARS OF SERVICE**

WHEREAS, Ken Walker began his career with the Monterey-Salinas Transit in September of 1997. During his 21 year career at MST, Ken Walker supported MST's Transportation Department and MST customers, and

WHEREAS, Ken Walker was recognized for his safety record - accumulating 20 years of safe driving and has received written commendations for his service as a Line Instructor and Certified Department of Transportation Trainer for his attention to detail and excellent driving skills; and

WHEREAS, Ken Walker was recognized for his commitment to MST's Mission as the Employee of the Month in July of 2006 and MST's Employee of the Year for 2006.

WHEREAS, after 21 years of service to MST and approximately 535,000 miles behind the wheel serving his customers, Ken Walker retired on September 1, 2018.

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

BE IT FURTHER RESOLVED the Board of Directors expresses its sincere gratitude to Ken Walker and wishes him success and a satisfying retirement.

THE BOARD OF DIRECTORS OF MONTEREY-SALINAS TRANSIT  
PASSED AND ADOPTED RESOLUTION 2019-08 this 8th day of October 2018.

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Mike LeBarre  
Chairperson

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Carl G. Sedoryk  
Secretary

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**MST BOARD OF DIRECTORS**

Frank J. Lichtanski Administrative Building  
19 Upper Ragsdale Dr., Suite 100, Monterey 93940

**MEETING MINUTES**

**September 10, 2018**

<b>Present:</b>	Carolyn Hardy	City of Carmel-by-the-Sea
	Kristin Clark	City of Del Rey Oaks
	Robert Bonincontri	City of Gonzalez
	Yanely Martinez	City of Greenfield
	Mike LeBarre	City of King
	Frank O'Connell	City of Marina
	Dan Albert	City of Monterey
	Luis Alejo	County of Monterey
	Ken Cuneo	City of Pacific Grove
	Tony Barrera	City of Salinas
	Mary Ann Carbone	City of Sand City
	Dave Pacheco	City of Seaside
	Anna Velazquez	City of Soledad
<b>Absent:</b>	None	
<b>Staff:</b>	Carl Sedoryk	General Manager/CEO
	Hunter Harvath	Assistant General Manager
	Norman Tuatavuki	Deputy Chief Operating Officer
	Kelly Halcon	Directory of HR & Risk Management
	Lisa Rheinheimer	Director of Planning and Marketing
	Jeanette Alegar-Rocha	Executive Assistant / Clerk to the Board
	Beronica Carriedo	Community Relations Coordinator
	Andrea Williams	Accountant and Budget Manager
	Michelle Overmeyer	Grants Analyst
	Alvin Johnson	Contract Transportation Supervisor
	Deanna Smith	Compliance Analyst
	Mike Butler	Marketing and Customer Service Manager
	Cristy Sugabo	Mobility Manager
	Claudia Valencia	Mobility Specialist
	Melissa Valadez	Human Resources Assistant
	Rudy Mora	Coach Operator

**Public:** Don Parslow MV/Transportation  
Margaret E. Stewart MST Rides Customer

*Apology is made for any misspelling of a name.*

**1. CALL TO ORDER**

1-1. Roll Call.

1-2. Pledge of Allegiance.

**Chair Barrera called the meeting to order at 10:00 a.m. The pledge of allegiance was led by Director Velazquez.**

1-3. Review Highlights of the agenda.

Mr. Sedoryk reviewed the highlights of the agenda.

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

Ms. Margaret E. Stewart, an 83 year old regular passenger on the MST RIDES program and resident of Monterey, CA, expressed her concerns before the Board of Directors with regards to her inability to make contact with the RIDES office on the evening of August 23, 2018 for her ride home from Salinas to Monterey.

Mr. Sedoryk and the MST Board sincerely apologized for the lack of service received by Ms. Stewart and informed her RIDES and MST staff members were present to address her concerns.

**3. CONSENT AGENDA**

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

3-1. Adopt Resolution 2019-03 recognizing Lori Lee, Accounting Manager, as Employee of the Month for August 2018. (Andrea Williams)

3-2. Adopt Resolution 2019-04 recognizing Agustin Rueles, Advanced Mechanic as Employee of the Month for September 2018. (Norman Tuitavuki)

3-3. Minutes of the regular meeting of July 9, 2018. (Jeanette Alegar-Rocha)

3-4. Receive Minutes of the MAC meeting of May 30, 2018. (Claudia Valencia)

3-5. Financial Reports –June and July 2018. (Lori Lee)

3-6. Disposal of Property left on buses. (Sonia Wills)

- 3-7. Approve Resolutions 2019-05 and 2018-06 for SB1 State of Good Repair Grant Program. (Michelle Overmeyer)
- 3-8. Authorize staff the purchase of up to \$70,000 of RIDES Communications and Video Surveillance Equipment Software. (Robert Weber)
- 3-9. Authorize the General Manager/CEO to execute a contract with Trapeze Software Group Inc. for one year of maintenance support at a cost of \$46,481. (Mark Eccles)
- 3-10. Approve MAC Advisory Committee Appointment - Stefania Castillo. (Cristy Sugabo)
- 3-11. Approve revised Social Media Policy. (Enclosure) (Lisa Rheinheimer)
- 3-12. Receive FY 2019 MST Committee Assignments. (Carl Sedoryk)

End of Consent Agenda

Direct Velazquez pulled items 3-4, for question.

**Director Martinez made the motion to approve all remaining items on the consent agenda and was seconded by Director Carbone. The motion passed unanimously.**

#### **4. RECOGNITION AND SPECIAL PRESENTATIONS**

- 4-1. Lori Lee - August Employee of the Month.
- 4-2. Agustin Rueles - September Employee of the Month.
- 4-3. Rudy Mora - 30 Years of Service.
- 4-4. Kristin Clark - 15 Years of Service on MST Board.
- 4-5. 2018 Rider, Community, and Free 40s Market Research Report. (Enclosure) (Mike Butler)

#### **5. PUBLIC HEARINGS**

None

#### **6. ACTION ITEMS**

- 6-1. Approve the amendment to the Anti-Harassment and Bullying Policy. (Enclosure) (Kelly Halcon)

Public Comment – None

**Director O'Connell made the motion to approve agenda item 6-1 with the additional "executed in the presence of" signature line on the policy and was seconded by director Cuneo. The motion passed unanimously.**

- 6-2. Approve the developed MST Gym use policy and waiver of liability.  
(Enclosure) (Kelly Halcon)

Public Comment – None

**Director Albert made the motion to approve item 6-2 with the addition of Workers Compensation Language added to the Acknowledgement and Release of Liability Form and was seconded by director Velazquez. The motion passed unanimously.**

- 6-3. Authorize expenditure of up to \$165,000 to build a Mobility Training Center at 15 Lincoln Avenue in Salinas, funded by Measure Q sales tax Revenues.  
(Hunter Harvath)

Public Comment – None

**Director Clark made the motion to approve item 6-3 and was seconded by director Martinez. The motion passed unanimously.**

Public Comment – None

- 6-4. Adopt an "oppose" position on California State Proposition 6 on the November 6, 2018, ballot. (Hunter Harvath)

**Director Albert made the motion to approve item 6-4 and was seconded by director Carbone. The motion passed unanimously.**

**Director Alejo arrived at 11:13 a.m.**

## **7-1. REPORTS & INFORMATION ITEMS**

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

- 7-1. General Manager/CEO Report. –June-July 2018.
- 7-2. Washington, D.C. Lobby Report. – July-August 2018.
- 7-3. State Legislative Advocacy Update. – July-August 2018.
- 7-4. Staff Trip Reports.
- 7-5. Correspondence.

## 8.1 BOARD REPORTS, COMMENTS, AND REFERRALS

- 8-1. Reports on meetings attended by board members at MST expense (AB 1234).
- 8-2. Board member comments and announcements.
- 8-3. Board member referrals for future agendas.
- 8-4. GM/CEO Performance Evaluation Forms.

## 9. CLOSED SESSION

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

*As permitted by Government Code §64956 et seq. of the State of California, the Board of Directors may adjourn to Closed Session to consider specific matters dealing with personnel and/or pending possible litigation and/or conferring with the Board's Meyers-Milias-Brown Act representative.*

- 9-1. Approve Incentive Pool for MSTEA and Confidential Unit. (Kelly Halcon)

## 10. RETURN TO OPEN SESSION

- 10-1 Report on Closed Session and possible action.

**Dave Laredo reported that staff provided updates on closed session item with no reportable action taken by the board.**


## 11. ATTACHMENTS

11-1. The detailed monthly Performance Statistics and Disbursement Journal for June-July 2018 can be viewed online within the GM Report at <http://mst.org/about-mst/board-of-directors/board-meetings/>

## 12. ADJOURN

There being no further business, Chair LeBarre adjourned the meeting at 11:58 a.m.

PREPARED BY:

  
Jeanette Alegar-Rocha

REVIEWED BY:

  
Carl G. Sedoryk

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**Board Operations Performance Committee (BOPC)**

19 Upper Ragsdale Drive, Suite 200  
Monterey, CA 93940

**Minutes**

September 10, 2018  
9:00 a.m.

**Present:** Hardy, Bonincontri, Albert (Chair), Cuneo, Carbone,  
Velazquez (Vice-Chair)

**Absent:** None

**Staff:** Carl Sedoryk, General Manager/CEO; Hunter Harvath, Assistant General Manager; Norman Tuitavuki, Deputy Chief Operating Officer, Lisa Reinheimer, Director of Planning & Marketing; Dave Laredo, De Lay & Laredo; Jeanette Alegar-Rocha, Clerk to the Board; Deanna Smith, Compliance Analyst; Michelle Overmeyer, Grants Analyst

**Public:** None

**1. Call to Order.**

Chairperson Albert called the meeting to order at 9:00 a.m.

**2. Call to order.**

**3. Public comment on matters not on the agenda.**

None

**4. Consent Agenda**

4-1. Received FY 2018 Performance Results. (Carl Sedoryk)

4-2. Received Emergency Service Reduction Plan and Public Hearings Update. (Hunter Harvath)

**The committee was informed of the potential \$3 million in transit funding reductions which could result in the reduction of services.**

4-3. Received Salinas Transit Center and King City Facility Update. (Hunter Harvath)

**The committee was requested staff to provide a concept design of the King City Facility to review at the next Board Operations Performance Committee (BOPC).**

4-4. Received New Bus Equipment Update (Norm Tuitavuki)

**The committee was informed of the cost not to exceed \$7,000 for new bus equipment qualifies for Measure Q funding.**

**5. Closed session.**

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

5-1. Conference with Labor Negotiator ATU. (Kelly Halcon / Dave Laredo)  
Janus Decision / ATU – MST Negotiations Update.

**Chair Albert requested that this item be a closed session on the October board meeting agenda.**


**6. Return to open session and report on closed session.**

**7. Staff and Committee member comments, questions, or referrals.**

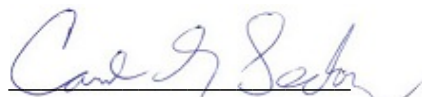
**8. Adjourn.**

There being no further business, the meeting was adjourned at 9:51 a.m.

PREPARED BY:

  
Jeanette Alegar-Rocha

REVIEWED BY:

  
Carl G. Sedoryk



To: Board of Directors  
From: Lori Lee  
Subject: Financial Reports – August 2018

**RECOMMENDATION:**

1. Accept report of August 2018 cash flow presented in Attachment #1
2. Approve August 2018 disbursements listed in Attachment #2
3. Accept report of August 2018 treasury transactions listed in Attachment #3

**FISCAL IMPACT:**

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

Beginning balance August 1, 2018	\$13,078,102.83
Revenues	8,466,070.65
Disbursements	<u>&lt;8,638,992.03&gt;</u>
Ending balance August 31, 2018	<u>\$12,905,181.45</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.

**DISCUSSION:**

By the end of August, the second month of FY 2019, a \$196,317 surplus on the fixed-route portion of the operations was off set by a \$128,138 deficit on the MST RIDES operation, resulting with a year-to-date surplus of \$68,179. This negative RIDES variance can be attributed in part to increased demand for paratransit services on weekends in Salinas, which must be provided for free in association with our “Free 40’s” promotion for fixed-route buses in Salinas on weekends. Under the federal Americans with Disabilities Act regulations, when free fares are offered on fixed-route

buses, comparable ADA paratransit trips must also be free. Staff has noted record high passenger boardings on the MST RIDES program.

The following fixed-route expenses have negative variances of greater than 5% or have a monetary value greater than \$5,000 as seen in the August Budget vs. Actual reports contained in Attachment #4:

- 1. Purchased Transportation** – This 6.5% negative variance can be attributed to having both CSUMB routes and the MST Trolley running simultaneously for the last week of August. This is our maximum period of MV operated services. As such, MV transportation expenses are expected to be slightly higher in August than the average month.

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:  REVIEWED BY:   
Lori Lee Carl G. Sedoryk

## ATTACHMENT 1

### (REVENUES & DISBURSEMENTS)

#### CASH FLOW

Beginning balance 08/01/18 13,078,102.83

#### Revenues

Passenger Revenue	389,017.22
DOD Revenue	300,085.00
LTF / STA / 5307	4,943,471.71
Sales Tax	605,044.93
Grants	966,685.96
Loan Proceeds	1,216,563.00
Interest Income	1,049.77
Non Transit Revenue	44,153.06

Total Revenues

8,466,070.65

#### Disbursements

Operations (See Attachment #2)	4,264,683.94
Capital	4,374,308.09

Total Disbursements

(8,638,992.03)

Ending balance 08/31/18

12,905,181.45

**PAYROLL ACCOUNT**

August 3 Payroll & Related Expenses	614,062.25	
August 17 Payroll & Related Expenses	666,864.52	
August 31 Payroll & Related Expenses	637,042.83	
PERS & 457	282,882.35	
Garnishments	7,414.67	
PERS Health Insurance	<u>346,352.23</u>	
	2,554,618.85	2,554,618.85

**GENERAL ACCOUNT**

Disbursements on Attached Summary	5,972,755.00	
Paydown loans	32,667.70	
Workers Comp. Disbursements	63,656.99	
Interest expense	9,460.08	
Voided check from 06/30/18	(4,916.25)	
Bank Service Charge	<u>10,749.66</u>	
	6,084,373.18	6,084,373.18

Total Disbursements	<u>8,638,992.03</u>
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Less Capital Disbursements & Transfers	(4,374,308.09)
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<b>Operating Disbursements</b>	<b><u>4,264,683.94</u></b>
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## DISBURSEMENTS SUMMARY

GENERAL ACCOUNT DISBURSEMENTS FOR August 01, 2018 - August 31, 2018

VENDOR / DESCRIPTION	CHECKS	AMOUNT
Accounts Payable 08/02/2018	49598 - 49600	1,101,654.74
Accounts Payable 08/10/2018	49601 - 49740	2,980,628.81
Accounts Payable 08/22/2018	49741 - 49742	384.00
Accounts Payable 08/24/2018	49743 - 49844	326,603.55
Accounts Payable 08/28/2018	49845 - 49851	33,679.72
Accounts Payable 08/29/2018	49852 - 49853	1,529,804.18
<b>TOTAL</b>		<b>5,972,755.00</b>

## CHECKS \$100,000 AND OVER

VENDOR / DESCRIPTION	BOARD APPROVED	CHECK NUMBER	CHECK DATE	AMOUNT
BLUESCOPE CONSTRUCTION	TDA Rehab September 19, 2016	49614	8/10/18	511,430.06
GILLIG	Bus Purchase November 14, 2016	49599	8/2/18	1,007,350.28
GILLIG	Bus Purchase November 14, 2016	49656	8/10/18	1,041,965.55
GILLIG	Bus Purchase November 14, 2016	49852	8/29/18	522,453.90
GILLIG	Bus Purchase November 14, 2016	49853	8/29/18	1,007,350.28
MV TRANSPORTATION	Recurring Expense	49683	8/10/18	701,035.94
FIRST ALARM	TDA Security Systems February 5, 2018	49641	8/10/18	104,151.40

## ATTACHMENT 3

### TREASURY TRANSACTIONS FOR AUGUST 2018

#### LAIF ACCOUNT

<u>Date</u>	<u>Account</u>	<u>Bank</u>	<u>Deposit</u>	<u>Withdrawal</u>	<u>Balance</u>
Balance Forward at 08/01/18					7,127,608.01
08/14/18	308	Transfer to General Checking		1,500,000.00	5,627,608.01
					5,627,608.01
Local Agency Investment Fund: Quarterly interest earned - .92%					5,627,608.01
LAIF Treasury Balance at 08/31/18					5,627,608.01

#### RABOBANK MM ACCOUNT

<u>Date</u>	<u>Account</u>	<u>Bank</u>	<u>Deposit</u>	<u>Withdrawal</u>	<u>Balance</u>
Balance Forward at 08/01/18					1,208,600.89
08/02/18	308	AP/Payroll		775,000.00	433,600.89
08/02/18	479	LTF	1,395,094.10		1,828,694.99
08/03/18	212	Military Passes	189,000.00		2,017,694.99
08/10/18	308	AP/Payroll		1,538,000.00	479,694.99
08/14/18	LAIF Trust	AP/Payroll	1,500,000.00		1,979,694.99
08/16/18	308	AP/Payroll		1,500,000.00	479,694.99
08/21/18	479	LTF	1,166,469.00		1,646,163.99
08/24/18	702	LCTOP	51,158.72		1,697,322.71
08/31/18	212	Military Passes	72,000.00		1,769,322.71
08/31/18		Interest @ 0.30%	241.24		1,769,563.95
RABO MM Balance at 08/31/18					1,769,563.95

## MONTEREY-SALINAS TRANSIT

## Revenue &amp; Expense - Consolidated

## Budget vs Actual

For the Period from August 1, 2018 to August 31, 2018

(Amounts are in USD)

(Includes Fund: 001|004)

(Includes G/L Budget Name: BUDFY19)

	Cur Mo. Actual	Cur Mo. Budget	Cur Mo. Variance	YTD Actual	YTD Budget	YTD Variance
<b>Revenue</b>						
Passenger Fares	-321,311	-316,249	-5,062	-612,602	-632,498	19,896
Special Transit	-459,575	-571,644	112,069	-895,167	-1,143,288	248,121
Cash Revenue	-61,784	-29,912	-31,872	-104,534	-59,824	-44,710
Cash Grants & Reimbursement	-2,752,152	-2,753,652	1,500	-5,504,304	-5,507,304	3,000
<b>Total Revenue</b>	<b>-3,594,823</b>	<b>-3,671,457</b>	<b>76,634</b>	<b>-7,116,607</b>	<b>-7,342,914</b>	<b>226,307</b>
<b>Expenses</b>						
Labor	1,345,689	1,366,996	-21,307	2,679,320	2,733,992	-54,672
Benefits	776,420	881,991	-105,571	1,679,972	1,763,982	-84,010
Advertising & Marketing	9,418	7,434	1,984	18,502	14,868	3,634
Professional & Technical	75,860	74,375	1,485	137,525	148,750	-11,225
Outside Services	35,613	37,084	-1,471	74,147	74,168	-21
Outside Labor	90,991	124,339	-33,348	166,096	248,678	-82,582
Fuel & Lubricants	267,683	307,865	-40,182	464,464	615,730	-151,266
Supplies	72,436	86,744	-14,308	137,394	173,488	-36,094
Vehicle Maintenance	68,706	69,183	-477	162,956	138,366	24,590
Marketing Supplies	2,462	2,293	169	2,568	4,586	-2,018
Utilities	47,064	46,929	135	85,919	93,858	-7,939
Insurance	77,545	80,148	-2,603	157,585	160,296	-2,711
Taxes	17,331	17,633	-302	37,159	35,266	1,893
Purchased Transportation	495,224	465,159	30,065	953,002	930,318	22,684
Miscellaneous Expenses	26,441	46,904	-20,463	69,647	93,808	-24,161
Interfund transfers						
Pass Thru/Behalf of Others						
Interest Expense	12,556	16,667	-4,111	21,046	33,334	-12,288
Leases & Rentals	33,764	39,713	-5,949	72,986	79,426	-6,440
<b>Total Operating Expenses</b>	<b>3,455,205</b>	<b>3,671,457</b>	<b>-216,252</b>	<b>6,920,290</b>	<b>7,342,914</b>	<b>-422,624</b>
<b>Operating (Surplus) Deficit</b>	<b>-139,618</b>	<b>-139,618</b>	<b>-196,317</b>	<b>-196,317</b>	<b>-196,317</b>	<b>-196,317</b>

NOTES

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**MONTEREY-SALINAS TRANSIT**

Revenue & Expense - Consolidated

Budget vs Actual

For the Period from August 1, 2018 to August 31, 2018

(Amounts are in USD)

(Includes Fund: 002)

(Includes G/L Budget Name: BUDFY19)

	Cur Mo. Actual	Cur Mo. Budget	Cur Mo. Variance	YTD Actual	YTD Budget	YTD Variance
<b>Revenue</b>						
Passenger Fares	-23,813	-23,171	-642	-46,613	-46,342	-271
Special Transit						
Cash Revenue						
Cash Grants & Reimbursement	-435,443	-435,443		-870,886	-870,886	
<b>Total Revenue</b>	<b>-459,256</b>	<b>-458,614</b>	<b>-642</b>	<b>-917,499</b>	<b>-917,228</b>	<b>-271</b>
<b>Expenses</b>						
Labor	10,056	10,473	-417	21,512	20,946	566
Benefits	5,549	5,562	-13	11,198	11,124	74
Advertising & Marketing		417	-417		834	-834
Professional & Technical		417	-417		834	-834
Outside Services						
Outside Labor	5,173	8,375	-3,202	10,348	16,750	-6,402
Fuel & Lubricants	57,998	38,070	19,928	110,034	76,140	33,894
Supplies	228	1,957	-1,729	1,191	3,914	-2,723
Vehicle Maintenance						
Marketing Supplies						
Utilities	120		120	160		160
Insurance						
Taxes						
Purchased Transportation	433,760	374,490	59,270	854,097	748,980	105,117
Miscellaneous Expenses	18,494	18,853	-359	37,097	37,706	-609
Interfund transfers						
Pass Thru/Behalf of Others						
Interest Expense						
Leases & Rentals						
<b>Total Operating Expenses</b>	<b>531,379</b>	<b>458,614</b>	<b>72,765</b>	<b>1,045,637</b>	<b>917,228</b>	<b>128,409</b>
<b>Operating (Surplus) Deficit</b>	<b>72,122</b>		<b>72,122</b>	<b>128,138</b>		<b>128,138</b>



To: Board of Directors

From: Sonia Wills, Customer Service Supervisor

Subject: Disposal of unclaimed property left on bus

Per MST's Disposal of Lost and Found Property Policy adopted on November 13, 2017, lost items listed below which are left on buses, bus benches, at transit centers, at bus stops, and/or which have been turned in to bus or RIDES Operators, Customer Service Representatives, or any MST employee will be held at one of MST's Customer Service locations for a three (3) month period.

MST makes an attempt to contact the owners of Lost and Found items. The items listed below are unclaimed after 90 days and will be auctioned off per Policy:

*Electronic devices: (cell phones, laptops, iPods, iPads, tablets, etc)*

Black headphones	1 power cable for a PC
1 Alcatell smart phone	1 laptop charger
1 black bag with phone chargers	5 Cell phones
1 Android charger	1 Ear bud

*Wallets/purses and Driver's License or Identification Cards:*

2 Wallets	1 EBT card
5 Credit cards	1 Insurance card
1 California ID card	2 School ID cards

*Keys, glasses, jewelry, credit cards, cash:*

13 pairs of eye/sunglasses	5 Watches
1 Key	3 Bracelets
3 Sets of keys	1 Eyeglass prescription case

*Musical instruments:*

None

*Skateboards, strollers, and scooters*

Black cane

*Umbrellas:*

None

*Bicycles, bike helmets, and locks:*

1 Bike lock	1 Bike pump
-------------	-------------

*Briefcases, portfolios, books and backpacks:*

2 "Journals"	1 Small backpack
1 Frame with a fish	2 Notebooks
1 "Desired" book	1 Bible
1 "Calculus for dummies" book	1 Purse with toys
1 "Study Bible" book	1 Small purse
1 Bag with make-up	1 Tote bag
1 Biology book	

*Estimated fair market value of \$100 or more:*

None

*Cash to be retained:*

\$4.45

PREPARED BY:  REVIEWED BY:   
Sonia Wills Carl G. Sedoryk

To: Board of Directors

From: Carl Sedoryk, General Manager/CEO

Subject: Approve Performance Incentive Pool for MSTEA and Confidential Unit

**RECOMMENDATION:**

Award FY 2018 performance incentives for eligible Monterey-Salinas Transit Employee Association (MSTEA) and Confidential Unit employees per recommendation from General Manager/CEO to implement.

**FISCAL IMPACT:**

Approximately \$143,533 in annual performance incentive payments for 62 eligible MSTEA and MST Confidential Unit employees (excluding the General Manager/CEO). This amount is available in the approved FY 2019 Operating Budget.

**POLICY IMPLICATIONS:**

Per an agreement with the MSTEA, each year your board establishes the size of an incentive pay pool equal to 3.0 percent of total base pay of the approximately 62 eligible MSTEA and Confidential Unit Members.

**DISCUSSION:**

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

Your Board received a presentation from the General Manager/CEO in Closed Session at your meeting of September 10, 2018 on staff performance in achievement of board adopted goals. The incentive payment shall be a one-time payment to the employees and shall not increase the employee's base pay.

PREPARED BY:

  
Carl G. Sedoryk

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To: Board of Directors  
From: Hunter Harvath, Assistant General Manager  
Subject: Bus Advertising Consulting Services

**RECOMMENDATIONS:**

Authorize staff to negotiate a contract for three years with Chidlaw Marketing to continue coordinating the MST "Advertising on the Go" program and to provide support in expanding advertising revenue streams for the agency.

**FISCAL IMPACT:**

This revenue-generating contract would continue to provide Chidlaw Marketing with a 10% commission on all bus and shelter ad collections. Based on the FY 2019 budget of \$315,000 in projected bus and shelter ad sales, the commission that would be generated by Chidlaw Marketing is estimated at \$31,500 annually

**POLICY IMPLICATIONS:**

Your Board approves purchases over \$25,000.

**DISCUSSION:**

Since August of 2010, Chidlaw Marketing has performed bus advertising consulting services for the agency under a commission-based revenue contract. The services provided to the agency by Chidlaw Marketing have been of superior quality and effectiveness. Under this firm's direction, MST's bus advertising program has generated revenues that have increased by approximately 250% between FY 2010, the year before Chidlaw Marketing was engaged, and FY 2018, which saw ad sales of \$323,531. In that regard, staff is requesting your Board's authorization to enter into a 3-year contract with Chidlaw Marketing to continue providing these valued services.

PREPARED BY:   
Hunter Harvath

REVIEWED BY:   
Carl G. Sedoryk

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

**RECOMMENDATION:**

Reject claims by the claimants below.

**FISCAL IMPACT:**

\$5,407.00

**POLICY IMPLICATIONS:**

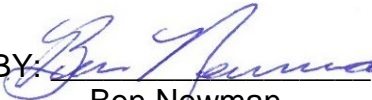
None


**DISCUSSION:**

1. Jarrod Dirig submitted a claim for repairs to his vehicle sustained in an accident with an MST bus on August 27, 2018. The Police Report indicates Mr. Dirig caused the accident and is responsible.
2. Karen Reinhard submitted an injury claim alleging the bus made an abrupt stop causing her to have headaches and neck pain. There is no monetary amount noted on the claim and video from the bus does not support the allegations.
3. Vonda White submitted a claim indicating that after she got off the bus she slipped on her walker and fell hitting her chin on a bus bench.

Monterey-Salinas Transit has no liability in these claims and recommends each be rejected in its entirety.

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

PREPARED BY:   
Ben Newman

APPROVED BY:   
Carl G. Sedoryk

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To: Board of Directors

From: Hunter Harvath, Assistant General Manager

Subject: Public Hearing for Emergency Service Reductions and/or Fare Increases

**RECOMMENDATION:**

Conduct public hearing regarding potential service reductions and/or fare increases pending repeal of transportation funding as proposed in Proposition 6. Authorize staff to begin implementing service reductions and/or fare increases effective as early as December 15, 2018 if Proposition 6 passes in November.

**FISCAL IMPACT:**

There would be a loss of approximately \$3 million in state revenue annually to MST's operating budget if the Proposition 6 gas tax repeal effort is successful in November. Three public hearings were conducted in September to inform the public about potential reductions in bus services and/or fare increases that would be part of the District's efforts to sustain this significant cut in funding.

**POLICY IMPLICATIONS:**

Your Board authorizes staff to hold public hearings regarding major service reductions and/or fare increases. Under the MST Public Hearings Policy adopted by the Board in March 2017, public hearings are necessary when there is a significant reduction in service and/or a proposed fare increase.

**DISCUSSION:**

Senate Bill 1 (SB 1), approved by the California Legislature with the constitutionally required 2/3rds majority in April 2017, is a comprehensive revenue generating mechanism that provides the first significant, stable, and on-going increase in state transportation funding in more than two decades. While much of this revenue is dedicated to highways and roads, MST has programmed and receives its ongoing share of SB 1 funds to support current transit services, to maintain its assets in a state of good repair, and to initiate planning for future transit projects that would relieve congestion throughout the county. A major component of SB 1 is an increase in the state gas tax paid per gallon at the pump by the general public.

Since the passage of SB 1, a statewide anti-tax campaign garnered signatures to place Proposition 6, a repeal of SB 1 gas tax, on the November 2018 ballot. Because Proposition 6 is now on the November ballot, voters will determine the fate of more than \$5 billion in annual funding to repair and upgrade the state's transportation infrastructure, including more than \$1 billion a year available to public transit systems, of which, MST receives approximately \$3 million annually in formula funds. In addition, MST also is eligible to compete for supplemental discretionary funds on a project-by-project basis as evaluated and awarded by the state.

In order to plan for a potential loss of approximately \$3 million annually in formula SB 1 funds, MST would have to implement a variety of strategies that would include reductions in transit services and/or fare increases. Not counting partnership revenues (e.g., military, trolley, CSUMB, etc.), traditional passenger fares only generate approximately \$4 million per year. As such, simply increasing fares would not raise sufficient funds to address the \$3 million loss of funds. Therefore, substantial reductions in existing bus services that are not supported by MST's partnership programs would also have to occur.

In accordance with federal regulations as well as policies adopted by your Board, public hearings must be held to solicit input on any proposed fare increase and/or service reductions. MST staff complied with the Public Hearings Policy by following the Public Hearing Guidelines contained in the Policy:

1. Public hearings were held in geographically equitable locations: Seaside, Salinas, and Greenfield.
2. Public hearings were conducted after normal business hours to give members of the public an opportunity to attend.
3. Public comments were allowed to be submitted in writing, in person, or by telephone.
4. Two weeks advance notice was given by:
  - a. Written notification on the interior of all buses.
  - b. Legal advertising and display ads in 4 newspapers (*Monterey County Weekly*, *Monterey Herald*, the *Californian*, and *El Sol*)
  - c. Notice was given two weeks before the hearings in both English and Spanish.
  - d. A press release was issued two weeks before the hearings.
5. All public hearings included Spanish language interpretation. The Greenfield public hearing also had a Triqi interpreter available.

The public was provided a copy of a PowerPoint presentation as well as a list of MST lines which would be eligible for cuts and which ones would be protected as shown in the attachment 'Draft Service Reductions and Proposed Fare Increase'.

The public comments received at these hearings have been summarized in the attached 'Public Comments Received' document. Of note, there was a request that if Proposition 6 passes and service cuts are required, additional public meetings be held to solicit additional feedback on the details of the service reductions and/or fare increases.

The final public hearing is scheduled for the October 8, 2018 Board Meeting.

The MST Board may authorize staff to begin implementing service reductions, pending the results of the November election, effective December 15, 2018.


Attachments:

1. Draft Service Reductions and Proposed Fare Increase
2. Public Comments Received

PREPARED BY:

  
\_\_\_\_\_  
Hunter Harvath

REVIEWED BY:

  
\_\_\_\_\_  
Carl G. Sedoryk

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## Proposed Emergency Service Reductions and Fare Increase

### Public Comments Received

Facebook Comments					
	Date	Name	Type	Received Via	Comment
1.	8/31	Virginia Solaria	Fare	Facebook comment	Please no fare increase!
2.	8/31	Charles Boomer Tanner	General	Facebook comment	Record number of riders...fares already highest they've been, new buses. And hiring like crazy... I'm calling this greed and not budget problems. The only thing you should be worried about anymore is gas money.
Seaside Public Hearing Number of attendees: 3					
	Date	Name	Type	Received Via	Comment
3.	9/17	Maria Aguiler	Fares, service	Seaside public hearing	Ms. Aguiler does not want the transit fares increased or the service reduced. She takes the bus to work and uses many routes in the MST system including lines JAZZ, 18, and 20.
4.	9/17	Rosa Garcia	Fares, service	Seaside public hearing	Ms. Garcia does not want the transit fares to be increased or the service reduced. She uses the bus to get her daughter to school on Flores in Seaside. If service is reduced on MST routes, she would be required to get up earlier and wait for the bus longer. She uses lines JAZZ, 11, 18, and 24.
5.	9/17	Ms. Garcia's daughter		Seaside public hearing	Ms. Garcia's daughter accompanied her mother to provide translation.

**Salinas Public Hearing**  
**Number of attendees: 3**

	Date	Name	Type	Received Via	Comment
6.	9/18	Sara Jen	Fare service, wifi, farebox issues	Salinas public hearing	Ms. Jen uses lines 29, 41, 49, 20, 48, 55, and 95. She asked if service on line 95 would be offered in the reverse direction and inquired about the routes being proposed for elimination. Mr. Harvath responded that lines Jazz C, 4, 43, and 56 were on the list for possible service reductions. She also asked when the service changes would go into effect and for how long. Mr. Harvath replied that possibly effective at the end of February 2019. In addition, he mentioned that MST would try and look for funding to help reinstate service that was affected. She also brought up an issue with WiFi service on line 55 being intermittent, and when she uses a GoCard in conjunction with her pass, she notices that the farebox isn't deducting the discounted amount as an upcharge. She suggested posting a sign notifying passengers to purchase a daypass if they were planning on taking more than one trip on a given day. Check to see if the RealTime numbers at the Northridge mall bus stop are scratched off and check to see what buses service the Big 5 stop.
7.	9/18	Tony Paredes	Fare, service	Salinas public hearing	Mr. Paredes enjoys the Free 40's on weekends. Asked that MST not change lines 41, 47, 55, and 86 schedule. Did not want a fare increase and would like MST to continue free rides home for Hartnell students. Mr. Harvath indicated that the Hartnell free fare zone and Line 47 would not be affected by these proposed service reductions.
8.	9/18	Timothy Waddy	Fare, service	Salinas public hearing	Mr. Waddy would like for MST to continue the free ride home for Hartnell students and continue late service from Hartnell to North Salinas during the week, helps him get home from school. Mr. Harvath indicated that the Hartnell free fare zone and Line 41 weekday service would not be affected by these proposed service reductions.

<b>Greenfield Public Hearing</b> <b>Number of attendees:15</b>					
	Date	Name	Type	Received Via	Comment
9.	9/19	General Comments from multiple individuals	Service	Greenfield public hearing	<p>A lot of people use line 23 more than the On Call. He said that he likes the On Call service because it helps him get around now that his legs don't always feel well enough to walk.</p> <p>Agreed that line 23 is used more and added that line 23 takes a lot of people to school (Hartnell)</p> <p>Given the option between keeping service on line 23 and eliminating On Call service or the other way around, she would prefer keeping line 23</p>
10.	9/19	Former MST employee Marty Ramirez	Service	Greenfield public hearing	<p>On Call is also very important for people with walking limitations and who need to get around. On Call is also needed to help get people to the new Yanks Air Museum in Greenfield because it's going to be a major attraction. Line 23 is also important bus so is On Call. Hartnell will also expand its campus in King City, attracting more riders for school.</p>
11.	9/19	Petra Leyva	Service and fares	Greenfield public hearing	<p>Asked if it would be possible to reduce both line 23 and On Call rather than all cuts on one or the other. Asked if fares would increase.</p>
12.	9/19	Estela Ramirez	Service	Greenfield public hearing	<p>Asked about Proposition 6 and what it would do. Asked if MST could check ridership on all lines and cut service where ridership is lowest. She suggested that MST keep the On Call service because there are very limited options in South County for transportation.</p>

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To: Board of Directors

From: Hunter Harvath – Assistant General Manager

Subject: South County Maintenance & Operations facility in King City

**RECOMMENDATIONS:**

1. Receive update on the progress of planning, permitting, financing and design-build procurement for the South County Maintenance & Operations facility in King City.
2. Approve Resolution 2019-09 Authorizing an issuance of Certificates of Participation in the amount of \$5 million and certain other related actions, including:
  - a. Agreement to Lease MST Property at 179 San Antonio Drive, King City to Monterey-Salinas Transit Corporation
  - b. Property Lease: 179 San Antonio Drive, King City
  - c. Trust Agreement by and among Monterey-Salinas Transit, Monterey-Salinas Transit Corporation and MST Assistant General Manager as Trustee with regards to payment of Certificates of Participation
3. Approve USDA Loan Resolution Form RD 1942-47

**FISCAL IMPACT:**

The current project budget is \$12,510,265 to be funded by a combination of federal, state and local sources.

**POLICY IMPLICATIONS:**

At the October 16, 2017, meeting, your Board gave staff authorization to file appropriate loan documents to advance this project to the design-build phase of work. The first of those documents was filed with the USDA as of March 27, 2018. In that regard, the next step in securing the financing is adoption of Resolution 2019-09 (Attachment 1), which enables the issuance of \$5 million in financing (through Certificates of Participation) to help fund the construction of the South County Maintenance & Operations facility in King City.

**DISCUSSION:**

Since the October 16, 2017, meeting of your Board, staff has been working diligently with the United States Department of Agriculture (USDA) and the Federal Transit Administration (FTA) as well as the City of King to move this project forward. MST has accomplished major milestones and progress to date with regards to planning,

permitting, financing, and procurement of a design/build contractor. Both federal and state environmental documentation is complete, and MST received its conditional use permit in July 2018 from the King City planning commission. Staff is working with an architect on bid documents for an RFP that will be issued to a short-list of up to 3 qualified teams that submitted responses to a Request for Qualifications on August 30<sup>th</sup>.

With regard to financing, staff has been working closely with Stephanie Downs, an attorney with the firm Meyers-Nave, who has extensive experience in financing projects with the USDA's Community Facility program targeting rural areas. In consultation with the USDA, she has drafted a resolution to be approved by your Board, which will authorize a series of steps for staff to take that will prepare the District to execute the financing of \$5 million through the issuance of Certificates of Participation. MST General Counsel has reviewed these documents and is satisfied with their content

The entity through which this financing is possible is the Monterey-Salinas Transit Corporation (MSTC). Originally established in association with a 2002 financing of nearly \$20 million to fund 40 replacement buses and 6 trolleys, the MSTC will once again be utilized for this \$5 million in financing and will convene following the regular MST Board meeting to adopt a similar resolution to authorize the mechanism through which the USDA loan and its repayment will transpire. This somewhat complex arrangement is outlined in detail in a memo (Attachment 2). In addition, the USDA requires the MST Board of Directors to adopt a Loan Resolution Form RD 1942-47 (Attachment 3) in order to receive the loan.

Looking forward, this \$5 million USDA loan would be paid off in annual principal and semi-annual interest payments over 28 years. TAMC Measure X sales tax funds would pay down the loan, which could be pre-paid over a shorter period of time without penalty. With the USDA loan letter of commitment signed and in place, staff has revised the project budget as follows:

FTA Grant	\$ 4,119,172
State Prop 1B funds	\$ 472,000
State-Local Partnership Program	\$ 242,000
TAMC Measure X	\$ 1,835,253
<u>USDA Loan</u>	<u>\$ 5,000,000</u>
Total Construction Funds	\$11,668,425
<u>Pre-construction costs</u>	<u>\$ 841,840</u>
<b>Grand Total Project Cost</b>	<b>\$12,510,265</b>

Attachment 1: Resolution 2019-09

Attachment 2: September 13, 2018, memo from Stephanie Downs, Meyers-Nave

Attachment 3: USDA Loan Resolution Form RD 1942-47

## RESOLUTION NO. 2019-09

**A RESOLUTION OF THE GOVERNING BOARD OF THE MONTEREY  
SALINAS TRANSIT DISTRICT RELATING TO THE ISSUANCE OF  
CERTIFICATES OF PARTICIPATION; APPROVING THE FORMS OF  
AND AUTHORIZING THE EXECUTION AND DELIVERY WHERE  
APPLICABLE OF A PROPERTY LEASE, A LEASE AGREEMENT, A  
TRUST AGREEMENT AND AN ASSIGNMENT AGREEMENT IN  
CONNECTION THEREWITH; AND AUTHORIZING CERTAIN OTHER  
RELATED ACTIONS**

**(South County Maintenance and Operations Facility)**

**WHEREAS**, the Monterey County Board of Supervisors passed Ordinance No. 2016-01 (the “**Ordinance**”) adopting a Transportation Safety and Investment Plan (the “**Plan**”) for the Transportation Agency for Monterey County (“**TAMC**”) and imposing a retail transactions and use tax of three-eighths of one percent (3/8%) over a period of thirty years for, among other things, the purpose of reducing traffic congestion on local roads and highways (the “**Tax Revenues**”); and

**WHEREAS**, the Ordinance also provides bonding authority based upon the Tax Revenues; and

**WHEREAS**, pursuant to the Plan, the Monterey Salinas Transit District, a California special district (the “**District**”) located within the jurisdiction of TAMC, was allocated a portion of the tax revenues to construct the South County Maintenance and Operations facility, to be located in King City (the “**Project**”); and

**WHEREAS**, the District, proposes to enter into a financing program with the United States Department of Agriculture, acting through its agency the USDA Rural Development (“**USDA-RD**”) (all references in this resolution to USDA-RD shall be deemed to include the related USDA-Rural Housing Service, also known as USDA-RHS), to finance a portion of the cost and expense of the acquisition and construction of the Project, and in connection with the loan financing program, the District intends to cause the execution and delivery to USDA-RD of certificates of participation (the “**Certificates**”); and

**WHEREAS**, in support of the proposed Certificates, the District proposes to enter into a financing program with the Monterey Salinas Transit Corporation, a nonprofit corporation duly organized and existing under and by virtue of the laws of the State of California (the “**Corporation**”), for the lease to the Corporation of the real property on which the Project will be constructed (the “**Site**”), together with the existing appurtenant improvements, if any (the “**Existing Facilities**”) situated thereon, and the lease-purchase by the District from the Corporation of the completed Project; and

**WHEREAS**, to implement the foregoing, the District proposes to convey the Site and the Existing Facilities to the Corporation by entering into a Property Lease (the “**Property**

**Lease**”), dated as of November 1, 2018, whereby the Corporation will lease the Site and the Existing Facilities from the District for a nominal cash consideration; and

**WHEREAS**, to further implement the foregoing, the Corporation and the District propose to execute and enter into a Lease Agreement (the “**Lease Agreement**”), dated as of November 1, 2018, whereby the Corporation will agree to implement the Project and to lease the Site and the Existing Facilities, as improved by the completed Project (together, the “**Leased Facilities**”), to the District, and the District will lease the Leased Facilities from the Corporation by the payment of a prescribed schedule of payments (the “**Lease Payments**”), and whereby the District will accept appointment by the Corporation as agent for the Corporation to implement the Project; and

**WHEREAS**, to further implement the foregoing, the Corporation and the Trustee propose to execute and enter into an Assignment Agreement (the “**Assignment Agreement**”), dated as of September 1, 2008, whereby the Corporation will assign to the Trustee (as said term is defined below) all of its rights and entitlements under the Property Lease and the Lease Agreement, including but not limited to the entitlement to receive the Lease Payments from the District; and

**WHEREAS**, the Lease Payments will be paid from Tax Revenues allocated to the District from TAMC and from any other lawful revenues available to the District; and

**WHEREAS**, to further implement the foregoing, the District, as agent for the Corporation for implementation of the Project, will finance a portion of the costs of the Project from the proceeds of the Certificates, to be executed and delivered by the Assistant General Manager of the District, as trustee (the “**Trustee**”) under and pursuant to a Trust Agreement (the “**Trust Agreement**”), dated as of November 1, 2018, by and among the Trustee, the Corporation and the District; and

**WHEREAS**, the District expects to pay, and will pay, on and after the date hereof, certain expenditures (the “**Reimbursement Expenditures**”) to be made in connection with the Project prior to the issuance of the Certificates for the purpose of financing costs associated with the Project on a long-term basis; and

**WHEREAS**, the District has determined that it is necessary to reimburse the Reimbursement Expenditures from the proceeds of the Certificates; and

**WHEREAS**, the District reasonably expects that Certificates in an amount not expected to exceed \$5,000,000 will be issued, in one or more series, and that certain of the proceeds of the Certificates will be used to reimburse the Reimbursement Expenditures; and

**WHEREAS**, Section 1.150-2 of the Treasury Regulations requires the Issuer to declare its reasonable official intent to reimburse prior expenditures for the Project with proceeds of a subsequent borrowing; and

**WHEREAS**, all acts, conditions and things required by the Constitution and laws of the State of California to exist, to have happened and to have been performed precedent to and in connection with the consummation of such financing authorized hereby do exist, have

happened and have been performed in regular and due time, form and manner as required by law, and the District is now duly authorized and empowered, pursuant to each and every requirement of law, to consummate such financing for the Project in the manner and upon the terms herein provided;

**NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BOARD OF THE MONTEREY SALINAS TRANSIT DISTRICT AS FOLLOWS:**

Section 1. The District hereby specifically finds and declares that the actions authorized hereby constitute and are with respect to public affairs of the District and that the statements, findings and determinations of the District set forth above and in the recitals of the documents approved herein are true and correct.

Section 2. The form of the Property Lease, presented to this meeting and on file with the Clerk of the Board (the “**Clerk**”), is hereby approved, and the General Manager of the District, or his designee (the “**General Manager**”) is hereby authorized and directed, for and in the name and on behalf of the District, to execute and deliver to the Corporation the Property Lease in substantially said form, with such changes therein as the General Manager may require or approve, in consultation with bond counsel, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 3. The form of the Lease Agreement, presented to this meeting and on file with the Clerk, is hereby approved, and the General Manager is hereby authorized and directed, for and in the name and on behalf of the District, to execute and deliver to the Corporation the Lease Agreement in substantially said form, with such changes therein as the General Manager may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof; provided, that the schedule of the principal and interest components of the Lease Payments contained in the Lease Agreement and to be attached as Exhibit B to the Lease Agreement shall be determined by the General Manager upon the sale and delivery of the Certificates to USDA-RD.

Section 4. The form of the Trust Agreement, presented to this meeting and on file with the Clerk, is hereby approved, and the General Manager is hereby authorized and directed, for and in the name and on behalf of the District, to execute and deliver to the Trustee and the Corporation the Trust Agreement in substantially said form, with such changes therein as such officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. Furthermore, the Assistant General Manager, as trustee, is hereby authorized and directed to execute and deliver to the District and the Corporation the Trust Agreement in substantially said form, with such changes therein as the Assistant General Manager, as trustee, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Without limiting the generality of the foregoing, the Assistant General Manager is authorized and directed to provide USDA-RD with information designating a bank account of the District from which amounts payable to USDA-RD on account of the principal of and the interest on the Certificates may be withdrawn semiannually, when due and payable, pursuant to the Preauthorized Debit procedure prescribed by USDA-RD.

Section 5. While the District is not a party to the Assignment Agreement, the form of the Assignment Agreement, presented to this meeting and on file with the Clerk, is hereby approved, and upon execution and delivery thereof by the respective parties thereto, the District will honor the Assignment Agreement and submit the Lease Payments in accordance with instructions from the Trustee pursuant to the Assignment Agreement and the Trust Agreement. Furthermore, the Assistant General Manager, as trustee, is hereby authorized and directed to execute and deliver to the Corporation the Assignment Agreement in substantially said form, with such changes therein as the Assistant General Manager, as trustee, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 6. The District and the Assistant General Manager, as trustee, shall participate with the Corporation in such financing whereby the District will (a) undertake the implementation of the Project as the agent of the Corporation, utilizing the proceeds of sale of the Certificates for such purpose, and (b) lease the Project from the Corporation by payment of the scheduled Lease Payments.

Section 7. Sale of the Certificates to the USDA-RD is hereby approved, and upon receipt of the formal offer of USDA-RD to purchase the Certificates (the “Offer”), the General Manager (or such other officer or representative of the District to whom the transmittal of the Offer is transmitted to the District) is hereby authorized and directed to communicate acceptance of the Offer in writing.

Section 8. The District hereby declares its official intent to use proceeds of indebtedness to reimburse Reimbursement Expenditures. This declaration is made solely for purposes of establishing compliance with the requirements of Section 1.150-2 of the Treasury Regulations and does not bind the District to make any expenditure related to the Project.

Section 9. The officers and employees of the District are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they may deem necessary or desirable in order to consummate the sale, execution and delivery of the Certificates to USDA-RD, including the completion and submission to USDA-RD of documents customarily required by USDA-RD in connection with the subject loan financing, and otherwise to carry out, give effect to and comply with the terms and intent of this resolution, the Certificates, the Property Lease, the Lease Agreement, the Trust Agreement and the Assignment Agreement. All such actions heretofore taken by such officers are hereby ratified, confirmed and approved.

Section 10. This resolution shall take effect immediately upon its passage.

\* \* \*

I HEREBY CERTIFY that the foregoing Resolution was duly introduced, passed and adopted at a regular meeting of the Governing Board Monterey Salinas Transit District, held on October 8, by the following vote:

AYES: Board Members \_\_\_\_\_

NOES: Board Members \_\_\_\_\_

ABSENT: Board Members \_\_\_\_\_

ABSTAINING: Board Members \_\_\_\_\_

ATTEST:

APPROVED:

Clerk of the Board

By: \_\_\_\_\_

Clerk

By: \_\_\_\_\_

Chair

3055322.1

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Stephanie Downs  
 Attorney at Law  
 sdowns@meyersnave.com



## MEMORANDUM

**DATE:** September 13, 2018  
**TO:** Hunter Harvath,  
 Assistant General Manager  
**FROM:** Stephanie Downs, Bond Counsel  
**RE:** **Summary of Proposed Certificates of Participation for USDA Loan for the South District Maintenance and Operations Facility**

### Introduction

This memo is provided to explain the responsibilities of the Monterey Salinas Transit District (the “**District**”) and the Monterey-Salinas Transit Corporation (the “**Corporation**”) with respect to the legal agreements for the above referenced USDA loan transaction, involving the execution and delivery of Certificates of Participation (the “**COPs**”) for the construction of the South District Maintenance and Operations Facility (the “**Project**”). This memorandum briefly outlines the four legal agreements which provide for repayment of the USDA loan from Tax Revenues and other lawful revenues of the District through execution and delivery of the COPs.

The District intends to repay the USDA loan from sales tax revenues that have been levied by Monterey County on behalf of the Transportation Agency for Monterey County and allocated to the District pursuant to the TAMC transit plan (the “**Tax Revenues**”). The voters approved the levy of the Tax Revenues in 2016.

In furtherance of providing for execution and delivery of the COPs, we will be drafting and submitting the four agreements listed below for approval by the District and by the Corporation:

1. Property Lease
2. Lease Agreement
3. Trust Agreement
4. Assignment Agreement

To: Hunter Horvath  
From: Stephanie Downs  
Re: Summary of Proposed Certificates of Participation for USDA Loan for the South District  
Maintenance and Operations Facility  
Date: September 13, 2018  
Page: 2

As a practical matter, once the four agreements have been signed, the Corporation will have no further role in this loan transaction with the USDA, but it is none-the-less essential, in order to make the COPs valid security instruments, to have the Corporation serve as a party to the agreements.

### **The Four Agreements and the COP's**

The District, the District's Assistant General Manager (the "**AGM**"), as Trustee, and the Corporation will be parties to some or all of these four agreements in order to provide for the execution, delivery and sale of the COPs to USDA-RD. The four agreements follow a standard format for COP transactions, where the money to repay the principal of and the interest on the COPs is to come from the District's share of the Tax Revenues and other lawfully available funds. The four agreements are summarized as follows:

1. Under the Property Lease, the Corporation agrees to lease the site upon which the Project will be constructed (the "**Property**"), and the District agrees to lease the Property to the Corporation.
2. Under the Lease Agreement, the Corporation agrees to implement construction of the Project as an improvement to the Property. The District agrees (a) to accept appointment as the agent of the Corporation to actually implement and construct the Project, and (b) to appropriate Lease Payments (which is matched up to the USDA loan payments) from Tax Revenues and any other lawfully available funds of the District.
3. Under the Trust Agreement, the AGM is appointed as the initial Trustee. Hence, all references in this memorandum to the "**Trustee**" are in fact references to the AGM.

The Trustee agrees to (a) provide for execution and delivery of the COPs to USDA as the purchaser of the COPs in exchange for the loan proceeds, (b) to receive and administer the loan proceeds to pay for the Project and related incidental expenses (engineering, bond counsel fees, etc) and (c) to receive the Lease Payments and apply the moneys to repayment of the principal of and interest on the USDA loan (semi-annual payments to be made by pre-authorized debit procedure described in the next paragraph – the Trustee does not have to send payments).

As one of their standard conditions, USDA requires the District to provide a pre-authorized debit payment process, by which USDA will automatically debit the designated District bank account for the semi-annual payments on the COPs, with the result that the Trustee will not actually have to take any action to make the payments to USDA.

To: Hunter Horvath  
From: Stephanie Downs  
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In the unlikely event of a default by the District in making the Lease Payments, the Trustee is obligated to pursue one or more of the prescribed “remedies,” set forth in the Trust Agreement, and in that case the AGM would probably opt, as provided in the Trust Agreement, to hire an outside Trustee as Co-Trustee (most likely, a bank which provides such services).

4. Under the Assignment Agreement, the Corporation assigns to the Trustee the right to receive the Lease Payments.

### **Appropriation Lease**

The Lease Agreement is set up as an appropriation lease, since the District does not have the right to levy the Tax Revenues and is dependent on the receipt of the Tax Revenues from the Transportation Agency of Monterey County. The Lease Agreement will require the District to appropriate the Lease Payments from any lawfully available funds on an annual basis.

### **Reimbursement**

The resolution authorizing the execution of the documents and the issuance of the COP’s provides that the District may reimburse itself from proceeds of the COP’s for any funds advanced prior to issuance of the COP’s. This is required for tax reasons, since the proceeds from the COP’s are tax exempt.

### **Conclusion**

The net result of four agreements outlined above is that the Corporation has no continuing function. The Corporation will appoint the responsibility to construct the project to the District, and will assign all rights to collect the payments under the Lease Agreement to the Trustee. The combined effect of the agreements is that, under normal circumstances, only the District and the AGM have any actual role to play to (a) implement the Project, (b) repay the loan and (c) provide annual financial information to USDA.

As mentioned above, in the unlikely event of a District default in making an Installment Payment on time, the AGM, as Trustee, would very likely turn to the services of an outside Co-Trustee to assist in pursuing remedies to cure the default.

In the event that you have any further questions, please don’t hesitate to contact me.

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USDA

Form RD 1942-47

(Rev. 12-97)

## LOAN RESOLUTION

(Public Bodies)

FORM APPROVED

OMB NO. 0575-0015

A RESOLUTION OF THE \_\_\_\_\_

OF THE \_\_\_\_\_

AUTHORIZING AND PROVIDING FOR THE INCURRENCE OF INDEBTEDNESS FOR THE PURPOSE OF PROVIDING A PORTION OF THE COST OF ACQUIRING, CONSTRUCTING, ENLARGING, IMPROVING, AND/OR EXTENDING ITS

FACILITY TO SERVE AN AREA LAWFULLY WITHIN ITS JURISDICTION TO SERVE.

WHEREAS, it is necessary for the \_\_\_\_\_

(Public Body)

(herein after called Association) to raise a portion of the cost of such undertaking by issuance of its bonds in the principal amount of \_\_\_\_\_

pursuant to the provisions of \_\_\_\_\_; and

WHEREAS, the Association intends to obtain assistance from the Rural Housing Service, Rural Business - Cooperative Service, Rural Utilities Service, or their successor Agencies with the United States Department of Agriculture, (herein called the Government) acting under the provisions of the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) in the planning, financing, and supervision of such undertaking and the purchasing of bonds lawfully issued, in the event that no other acceptable purchaser for such bonds is found by the Association:

NOW THEREFORE in consideration of the premises the Association hereby resolves:

1. To have prepared on its behalf and to adopt an ordinance or resolution for the issuance of its bonds containing such items and in such forms as are required by State statutes and as are agreeable and acceptable to the Government.
2. To refinance the unpaid balance, in whole or in part, of its bonds upon the request of the Government if at any time it shall appear to the Government that the Association is able to refinance its bonds by obtaining a loan for such purposes from responsible cooperative or private sources at reasonable rates and terms for loans for similar purposes and periods of time as required by section 333(c) of said Consolidated Farm and Rural Development Act (7 U. S. C. 1983 (c)).
3. To provide for, execute, and comply with Form RD 400-4, "Assurance Agreement," and Form RD 400-1, "Equal Opportunity Agreement," including an "Equal Opportunity Clause," which clause is to be incorporated in, or attached as a rider to, each construction contract and subcontract involving in excess of \$ 10,000.
4. To indemnify the Government for any payments made or losses suffered by the Government on behalf of the Association. Such indemnification shall be payable from the same source of funds pledged to pay the bonds or any other legal permissible source.
5. That upon default in the payments of any principal and accrued interest on the bonds or in the performance of any covenant or agreement contained herein or in the instruments incident to making or insuring the loan, the Government at its option may (a) declare the entire principal amount then outstanding and accrued interest immediately due and payable, (b) for the account of the Association (payable from the source of funds pledged to pay the bonds or any other legally permissible source), incur and pay reasonable expenses for repair, maintenance, and operation of the facility and such other reasonable expenses as may be necessary to cure the cause of default, and/or (c) take possession of the facility, repair, maintain, and operate or rent it. Default under the provisions of this resolution or any instrument incident to the making or insuring of the loan may be construed by the Government to constitute default under any other instrument held by the Government and executed or assumed by the Association, and default under any such instrument may be construed by the Government to constitute default hereunder.
6. Not to sell, transfer, lease, or otherwise encumber the facility or any portion thereof, or interest therein, or permit others to do so without the prior written consent of the Government.
7. Not to defease the bonds, or to borrow money, enter into any contract or agreement, or otherwise incur any liabilities for any purpose in connection with the facility (exclusive of normal maintenance) without the prior written consent of the Government if such undertaking would involve the source of funds pledged to pay the bonds.
8. To place the proceeds of the bonds on deposit in an account and in a manner approved by the Government. Funds may be deposited in institutions insured by the State or Federal Government or invested in readily marketable securities backed by the full faith and credit of the United States. Any income from these accounts will be considered as revenues of the system.
9. To comply with all applicable State and Federal laws and regulations and to continually operate and maintain the facility in good condition.
10. To provide for the receipt of adequate revenues to meet the requirements of debt service, operation and maintenance, and the establishment of adequate reserves. Revenue accumulated over and above that needed to pay operating and maintenance, debt service and reserves may only be retained or used to make prepayments on the loan. Revenue cannot be used to pay any expenses which are not directly incurred for the facility financed by the Government. No free service or use of the facility will be permitted.

11. To acquire and maintain such insurance and fidelity bond coverage as may be required by the Government.
12. To establish and maintain such books and records relating to the operation of the facility and its financial affairs and to provide for required audit thereof as required by the Government, to provide the Government a copy of each such audit without its request, and to forward to the Government such additional information and reports as it may from time to time require.
13. To provide the Government at all reasonable times access to all books and records relating to the facility and access to the property of the system so that the Government may ascertain that the Association is complying with the provisions hereof and of the instruments incident to the making or insuring of the loan.
14. That if the Government requires that a reserve account be established and maintained, disbursements from that account may be used when necessary for payments due on the bond if sufficient funds are not otherwise available. With the prior written approval of the Government, funds may be withdrawn for:
  - (a) Paying the cost of repairing or replacing any damage to the facility caused by catastrophe.
  - (b) Repairing or replacing short-lived assets.
  - (c) Making extensions or improvements to the facility.

Any time funds are disbursed from the reserve account, additional deposits will be required until the reserve account has reached the required funded level.
15. To provide adequate service to all persons within the service area who can feasibly and legally be served and to obtain the Government's concurrence prior to refusing new or adequate services to such persons. Upon failure to provide services which are feasible and legal, such person shall have a direct right of action against the Association or public body.
16. To comply with the measures identified in the Government's environmental impact analysis for this facility for the purpose of avoiding or reducing the adverse environmental impacts of the facility's construction or operation.
17. To accept a grant in an amount not to exceed \$ \_\_\_\_\_

under the terms offered by the Government; that the \_\_\_\_\_

and \_\_\_\_\_ of the Association are hereby authorized and empowered to take all action necessary or appropriate in the execution of all written instruments as may be required in regard to or as evidence of such grant; and to operate the facility under the terms offered in said grant agreement(s).

The provisions hereof and the provisions of all instruments incident to the making or the insuring of the loan, unless otherwise specifically provided by the terms of such instrument, shall be binding upon the Association as long as the bonds are held or insured by the Government or assignee. The provisions of sections 6 through 17 hereof may be provided for in more specific detail in the bond resolution or ordinance; to the extent that the provisions contained in such bond resolution or ordinance should be found to be inconsistent with the provisions hereof, these provisions shall be construed as controlling between the Association and the Government or assignee

The vote was: Yeas \_\_\_\_\_ Nays \_\_\_\_\_ Absent \_\_\_\_\_.

IN WITNESS WHEREOF, the \_\_\_\_\_ of the  
\_\_\_\_\_ has duly adopted this resolution and caused it  
to be executed by the officers below in duplicate on this \_\_\_\_\_ day of \_\_\_\_\_,

(SEAL)

By

Attest:

Title

---

Title

**CERTIFICATION TO BE EXECUTED AT LOAN CLOSING**

I, the undersigned, as \_\_\_\_\_ of the \_\_\_\_\_  
hereby certify that the \_\_\_\_\_ of such Association is composed of  
\_\_\_\_\_ members, of whom \_\_\_\_\_, constituting a quorum, were present at a meeting thereof duly called and  
held on the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_; and that the foregoing resolution was adopted at such meeting  
by the vote shown above. I further certify that as of \_\_\_\_\_, the date of closing of the loan from the Government, said resolution  
remains in effect and has not been rescinded or amended in any way.

Dated, this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
Title \_\_\_\_\_

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To: Board of Directors  
From: Sandra Amorim, Purchasing Manager  
Subject: Authorize the Purchase of One Bus for South County Service

**RECOMMENDATION:**

Authorize MST to purchase one (1) 40 ft low floor coach from Gillig Corporation.

**FISCAL IMPACT:**

Not to exceed \$554,600. This purchase is 100% funded through FTA Bus and Bus Facilities (Section 5339) and toll credits administered by Caltrans.

**POLICY IMPLICATIONS:**

Your Board approves all purchases that exceed \$25,000.

**DISCUSSION:**

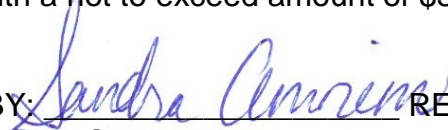
This vehicle is intended for service in southern Monterey County and will directly connect residents from Salinas to King City. This new vehicle will replace Bus #1808, a 2003 Gillig with 860,590 miles.

This bus will be dedicated to Line 23, which is a fixed route connecting the rural communities of King City, Greenfield, Soledad, Gonzales, and Chualar to the city of Salinas. Buses travel 50 miles in each direction and make several trips each day. Three to four buses are required to operate the service at its 90-minute headways. With this level of use, the vehicles accumulate high mileage. MST will receive a FTA section 5339 discretionary grant to replace a 40-foot transit bus that has met its useful life of 12 years or 500,000 miles with a new 40-foot transit bus.

MST and 21 other transit properties are members of the Central Contra Costa Transit Authority (CCCTA) purchasing consortium. As a member of the consortium, MST is able to purchase these coaches at a volume discount rate. Being a member of the purchasing consortium eliminates the need for staff to develop specifications independently and manage a lengthy procurement process.

Approval of this item will authorize staff to issue a purchase order to the Gillig Corporation with a not to exceed amount of \$554,600.00

PREPARED BY:

  
Sandra Amorim

REVIEWED BY:

  
Hunter Harvath

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To: Board of Directors  
From: Sandra Amorim, Purchasing Manager  
Subject: Facilities, Maintenance, and Parts Service Trucks

**RECOMMENDATIONS:**

Authorize the purchase of three (3) service trucks at the lowest price/best options at the time of purchase not to exceed \$37,000.00 each.

**FISCAL IMPACT:**

\$111,000. Funding is available in the Capital Budget.

**POLICY IMPLICATIONS:**

Your Board approves purchases over \$25,000.

**DISCUSSION:**

MST's Facility staff utilizes trucks and vans to service over 1,200 bus stops between San Jose and Paso Robles and at our transit centers. Facility support vehicles are mission critical and are used to move equipment, benches, and shelters, complete routine bus stop maintenance and repair, update service change signage and clean and maintain bus stops and transit centers. This new vehicle will replace MST Vehicle #497, a 2008 Ford F350 truck with 148,009 miles that has a repair cost estimate that is greater than the value of the truck.

MST's Maintenance and Parts staff uses service trucks specifically designed and equipped to support the movement of all MST vehicles and parts throughout MST's service area. Maintenance support vehicles are mission critical and essential to ensuring MST's fleet is safe, in good repair, and available for revenue service. MST's Maintenance staff responds to field repair calls, hazmat related incidents, and other calls for service that require a service truck. Parts staff shuttle critical parts between locations and when needed pick up of parts directly from the supplier. These new vehicles will replace MST Vehicle #483, a 1999 Ford F250 truck with 204,656 miles that has exceeded its recommended useful vehicle life and two (2) 2004 Chevrolet vans that due to dual fuels (CNG and Gas) are unable to pass California smog requirements.

MST is eligible to purchase vehicles through the State of California Department of General Services (DGS). Purchasing through the DGS meets MST's purchasing requirements and eliminates the need for MST to independently obtain price quotes. Prior to purchase MST will obtain quotes from local dealerships and if they are able to match pricing from DGS, MST will award to the local supplier as delivery time is greatly improved.

Approval of this item will authorize the purchase of three (3) 2018 Ford F-250 or Ford F-350 truck chassis from lowest overall cost dealer.

PREPARED BY:  REVIEWED BY:   
Sandra Amorim Carl G. Sedoryk

To: Board of Directors

From: Robert Weber, Chief Operating Officer

**Subject:** Approve Three Year Agreement with ZONAR™ Corporation.

**RECOMMENDATION:**

Approve a Three Year Agreement with ZONAR™ Corporation for an Electronic Verified Inspection Reporting System.

**FISCAL IMPACT:**

Total contract value shall not exceed \$113,000 over a three year period. Initial start up and service fee is \$29,000, which is included in the FY 2019 Operating Budget. The fiscal impact for FY 2020 and FY 2021 should not exceed \$42,000 per year.

**POLICY IMPLICATIONS:**

Your Board approves contracts and expenditures over \$25,000.

**DISCUSSION:**

The ZONAR™ Electronic Verified Inspection Reporting (EVIR) System will ensure compliance with all Department of Transportation (DOT) regulations mandating pre- and post-trip vehicle inspections. MST intends to replace its current out-of-date paper based system with the ZONAR™ EVIR system.

The ZONAR™ EVIR system is a Cloud based application that centers upon the use of a handheld device that guides, records, and verifies that all pre-trip vehicle inspections were conducted by employees as required. Additionally, the system will allow Coach Operators to report vehicle defects, which are uploaded to MST's Maintenance Department via the Cloud. ZONAR™ EVIR meets the requirements of all regulatory agencies to include the Federal Motor Carrier Safety Administration, California Department of Transportation, and the California Highway Patrol.

The ZONAR™ EVIR system is a patented-proprietary technology that has been specifically designed for this application, which certifies ZONAR™ Corporation as the sole source supplier for this system.

MST intends to implement the ZONAR™ EVIR system by the end of 2018 or in early 2019 pending your Board's approval of this project and vendor availability to configure and install the system.

Approval of this item shall authorize staff to enter into the aforementioned contract at an amount not to exceed \$113,000.

PREPARED BY:  REVIEWED BY:   
Robert Weber Carl G. Sedoryk

To: Board of Directors  
From: C. Sedoryk, General Manager/CEO  
Subject: Monthly Report – August 2018

Attached is a summary of monthly performance statistics for the Transportation, Maintenance, and Administration departments for August 2018.

The CEO is pleased to report that he had no business related travel to report for this month.

During the month the CEO participated in meetings with the following board members of Air Resources Board:

- Judy Mitchell, South Coast AQMD Member
- John Balmes, Physician Member
- John Gioia, Bay Area AQMD member

The purpose of these meetings is to advocate for modifications to the proposed draft Innovative Clean Transit (ICT) regulation that will reduce the costs and unintended impacts of implementing the proposed regulation. Meetings with ARB Board members will continue through September 24, 2018.

Attachment #1 – Dashboard Performance Statistics August 2018

Attachment #2 – Operations Dept. Report –August 2018

Attachment #3 – Facilities & Maintenance Dept. Report August 2018

Attachment #4 – Administration Dept. Report – August 2018

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

PREPARED BY: \_\_\_\_\_

  
Carl G. Sedoryk

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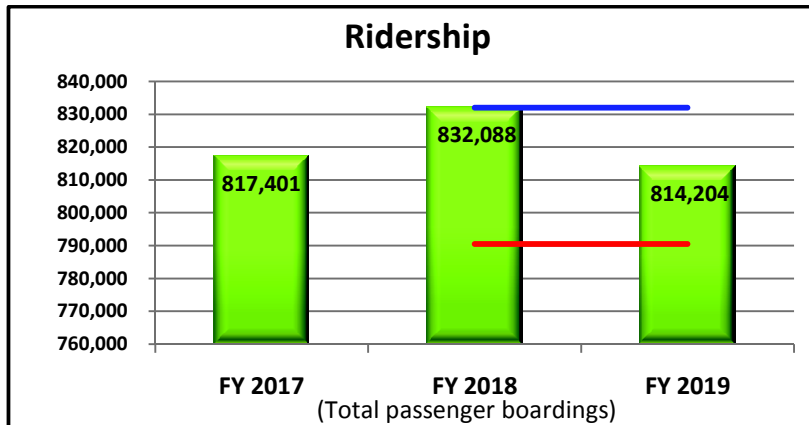


# MST Fixed Route

## YTD Dashboard Performance Comparative Statistics

### August 2018

### Fiscal Years 2017-2019

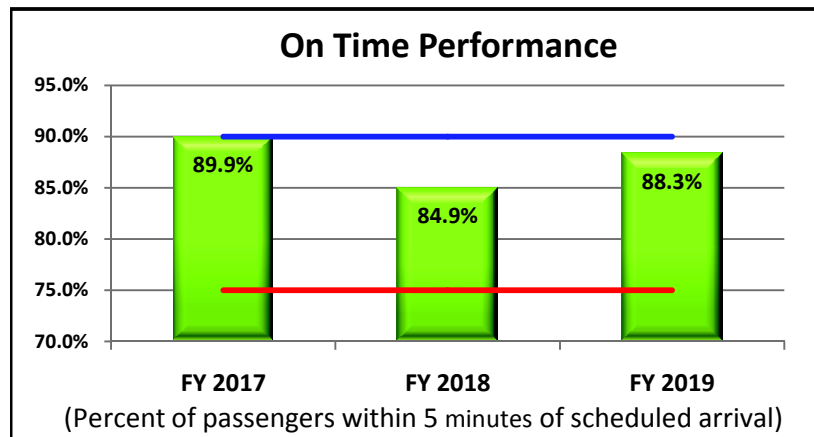
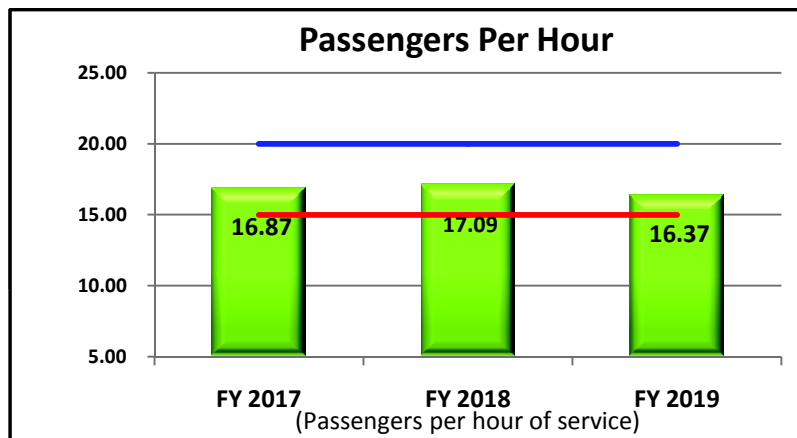


Goal = 832,088  
passengers

Minimum = 790,484  
passengers

Goal = 20 passengers p/h

Minimum = 15 passengers p/h

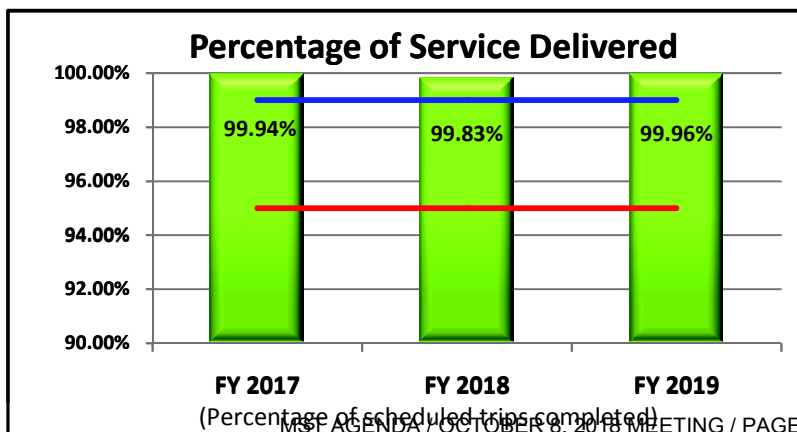


Goal = 90% on time

Minimum = 75% on time

Goal = 99% completed

Minimum = 95% completed

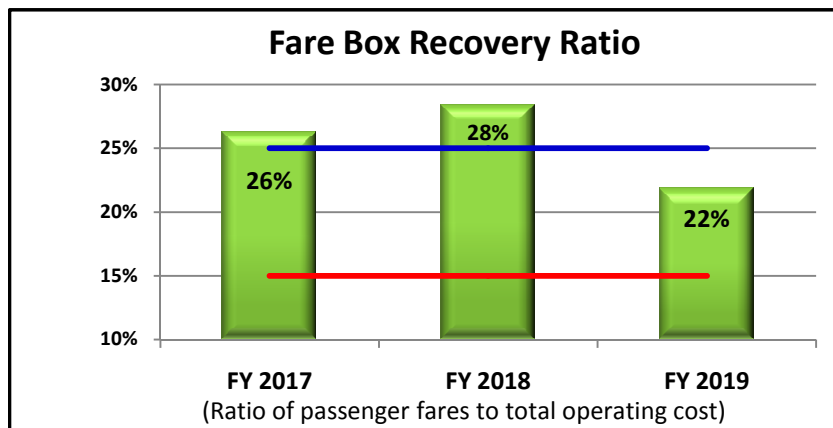


# MST Fixed Route

## YTD Dashboard Performance Comparative Statistics

### August 2018

### Fiscal Years 2017-2019

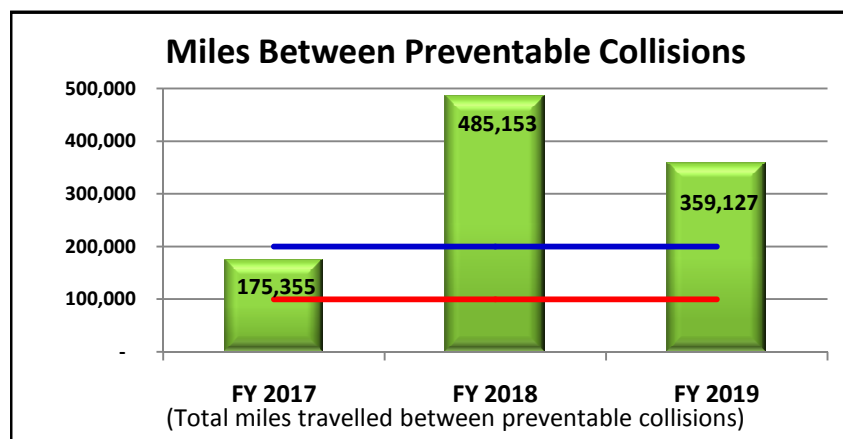
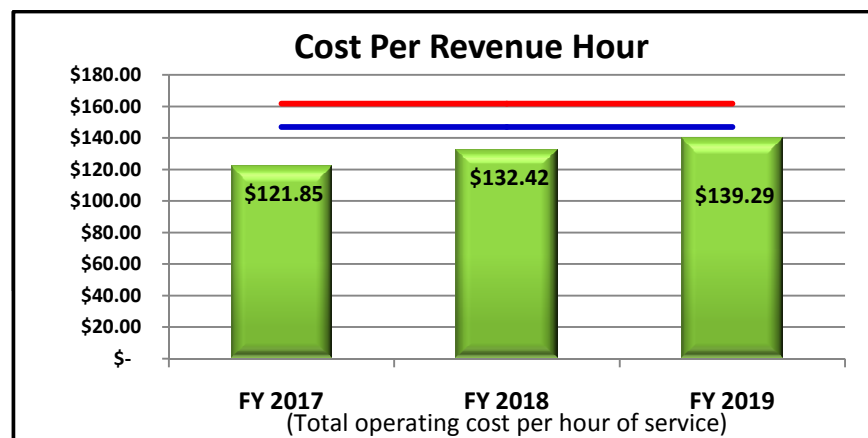


**Goal = 25%**

**Minimum = 15%**

**Goal = \$147.03 per RH**

**Maximum = \$161.73 per RH**

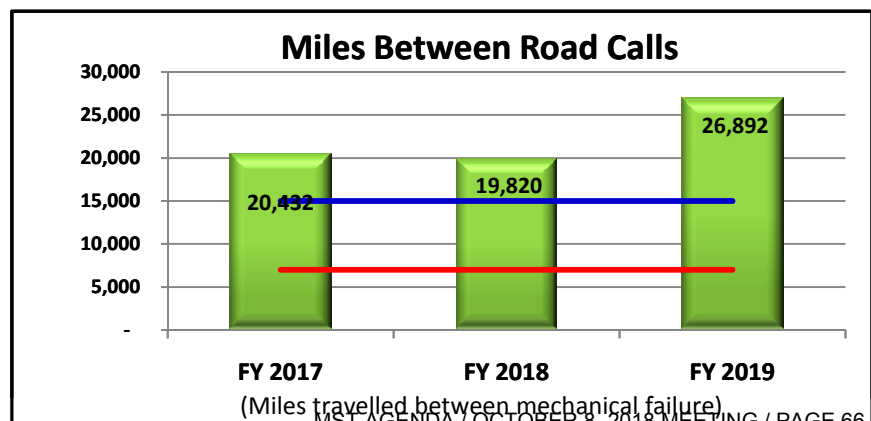


**Goal = 200,000 Miles**

**Minimum = 100,000 Miles**

**Goal = 15,000 Miles**

**Minimum = 7,000 Miles**

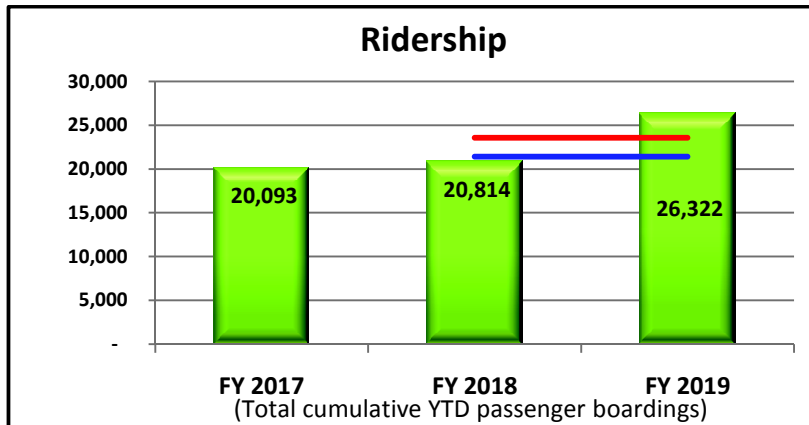


# MST RIDES

## YTD Dashboard Performance Comparative Statistics

### August 2018

### Fiscal Years 2017-2019

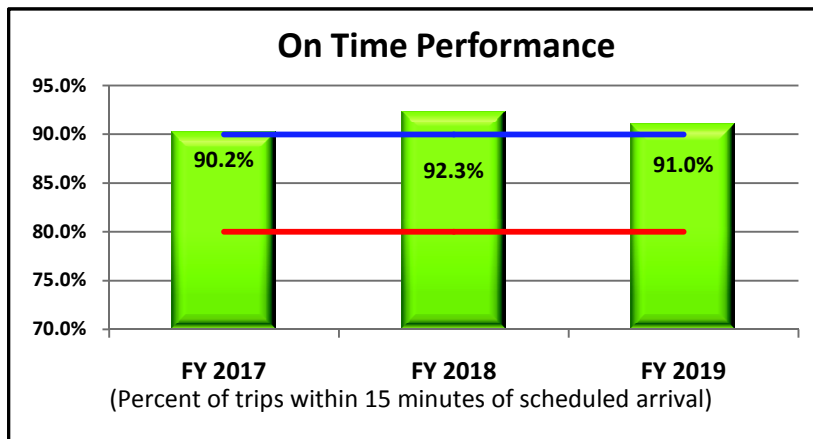
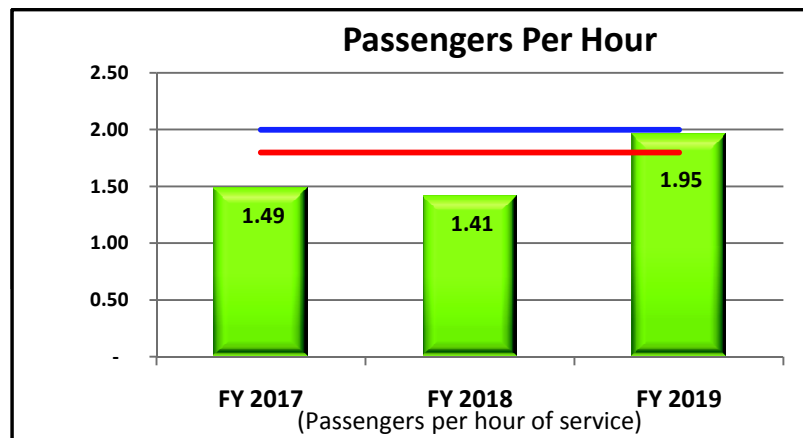


**Goal = 21,438  
passengers**

**Maximum = 23,582  
passengers**

**Goal = 2.0  
passengers p/h**

**Minimum = 1.8  
passengers p/h**

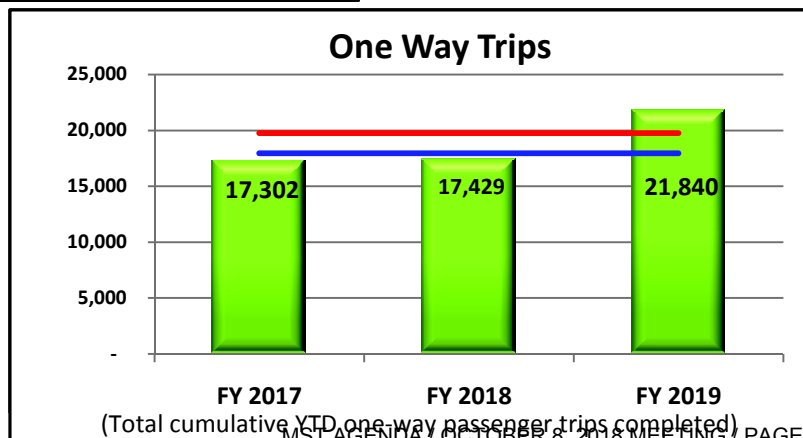


**Goal = 90% on time**

**Minimum = 80% on time**

**Maximum = 19,747  
one-way trips**

**Goal = 17,952  
one-way trips**

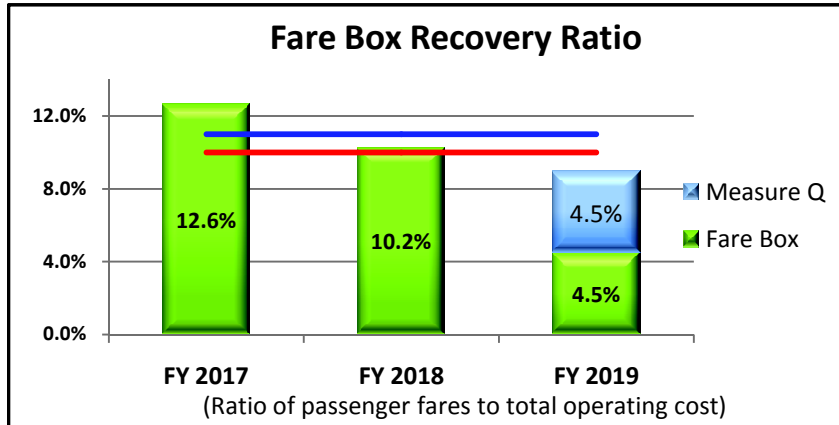


# MST RIDES

## YTD Dashboard Performance Comparative Statistics

### August 2018

### Fiscal Years 2017-2019

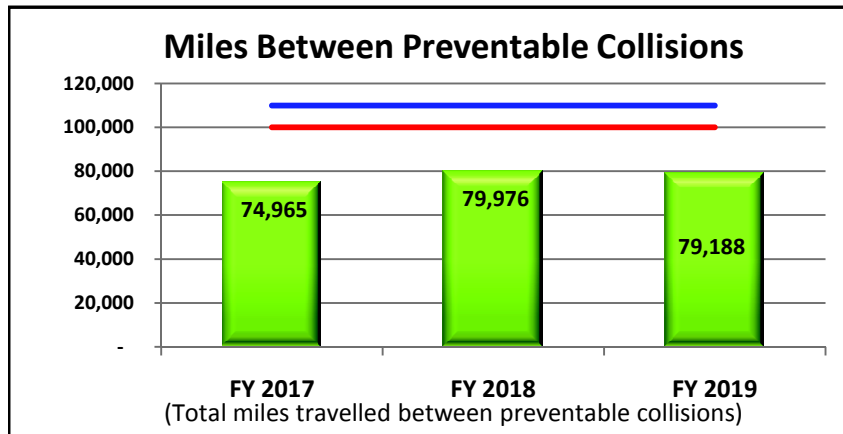
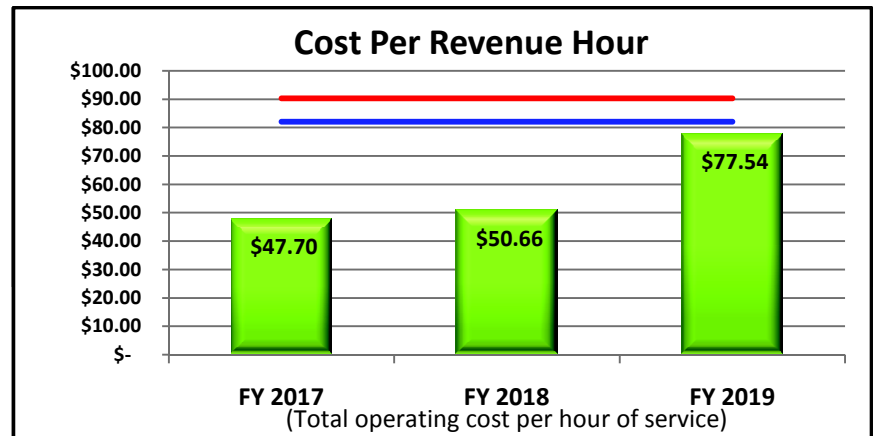


**Goal = 11%**

**Minimum = 10%**

**Goal = \$82.14 per RH**

**Maximum = \$90.35 per RH**

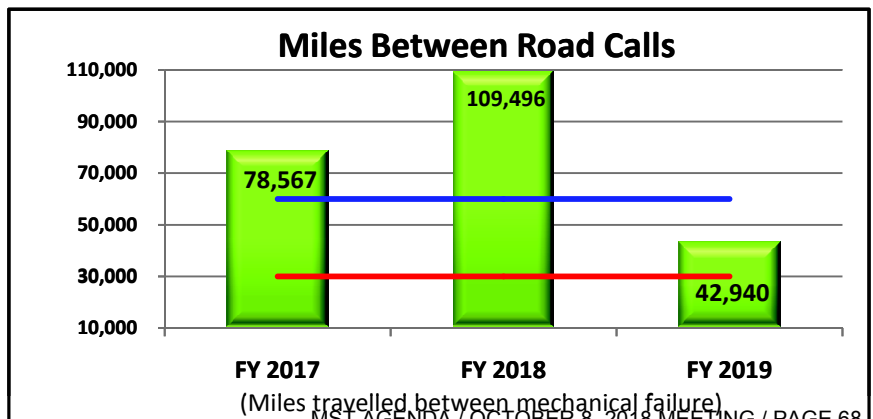


**Goal = 110,000 Miles**

**Minimum = 100,000 Miles**

**Goal = 60,000 Miles**

**Minimum = 30,000 Miles**

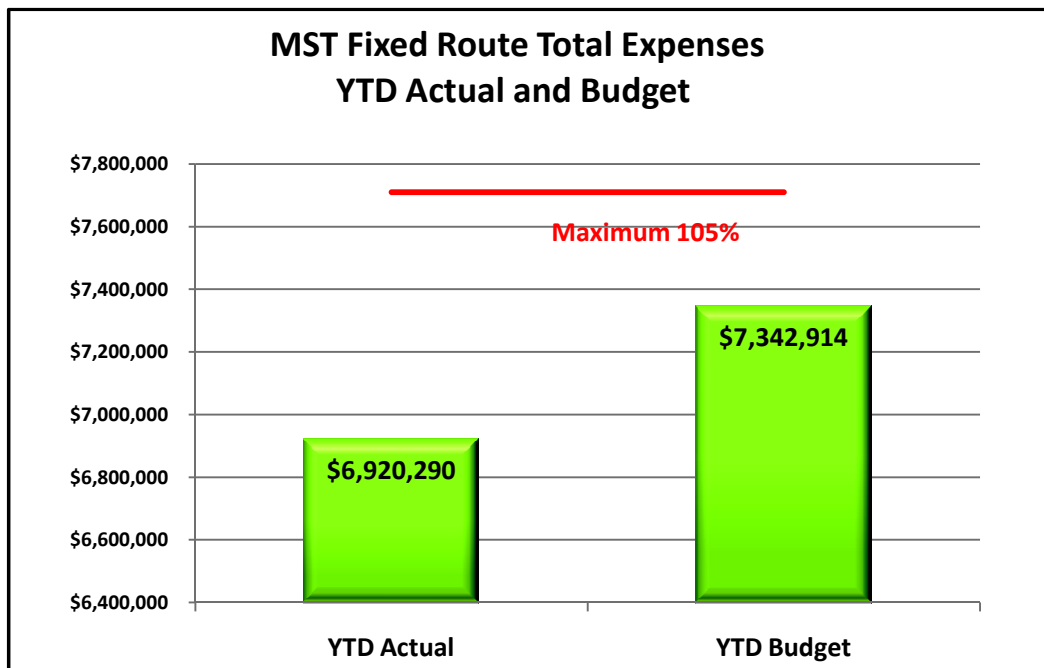
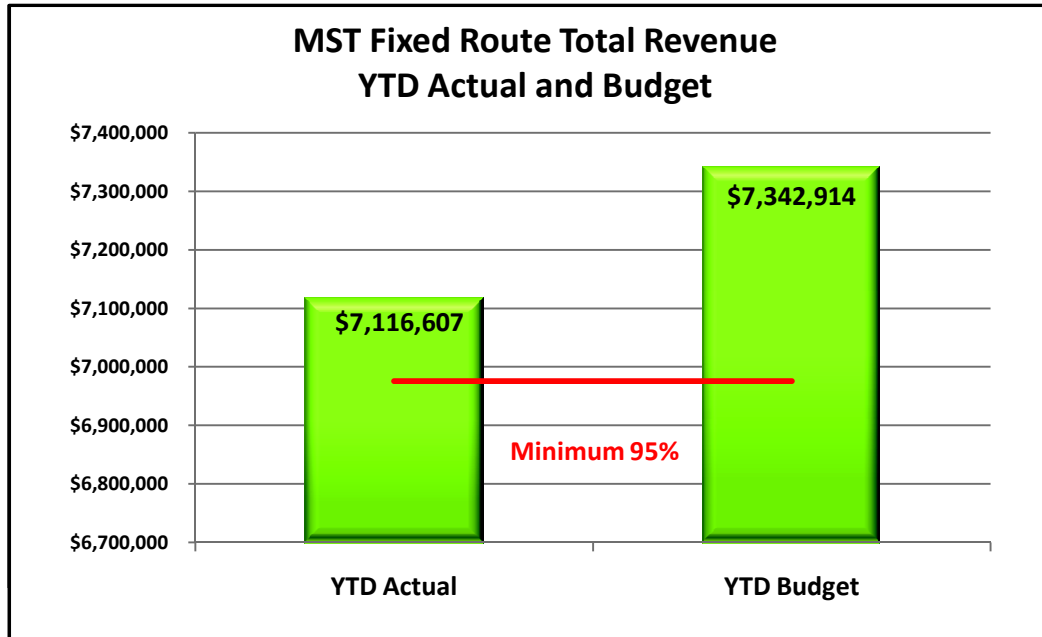


# MST Fixed Route

## Financial Performance Comparative Statistics

### Month of August 2018

### FY 2017-2019

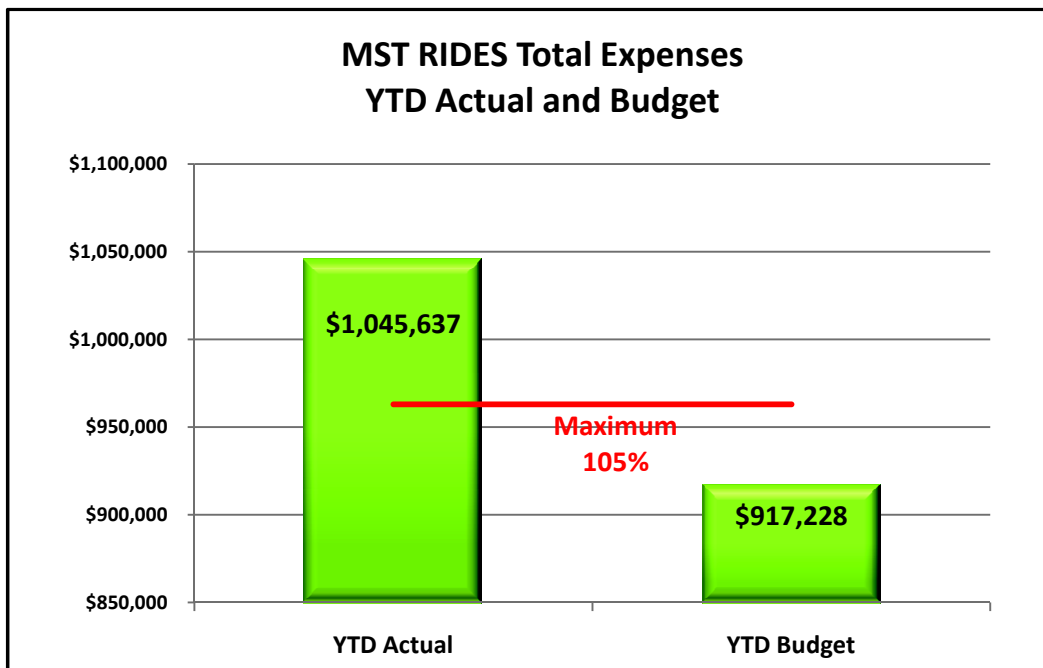
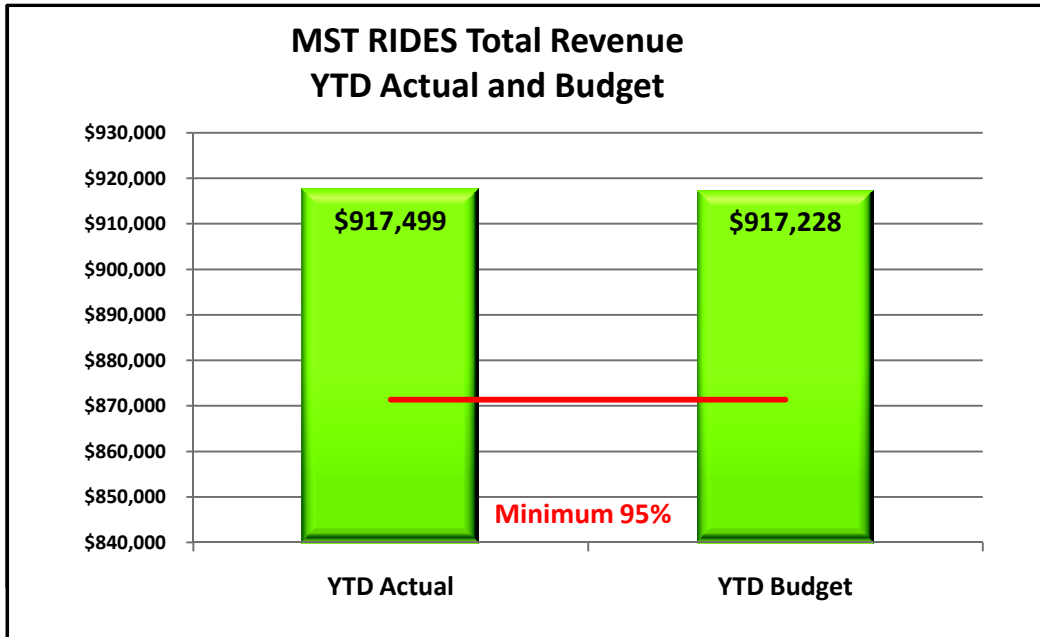


# MST RIDES

## Financial Performance Comparative Statistics

### Month of August 2018

### FY 2017-2019



September 25, 2018

To: Carl Sedoryk, General Manager / C.E.O.

From: Robert Weber, Chief Operating Officer

Cc: MST Board of Directors

Subject: **Transportation Department Monthly Report – August 2018**

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**FIXED ROUTE BUS OPERATIONS:**

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

Preliminary boarding statistics indicate that ridership decreased by 4.66% in August 2018, (423,511), as compared to August 2017, (444,188). For the Fiscal Year – passenger boardings have decreased by 2.15% as compared to last Fiscal Year.

Productivity decreased slightly from August of last year (17.0) to 16.6 passengers per hour in August of this year.

**Supplemental / Special Services:**

August 18-19: In support of the annual West End Celebration in Sand City, MST deployed dedicated trolley services to transport attendees to various venues within the event. The service transported 675 passengers during the two day event - increasing by **68%** over last year's event, (402).

August 31: In support of the annual Monterey County Fair, MST deployed supplemental services to transport attendees to / from the event. The service transported 482 passengers during the first day of this four day event. (*Passenger boarding data from 09/1 to 09/03 for this event will be reported in September's report*)

**System Wide Statistics:**

- Ridership: 423,511
- Vehicle Revenue Hours: 25,456
- Vehicle Revenue Miles: 411,321
- System Productivity: 16.6 Passengers Per Vehicle Revenue Hour
- One-Way Trips Provided: 36,561

**Time Point Adherence:** Of 138,017 total time-point crossings sampled for the month of August, the Transit Master™ system recorded 25,420 delayed arrivals to MST's published time-points system-wide. This denotes that **81.58%** of all scheduled arrivals at published time-points were on time. (See *MST Fixed-Route Bus -- On Time Compliance Chart FY 2018 - 2019.*)

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

**Cancelled Trips:** As listed below, there were a total of eleven (11) cancelled trips for the month of August for both directly operated and contracted services:

<b>Total Trips Provided: 36,561</b>			
<b>Category</b>	<b>MST</b>	<b>MV</b>	<b>%</b>
Mechanical	0	2	18.18%
Staffing Shortage	3	0	27.27%
Traffic	3	0	27.27%
Unknown <sup>1</sup>	3	0	27.27%
<b>Totals</b>	<b>9</b>	<b>2</b>	<b>100%</b>

<sup>1</sup> *Insufficient information available- additional research required.*

**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 August 2017 and 2018:

<b>Occurrence Type</b>	<b>August-17</b>	<b>August-18</b>
Collision: MST Involved	6	6
Employee Injury	0	0
Medical Emergency	2	3
Object Hits Coach	2	0
Passenger Conflict	4	15
Passenger Fall	3	3
Passenger Injury	0	2
Other	5	3
Near Miss	0	0
Fuel / fluid Spill	2	0
Unreported Damage	0	1
<b>Totals</b>	<b>24</b>	<b>33</b>



## **CONTRACTED TRANSPORTATION SERVICES:**

### **MST RIDES ADA / ST Paratransit Program:**

Preliminary boarding statistics for the MST RIDES program reflect that for the month of August there were 13,527 passenger boardings. This denotes a 21.99% increase in passenger boardings from August of 2017, (11,089). For the Fiscal year to date – passenger boardings have increased by 28.46% over FY 2018.

- Productivity for August of this year was at 1.81 passengers per hour, increasing slightly from August of 2017 (1.80).
- For the month of August, 90.28% of all scheduled trips for the MST RIDES program arrived on time, decreasing from August of 2017 (91.59%).

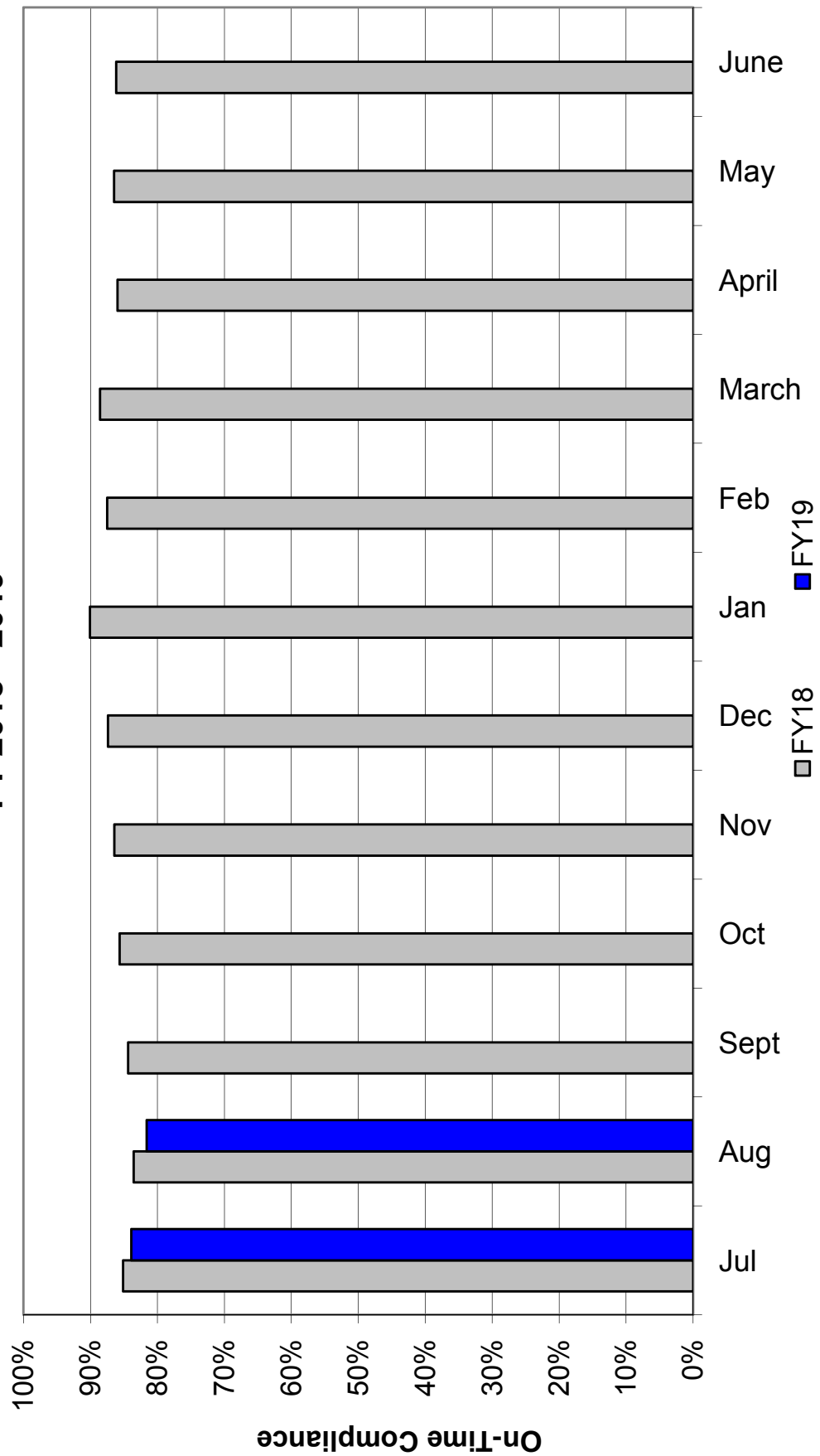
## **COMMUNICATIONS CENTER:**

In August, MST's Communications Center summoned public safety agencies on twenty one (21) separate occasions to MST's transit vehicles and facilities:

<b>Agency Type</b>	<b>Incident Type</b>	<b>Number Of Responses</b>
Police	Passenger Disturbance / Other	11
EMS	Passenger Medical Emergency / Injury	8
Fire Department	Trash Can Fire & Reported Gas Leak	2

Robert Weber

# On-Time Compliance FY 2018 - 2019



## MST FIXED ROUTE BOARDINGS

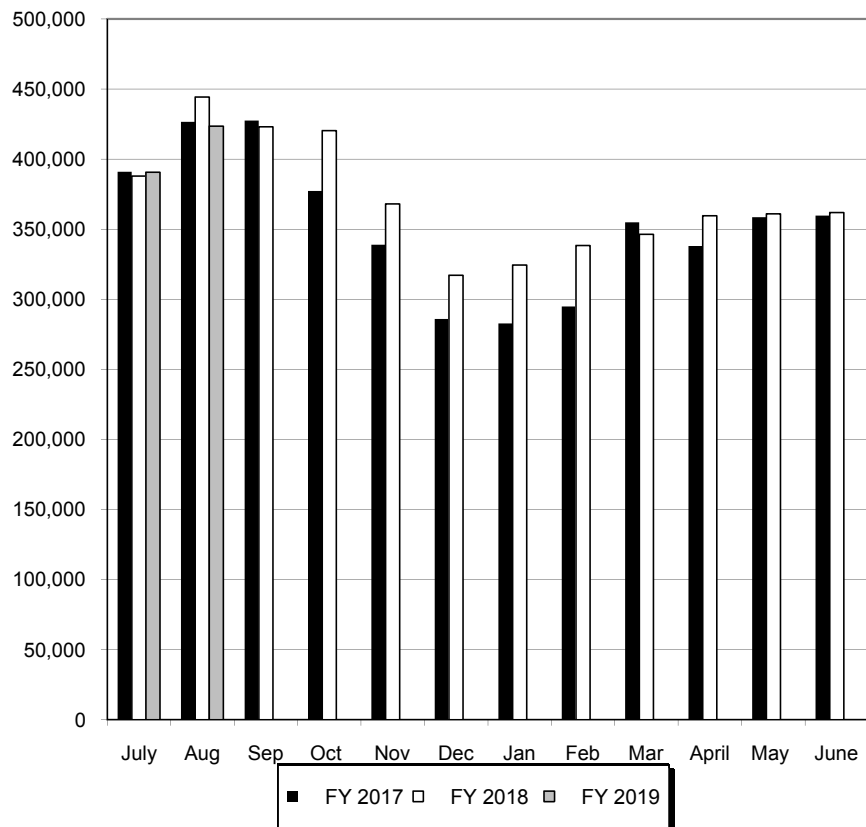
### FY 2019 Monthly Boardings

MONTH	FY 2017	FY 2018	FY 2019	% CHANGE
July	390,949	387,900	390,693	0.72%
<b>Aug</b>	<b>426,452</b>	<b>444,188</b>	<b>423,511</b>	<b>-4.66%</b>
Sep	427,367	422,979		
Oct	377,134	420,427		
Nov	338,846	368,100		
Dec	285,917	317,198		
Jan	282,663	324,349		
Feb	294,808	338,464		
Mar	354,919	346,348		
April	337,863	359,574		
May	358,439	361,009		
June	359,611	361,853		
TOTAL	4,234,968	4,452,389	814,204	
YTD Avg.	408,701	416,044	407,102	-2.15%
YTD Cumulative	817,401	832,088	814,204	-2.15%

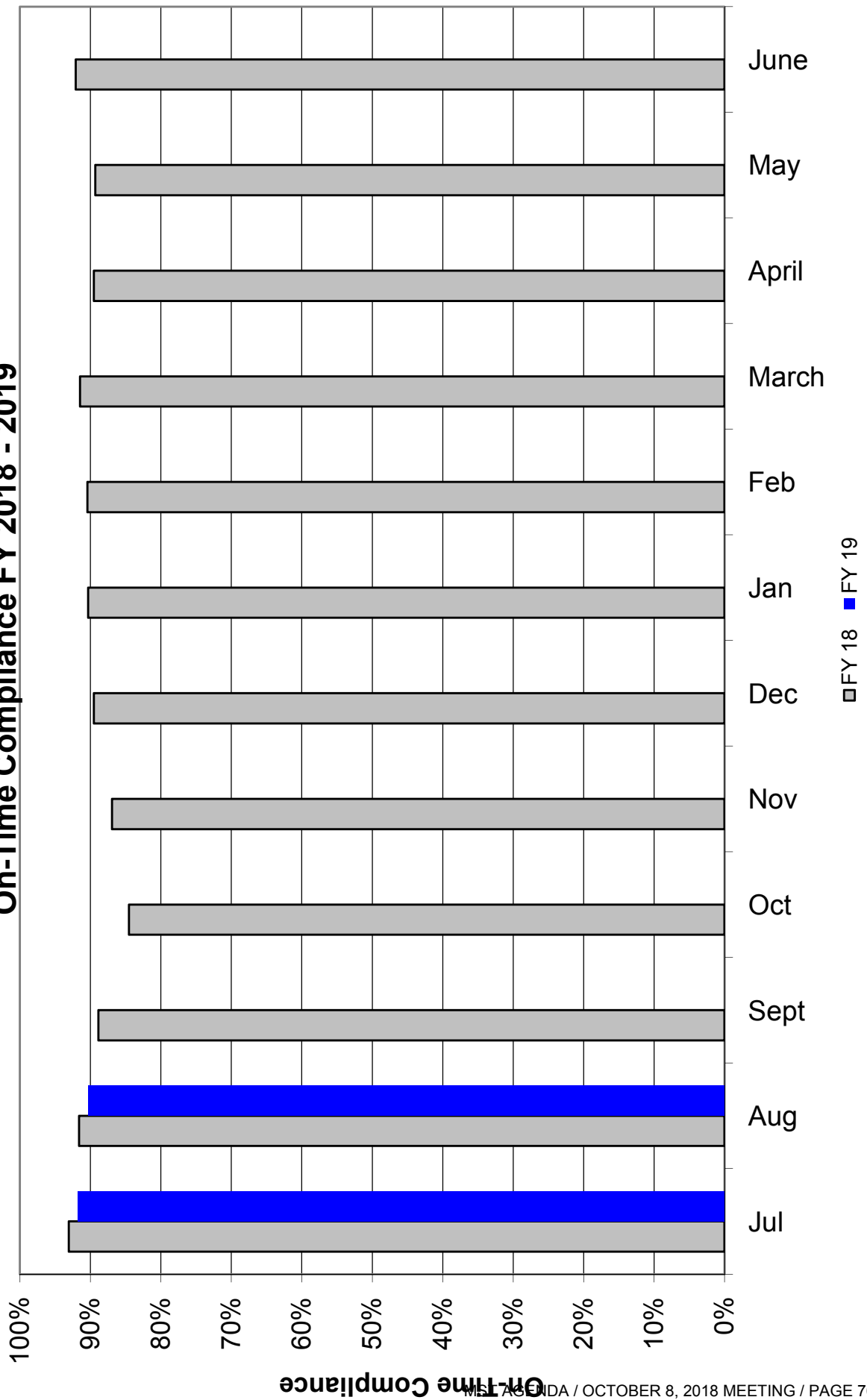
**\* Preliminary**

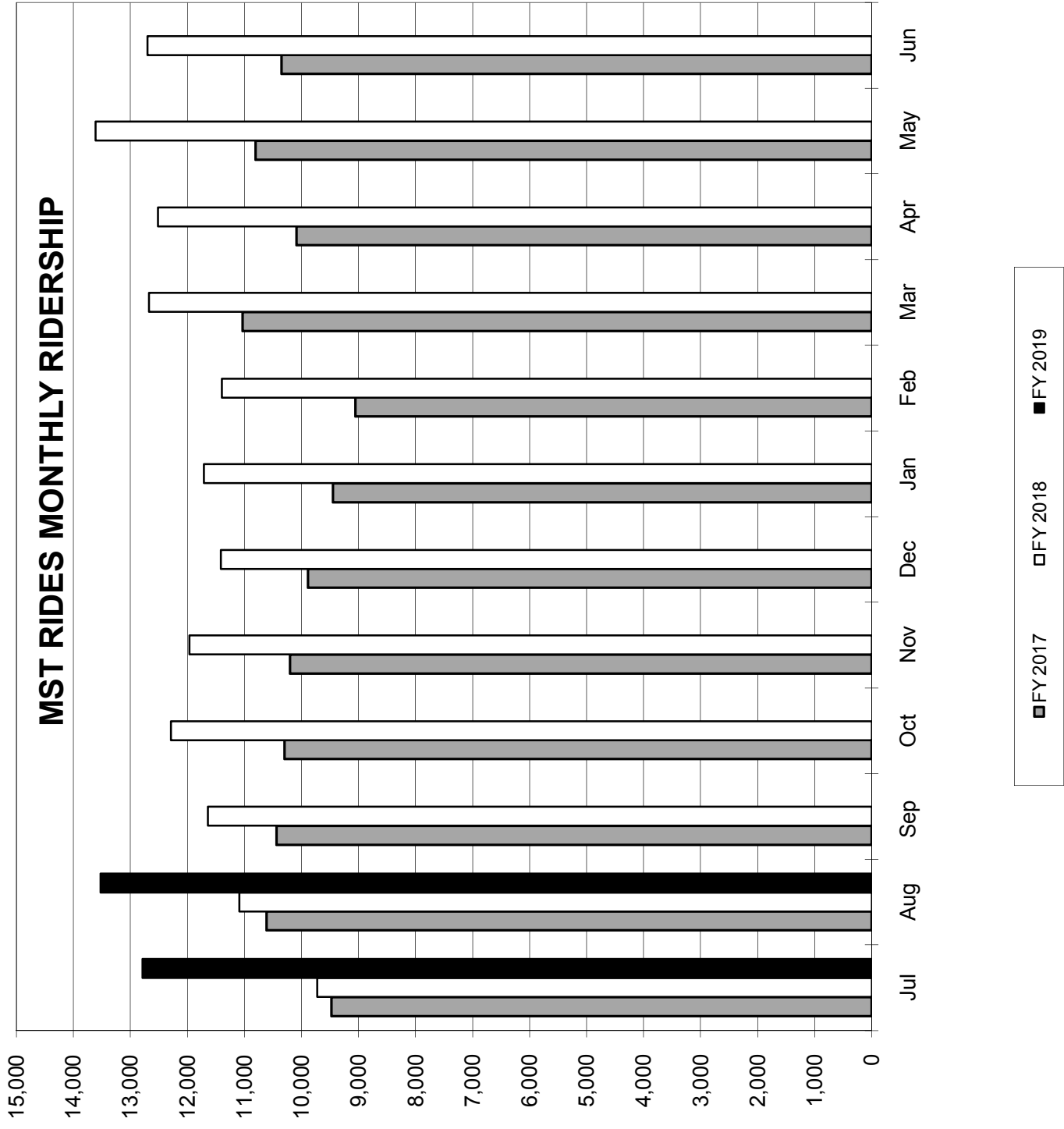
Boardings are inclusive of all On Call, Trolley, & Fixed Route Services

### MONTHLY RIDERSHIP

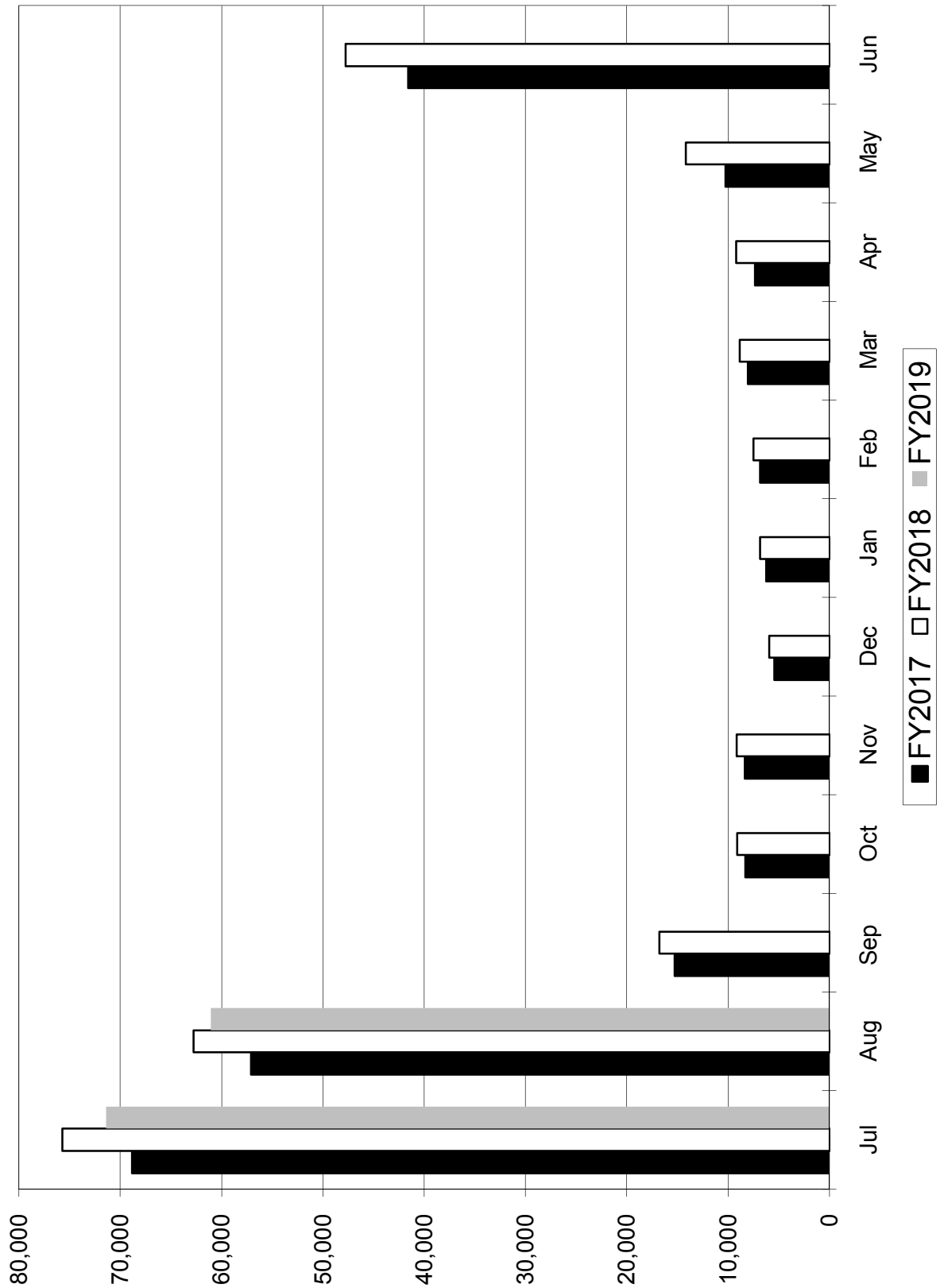


# **MST RIDES** **On-Time Compliance FY 2018 - 2019**





# MONTEREY TROLLEY MONTHLY RIDERSHIP



## ATTACHMENT 3

September 24, 2018

To: Carl Sedoryk, General Manager/CEO

From: Robert Weber, Chief Operating Officer

Subject: Monthly Maintenance Operations Report: **August 2018**

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

<b>FY19 Fuel Budget:</b>	<b>Average Fuel Price August 2018:</b>	<b>Average Fuel Price: FY2019</b>
Diesel: \$3.10	<b>\$2.79</b>	<b>\$2.76</b>
Gasoline: \$3.20	<b>\$3.03</b>	<b>\$3.02</b>

<b>Fiscal Year:</b>	<b>Revenue Fleet: Operating Cost Per Mile:</b>	<b>Revenue Fleet: *Miles Between Major Mechanical Road Calls:</b>
<b>August: 2018</b>	<b>\$0.94</b>	<b>25,155</b>
<b>YTD: FY 2019</b>	<b>\$0.93</b>	<b>23,730</b>
FY 2018	\$0.92	21,943
FY 2017	\$0.89	18,733

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

### **Department Activities/Comments:**

The MST revenue fleet travelled 25,115 miles between major mechanical road calls during the month of August. The total number of road-call incidents was 19, of which 14 were for major mechanical failures <sup>1</sup> and 5 were for other mechanical <sup>2</sup> issues. The highest number of major mechanical road calls (71%) were attributed to electrical and engine defects. Fiscal year to date, the miles traveled between major mechanical road calls increased by 45.88% over the same period last year.

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<sup>1</sup> These are failures of a mechanical element of the revenue vehicle that prevents the vehicle from completing a scheduled revenue trip or from starting the next scheduled revenue trip because actual movement is limited or because of safety concerns.


<sup>2</sup> These are failures of some other mechanical element of the revenue vehicle that, because of local agency policy, prevents the revenue vehicle from completing a scheduled revenue trip or from starting the next scheduled revenue trip even though the vehicle is physically able to continue in revenue service.

The following new 2018 Starcraft™ Cut-A-Way model coaches were released to revenue service in August:

Fleet ID	Vehicle Type	Received	Released to Revenue Service
969	28' Type II Cut A Way	5/3/2018	8/7/2018
970	28' Type II Cut A Way	5/3/2018	8/7/2018
971	28' Type II Cut A Way	5/3/2018	8/7/2018

August 27-28: The Deputy Chief Operating Officer traveled to Long Beach California to attend the Monthly Southern California Transit Training Consortium Board of Directors meeting. In addition to discussions associated with the Consortium's Strategic Plan, goals and objectives for the upcoming year were also reviewed. Other agenda topics included future maintenance training opportunities, and succession planning at the Executive Leadership level.

In August the Department remained fully staffed.

Prepared by:   
Robert Weber, Chief Operating Officer

Reviewed by:   
Carl G. Sedoryk, General Manager/CEO



Date: September 25, 2018

To: C. Sedoryk, General Manager/CEO

From: Hunter Harvath, Assistant General Manager; Andrea Williams, General Accounting & Budget Manager; Mark Eccles, Director of Information Technology; Kelly Halcon, Director of Human Resources/Risk Management; Lisa Rheinheimer, Director of Planning and Marketing; Sonia Wills, Customer Service Supervisor; Mike Butler, Marketing Manager.

Subject: **Administration Department** Monthly Report –August 2018

The following significant events occurred in Administration work groups for the month of August 2018:

### **Human Resources**

A total employment level for August 2018 is summarized as follows:

<b>Positions</b>	<b>Budget FY19</b>	<b>Actual</b>	<b>Difference</b>
Coach Operators F/T	150	135	-15
Coach Operators Limited Duty	0	0	0
CO Occupational Injuries	1	0	-1
Operations Staff	35	34	-1
Maintenance & Facilities	52	55	+3
Administrative (Interns 1 PT)	30	29	-1
<b>Total</b>	<b>268</b>	<b>253</b>	<b>-15</b>

\*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.

<b>August Worker's Compensation Costs</b>	
<i>Indemnity (paid to employees)</i>	\$13,220.22
<i>Other (includes Legal)</i>	\$16,191.31
<i>Medical includes Case Mgmt, UR, Rx &amp; PT</i>	\$34,237.51
<i>TPA Administration Fee</i>	\$5,000.00
<i>Excess Insurance</i>	\$8,765.17
<b>Total Expenses</b>	<b>\$77,414.21</b>
<b>Reserves</b>	<b>\$1,880,285.87</b>
<b>Excess Reserved</b>	<b>(\$1,078,185.18)</b>
<b># Ending Open Claims</b>	<b>35</b>

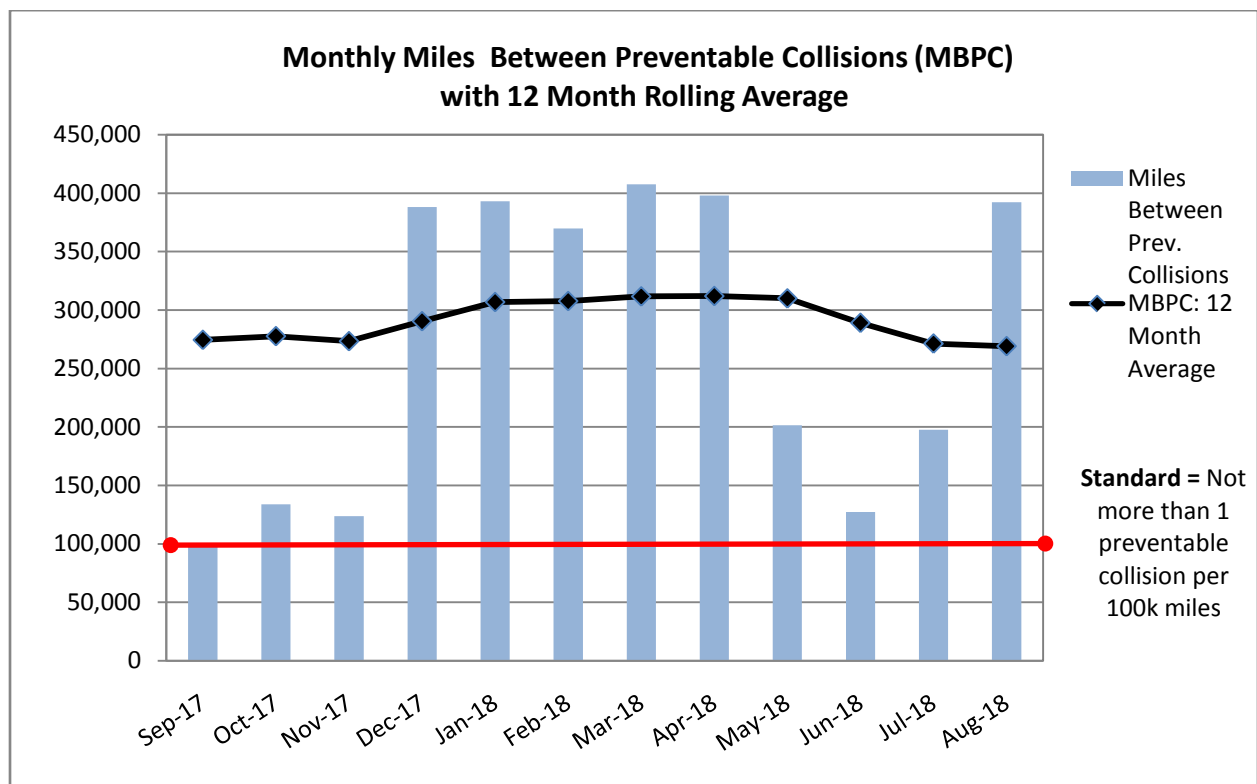
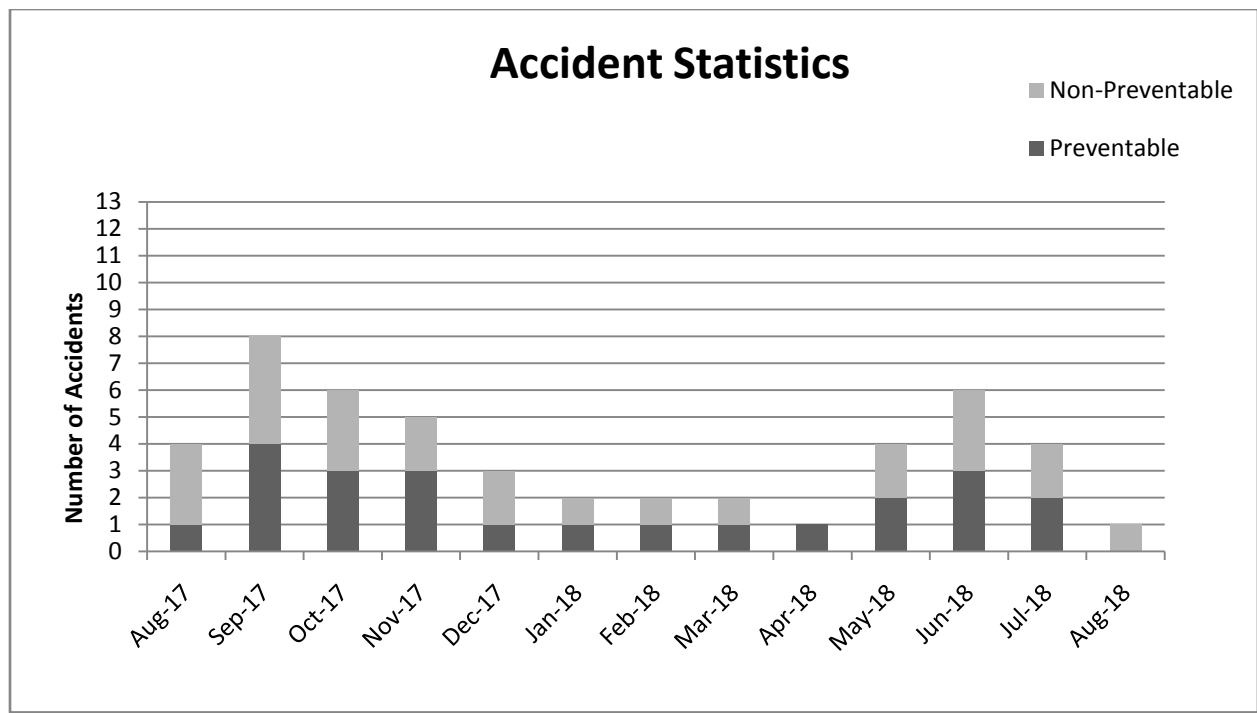
## Training

<b>Description</b>	<b>Attendees</b>
Annual Coach Operator Verification of Transit Training	23
Maintenance Safety Training: Distractions in the Workplace	15
Post Accident/Incident Re-training	1
Return to Work Re-training	1
Harassment Prevention Training for Transit Employees	23
Transit Safety Institute (TSI): FTA Transit System Security	1
Forklift Re-Certificate Training	6
Maintenance Training-In service training and qualification of 2018 YALE Forklift	1
Alliance Career Training Solutions: Excel Level 1 Training	1

## Risk Management

<b>Description</b>	<b>August 2018 Preventable</b>		<b>August 2017 Preventable</b>	
	<b>Yes</b>	<b>No</b>	<b>Yes</b>	<b>No</b>
<b>POV Vehicle hits MST Vehicle</b>	0	1	0	3
<b>MST bus hit stationary object</b>	0	0	1	0
<b>TOTAL</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>3</b>

During the month of August there were no preventable accidents.



## Customer Service Update – August 2018

Service Report Type	MST	Other Provider *	# of valid reports	% of reports received **	August 2017	% of reports received**
ADA Compliance	0	2		2.4%	0	0.0%
Agency Policy	0	0		0.0%	1	1.2%
Bus Stop Amenities	2	0		2.4%	4	4.9%
Carried By	0	0		0.0%	0	0.0%
Discriminatory behavior by employee	0	0		0.0%	0	0.0%
Early Departure	0	1		1.2%	4	4.9%
Employee Other	5	3	1	9.5%	5	6.2%
Facilities Vandalism	0	0		0.0%	0	0.0%
Fare / Transfer Dispute	1	1		2.4%	4	4.9%
Full Bus / Left Behind	0	0		0.0%	0	0.0%
Harassment by Employee	0	0		0.0%	0	0.0%
Improper Driving	6	2	2/1*	9.5%	15	18.5%
Improper Employee Conduct	15	5		23.8%	11	13.6%
Inaccurate Public Information	3	0	1	3.6%	0	0.0%
Late Arrival	2	0		2.4%	8	9.9%
Late Departure	1	0		1.2%	0	0.0%
No Show	4	3	1	8.3%	7	8.6%
Off Route	1	0		1.2%	0	0.0%
Overcrowding	0	1		1.2%	0	0.0%
Passed By	4	1		6.0%	5	6.2%
Passenger Conduct	2	0	2	2.4%	1	1.2%
Passenger Injury	1	0		1.2%	0	0.0%
Reasonable Modification	0	0		0.0%	0	0.0%
Request To Add Service	3	0	1	3.6%	0	0.0%
Request To Reduce Service	0	0		0.0%	0	0.0%
Routing	1	0	1	1.2%	3	3.7%
Service Animal	0	0		0.0%	0	0.0%
Service Other	7	2	1	10.7%	12	14.8%
Service Schedule	2	1	1*	3.6%	0	0.0%
Taxi	0	0		0.0%	0	0.0%
Title VI Complaint	0	0		0.0%	0	0.0%
Unsafe Conditions	1	1	1	2.4%	0	0.0%
Vehicle Maintenance	0	0		0.0%	1	1.2%
Total reports MST and *Other Provider		84		100.0%	81	100.0%

Employee Compliment	1	1	3
Service Compliment	1		0

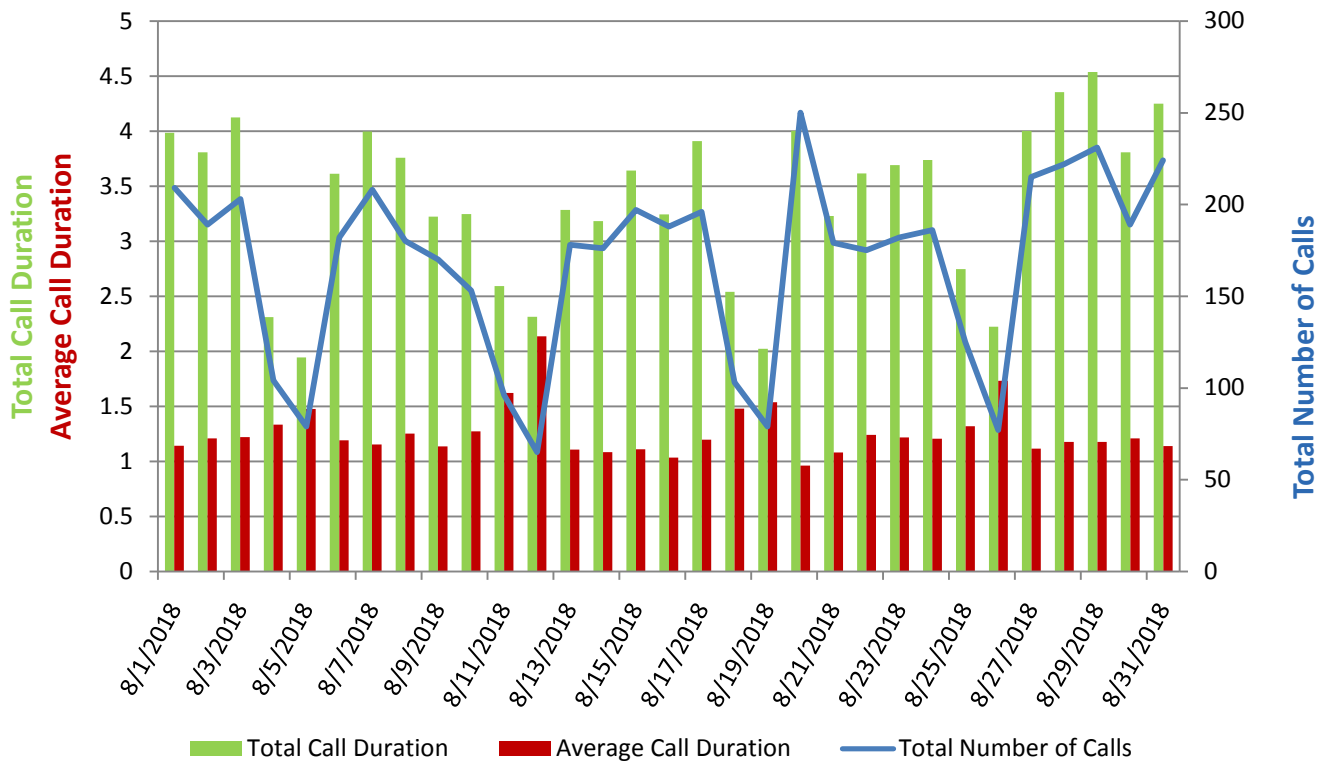
\*Operated by MV Transportation or taxi provider

\*\*Numbers may not add up exactly due to rounding

### Customer Service Call Center Report:

During the month of August 2018, MST received a total of 5,210 calls which lasted a total of 104 hours and 57 minutes. The average call duration was one minute and thirteen seconds (1:13). MST received the most number of calls on Monday, August 20 at 250. Of the total number of calls, 1,195 (23%) were routed to RealTime bus arrival information. Call volume was heaviest during the weekdays and lightest during the weekends, although average call duration spikes on the weekends due to the fact that there are no customer service representatives on duty. Rather, customers are attempting to get information from MST's pre-recorded automated system, which appears to take more time.

### Customer Service Call Center Report August 2018



## **Finance Update**

### **General Accounting/Accounts Payable**

During the month of August, staff processed timely and accurate payments to vendors, recorded appropriate revenues, and prepared monthly financial reporting and analysis. Staff continues to work effectively to meet financial reporting deadlines. In August, staff continued working on finalizing the annual audit preparation for FY18. Vavrinek, Trine, Day & Co. LLP (VTD) will perform the remainder of the audit during the week of September 10th.

### **Payroll**

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

### **Grants**

During the month of August staff worked on a number of grant activities. Reimbursement requests to Caltrans were prepared, and the semi-annual progress reports for Public Transportation Modernization, Improvement, and Service Enhancement (PTMISEA) funds were submitted on time. Staff compiled all necessary information and documents to submit a grant applications to the SB1 programs: Local Partnership Program and State of Good Repair.

### **Purchasing**

During the month of August, staff worked on a number of procurement and inventory management objectives. Parts staff worked diligently placing orders and managing inventory levels at CJW, and TDA locations. The inventory value for the month of August was \$190,119, which was a 3% increase over the month of July. Staff continues to define and evaluate the best level of inventory to support Maintenance needs. Staff also worked on several large procurements such as South County Maintenance and Operations Facility.

### **Information Technology Update**

Staff worked with Operations and Maintenance Department personnel in monitoring the Intelligence Transportation Systems (ITS) equipment installed on the vehicles. These include the hardware and software for the Trapeze Group Automatic Vehicle Location systems on the fixed-route and Paratransit fleets. Staff monitored the Fixed Route Real-Time bus arrival/departure system.

Staff monitored the Trapeze Group Enterprise Asset Management (EAM) vehicle maintenance system. Staff continued to support the users of the Serenic Navision

accounting/payroll system. Staff monitored the functionality of the customer service database. Staff monitored and reconfigured the WiFi systems installed on 15 buses used on the commuter routes.

Staff worked with Giro and MST staff in the ongoing implementation of the latest modules in the Hastus system.

Staff liaised with the County of Monterey Information Technology Department and Trapeze Group regarding the maintenance of the radio/data communications in the MST service area.

Staff monitored and configured the AT&T-managed Voice-Over-Internet Protocol (VOIP) telephone system. Staff worked with AT&T regarding the high speed data system upgrades at the MST locations.

Staff continued to support other MST staff members as needed, proactively ensuring that all were supported fully with their IT requirements.

## Marketing Update – August 2018

### RealTime Usage:

2017	Text	RealTime Phone	CSR Phone	App Sessions	App Users
July+	177	*	2,364**	*	*
August	3,959	1,332	4,463	70,282	4,552
September	5,297	1,379	4,614	99,289	4,919
October	6,168	1,306	3,769	112,114	5,381
November	5,805	1,321	4,278	107,642	4,932
December	5,956	1,212	3,913	86,928	4,615
<b>2018</b>					
January	5,520	1,193	4,013	99,050	4,711
February	5,536	1,290	4,028	118,088	4,999
March	5,758	961***	4,259	115,521	4,994
April	7,101	751	4,112	129,201	5,451
May	7,551	886	4,146	121,831	4,638
June	7,054	951	4,421	117,730	5,332
July	7,838	1,197	5,204	124,495	5,359
August	10,196	1,195	5,210	161,709	7,164

### Notes:

<sup>+</sup> RealTime was launched July 24, 2017.

<sup>\*</sup> RealTime phone and Transit App usage is not available for July.

<sup>\*\*</sup> Due to an AT&T system glitch, there was no phone data recorded from July 20-31 even though calls were received.

<sup>\*\*\*</sup> The number of MST RealTime phone calls received during the month of March

was below average. This irregularity was a result of the RealTime phone system being unavailable due to a lost data connection March 17-20. During these four days, there were no RealTime phone calls received. The average daily number of calls received through the RealTime phone system was 31 during the month of March.

**Published news stories include the following:** “Salinas rail extension project set for groundbreaking ceremony” (*Santa Cruz Sentinel*, 8/6/2018), “Lighthouse curve ranks No. 6 in Monterey County traffic” (*ksbw.com*, 8/8/2018), “Bus Ridership Is Up in Monterey County, Bucks the National Trend” (*Mass Transit Magazine*, 8/8/2018), “Bus transit proves to have picked up in Monterey County” (*Monterey County Herald*, 8/9/2018), “The gavel falls” (*Carmel Pine Cone*, 8/10/2018), “MST increases ridership but gas tax repeal may end gains, officials say” (*The Californian*, 8/17/2018), “MST study looks to speed buses around Highway 1 traffic. TAMC board to consider rapid transit study on Wednesday” (*Monterey County Herald*, 8/20/2018), “Back to the future. New exhibit at Sol Treasures revisits King City’s past” (*King City Rustler*, 8/22/2018), “Monterey County Fair to Bring 5 Days of Fun, Food and Competition” (*nbcbayarea.com*, 8/30/2018).

**Press releases sent include** “Bus Ridership Is Up in Monterey County, Bucks the National Trend, But Cuts to Local Bus Service May Be Necessary Just After the Holidays” (8/6/2018), “MST Service Changes Go Into Effect Saturday, August 25” (8/22/2018), “MST Bus Service on Labor Day” (8/29/2018), “Public Hearing Notice. Proposed Emergency Service Reductions and Fare Increase” (8/30/2018).

**Marketing activities:** Staff reviewed the current Mobility website portal and made recommendations for migration from *mstmobility.org* to *mst.org*; Staff made plans for Salinas Mobility Center lobby design; Staff reviewed RIDES vehicle decal placement; Staff worked to create Mobility’s Taxi Voucher Handbook; Staff installed replacement boardmember photos at Salinas Operations and Maintenance Facility (aka CJW), Staff created a JAZZ print ad for *Carmel Magazine*; Staff continued working with MST’s vendor for the 2018 community and rider survey; Staff worked on the display advertising portion of the RealTime campaign. Staff assisted with communications on potential service reductions and fare increases due to a funding threat.

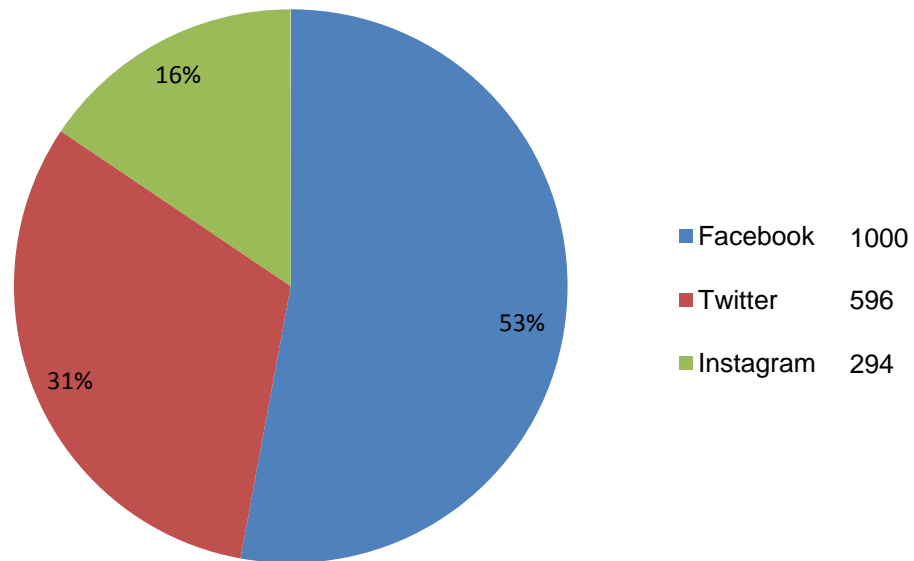
**Community outreach:** staffed information booth at Adult Probation Dept. in Salinas; staffed information booth at Gathering for Women in Monterey; staffed information booth for National Night Out in Greenfield; staffed information booth at the 12th Annual Breastfeeding Awareness Walk & Health Fair in Salinas; staffed information booth for La Gloria Elementary School 1st day of School in Gonzales; staffed information booth for the TRIO-CAMP at CSUMB; staffed information booth for the West End Celebration in Sand City; staffed information booth with the CHOMP mobile clinic in Seaside; staffed information booth at El Dia Del Trabajador in Greenfield; staffed information booth at the Transportation Expo at CSUMB.

**Projects:** participated in the planning committee for Senior Day Resource Fair at the Monterey County Fair and Veterans Connect Resource Fair at the Monterey County Fair.



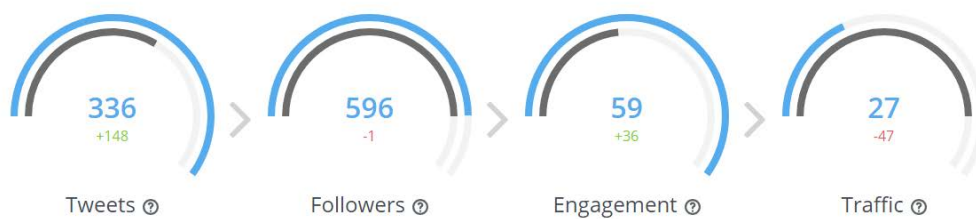
**Collaborative/Meeting/Committees:** attended MCCVA collaboration meeting in Sand City; attended HOME Collaboration meeting in Castroville.

## Social Fans



## Overview by Social Media Platform:

### Twitter



## Facebook



## Instagram



**Notes:** On Twitter, "following" someone means that you will see their tweets (Twitter updates) in your personal timeline. Twitter lets you see who you follow and also who is following you. Followers are people who receive other people's Twitter updates.

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

"Engagement" is the sum of likes and comments received by all posts.

"Traffic" is the total number of clicks on all the links posted.

## Planning Update – August 2018

During the month of August, staff continued to monitor the revenues and expenses for the military partnerships and visited the Presidio approximately one day each week to assist with the program. Revenues received from the federal transit benefit have stabilized during recent months so that revenues are matching expenses and have fully made up for previous losses. Staff has been actively advocating for this program during its Congressional visits to ensure that it continues with the comprehensive tax reform bill that was passed in December 2017. As such, staff will continue discussions with the Presidio to reevaluate the program with some expansions possible for the future.

Staff worked with the Presidio on identifying locations for new bus stop shelters, which have been delivered from the supplier. The Presidio staff is working on the required site work to allow installation of the shelters. As reported in February, only one new shelter had been installed at one of the higher ridership stops.

In August, staff presented the Bus Operations on Highway 1 Shoulders and the Monterey Branch Line Feasibility Study to AMBAG and TAMC. Staff also continued planning work for the Salinas Valley Express Transit Corridor Study with consultant staff from Fehr and Peers.

In August, staff participated in a meeting with Caltrans and other stakeholders on the Big Sur Transportation Demand Management (TDM) Planning Study.

Throughout the month, staff continued participating in meetings with various local agencies, including the Transportation Agency for Monterey County, Association of Monterey Bay Area Governments, Salinas Valley Chamber of Commerce Government Relations Committee, Monterey Peninsula Chamber of Commerce Government Affairs Committee, Monterey County Business Council, and the Fort Ord Reuse Authority.

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**Thomas Walters & Associates, Inc.**  
*Washington, D.C.*

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September 27, 2018

TO: Carl Sedoryk

FROM: Don Gilchrest

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

**Fall Schedule**

Despite an aggressive schedule so far in September, Congress is running out of time to complete action on numerous initiatives that are at various stages of the legislative process. Dozens of minor bills are being brought to the House floor this week under expedited “suspension of the rules” procedures. House and Senate leaders are also reserving floor time for larger packages of legislation that range from programs to combat the opioids crisis to aid for areas affected by Hurricane Florence. The crowded floor schedule indicates that House leaders have decided to move up the date for adjournment to next week to send members of Congress home to campaign.

House and Senate leaders are also racing to enact as many of the twelve individual appropriations bills as possible before the October 1 start of the new Federal fiscal year. Although the pace of appropriations work is the most productive in over ten years, several of the funding bills will have to wait until the post-election Lane Duck Session for enactment. A Continuing Resolution to provide interim funding through December 7 has passed both the House and the Senate as part of a funding package that includes the Defense Department and Labor-HHS-Education bills.

**Transportation Appropriations**

For several weeks, House and Senate appropriators have been negotiating a final version of the *FY 2019 Transportation and Housing and Urban Development Appropriations (THUD) Act* in a conference committee for a four-bill “minibus” funding package. Although they could still potentially finish their negotiations this week on the package, which includes the FY 2019 Agriculture, Transportation-HUD, Interior-Environment and Financial Services spending bills, the expected adjournment of Congress next week will probably delay final passage until after the election.

As currently drafted, the two versions of the THUD bill include:

- FTA Formulas – both the House and the Senate versions would fully fund as authorized by the FAST Act with an \$800 million supplement from the general fund.
- Buses – within the formula programs, House would increase bus discretionary grants by \$300 million and the low-emission/no-emission bus program would be increased by \$50 million. The Senate version adds \$209 million to the bus formula program, \$161 million to bus discretionary grants, and \$29.5 million to No/Low Bus grants.
- New Starts/Capital Investment Grants – The House bill would provide \$2.614 billion and the Senate bill \$2.553. This is close to the funding level from last year and significantly more than the \$1 billion included in the President's budget request.
- Build Grants (formerly the TIGER grant program) - The House would fund at \$750 million and the Senate included \$1 billion. This program, which can fund a wide variety of transportation projects, was funded at \$1.5 billion in FY 2018. However, the Administration had proposed it for elimination.

In addition, both the House and Senate THUD bills include a one-year prohibition on the use of FTA formula or bus funding for any new procurement of mass transit rail cars or buses from companies owned or subsidized by the government of the People's Republic of China.

#### **Lobbying Strategies & Opportunities**

Significant legislative activity is possible in the post-election Lame Duck Session of Congress. However, the exact agenda will depend in large part on the election results, as well as how much Congress can finish up before adjourning in October. Areas of focus for MST will continue to be advocacy for FY 2019 transportation appropriations and grant opportunities. We also continue regular consultations with MST staff to monitor other Federal legislation for any impacts on MST or opportunities to advocate your Federal agenda.

TPW:dwg

To: Board of Directors

From: Carl Sedoryk, General Manager/CEO

Subject: State Legislative Update

On August 7, the Air Resources Board released Proposed Innovative Clean Transit Regulation, A Replacement Of The Fleet Rule For Transit Agencies (ICT) opening a comment period that closes on September 24, 2018. As a result of continued negotiation in ARB staff and public transit operators, the regulation does include many improvements from the earlier draft. However, the rule still lacks needed references to performance benchmarks on vehicle range, availability, and infrastructure costs, availability of funding for public transit operators to be completely supportive. As chair of the California Transit Association, I will be testifying to the Air Resources Board at their hearing of September 28, 2018 in Sacramento.

See below for the status on bills related to transit:

SB 1119 (Beall) Low-Carbon Transit Operations Program: This bill would make changes to the LCTOP program to provide relief from disadvantaged community requirements related to discount transit passes for students and the operation of bus service.

Status: This bill was sent to the Governor. MST's Position: Support

SB 1434 (Leyva) Electricity Rates: This bill would have required the California Public Utilities Commission to begin a proceeding requiring investor owned utilities to propose electricity rate structures to accelerate widespread transit electrification.

Status: This bill was held in the Assembly Appropriations Committee. MST's Position: Support

AB 3124 (Bloom): This bill would authorize the use of three-position bike racks on 60-foot articulated buses subject to the approval of a route review committee.

Status: This bill was signed by Governor Brown on June 1 [Chapter 22, Statutes of 2018]. MST's Position: Support

AB 3201 (Daly) Zero-Emission Buses: This bill would have authorized the Hybrid and Zero-Emission Truck and Bus Voucher Incentive Program to fund large-scale zero-emission bus deployments and infrastructure.

Status: This bill was held in the Assembly Appropriations Committee. MST's Position: Support

AB 2145 (Reyes) Vehicular Air Pollution: This bill would make several changes to the California Energy Commission's (CEC) Advanced and Renewable Fuel and Vehicle Technology Program (ARFVTP) and the California Air Resources Board's (ARB) Clean Truck, Bus and Off-Road Vehicle and Equipment Technology Program (Program) to better facilitate the deployment of heavy-duty electric vehicle infrastructure.

Status: This bill is on the Senate Floor. MST's Position: Support

Submitted by   
Carl G. Sedoryk





September 21, 2018

To: Carl Sedoryk

From: Hunter Harvath

**Subject: TRIP REPORT – AUGUST 2018**

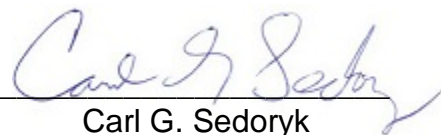
From August 7 through 10, I traveled to Flagstaff, Arizona, to participate in the 2018 Small Urban Network conference presented by the Community Transportation Association of America. While at the conference I did a site tour of the Northern Arizona Intergovernmental Public Transportation Authority main headquarters and bus maintenance facility. In addition, I attended the following sessions:

- Sharing Lessons from Triennial Reviews
- Incorporating Outside Innovation: Loretta Mayer, CEO & Founder – SenesTech
- Using Data to Demonstrate Transit's Positive Outcomes
- Peer Roundtable Discussions
- How Transit Can Serve As a Resource to End Human Trafficking
- Policy, Legislative & Regulatory Updates

PREPARED BY:

  
Hunter Harvath

REVIEWED BY:

  
Carl G. Sedoryk

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August 20, 2018

To: Robert Weber

From: Lesley van Dalen, Mobility Specialist

**Subject: TRIP REPORT – August 2018**

On 8<sup>th</sup> through the 10<sup>th</sup> of August 2018, I attended the Association of Travel Instruction (ATI) 18<sup>th</sup> Annual Conference, held in the city of San Diego, California. This is an annual sponsored conference that promotes learning and bringing people in the travel training industry together. At this conference, I learned about best practices, innovative techniques, new technologies, and successes from around the country as a way to promote independence in public transit.

At this year's conference, ATI's schedule selection provided a wide range of topics to choose. I was able to attend 10 of the 15 sessions and my top four (4) sessions are in **bold**. Below is a brief description of the sessions I attended.

- **Keynote Address presented by Dr. Linda Williams, Founder and CEO of Invisible Disability Project (IDP)**  
IDP is a social and cultural movement and an educational media project that focuses on the challenges imposed upon invisible disabilities across the spectrum of equality.
- *How to Engage Older Adults* a presentation by Advocates for Aging Cares  
This session provided strategies for agencies to engage with their older adults to proactively develop a plan for shifting away from private vehicles to public transit.
- *Intro to Spanish for Travel Trainers* presented by Linda Shepard Salzer from Paratransit Inc.  
This session provided information and insight about the cultural aspects and attitudes about disabilities when working with Spanish-speaking trainees and their families.
- **Tips for Accommodating Different Learning Styles presented by Robyn Bernardy from MTM Inc.**  
This session identified the three (3) main learning styles (Lookers, Movers, and the

Listeners), defined how to better understand each of them, and provided tools to best teach travel training skills according to each style.

- *Visual Supports for Instruction* presented by Allie Donnelly Gunderson from Anixter Center.

At this session, we discussed visual supports as an evidence-based strategy and created tools that engage with a variety of examples related to travel instructions.

- ***Environmental Assessment Activity***

This was an interactive and in-the-field session. We went out in small groups to conduct an Environmental Assessment, focusing on the path of travel strengths and areas of improvement including going to and from the bus stop, at the bus stop and trolley station, and on the bus and trolley too.

- *The ADA and Effective Communication* presented by Kristi McLaughlin from McLaughlin & McLaughlin LLC

This session covered the Americans with Disabilities Act requirement for effective communication with people with disabilities from two (2) different perspectives: Transit agencies requirements and ADA requirements

- *Panel Discussion with Experts*

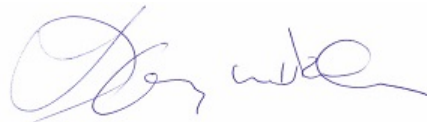
- ***Intersection Analysis 201*** conducted by David Abrahams from the New York City Department of Education

This was an interactive and in-the-field session limited to 6 participants. Our task was to look at intersections from different perspectives to determine 'least risk crossing' with much focus on the Trainer's body position, when teaching street crossings in relation to the safety of both trainee and trainer.

- *Setting SMART Goals* presented by Ashley Hinton from MTM Inc.

This session defined the importance of SMART goals (Specific; Measureable; Achievable; Relevant; and Time Limited). Through examination of each element, I learned how to break travel training goals down into SMART goals.

SUBMITTED BY: \_\_\_\_\_





September 19, 2018

To: Robert Weber – Chief Operating Officer (COO)

*Norman K. Tuitavuki*  
From: Norman K. Tuitavuki –Deputy COO

**Subject: SCRTTC Board Meeting – August 2018**

I attended the Southern California Regional Transit Training Consortium (SCRTTC) Board Meeting on August 28, 2018, at California State University Long Beach.

Other Board Members from various locations throughout California attended. Together, we discussed several items regarding the Strategic Plan of the consortium and goals for the upcoming year. The following is a summary of these items:

- Upcoming CTA Conference
- New Membership Opportunities
- Training Update – Future Opportunities
- Executive Leadership – Analysis and Possible Changes

The Board approved a number of resolutions related to the consortium's budget, calendar of events, and management contracts.

PREPARED BY: *Norman K. Tuitavuki*  
Norman Tuitavuki

REVIEWED BY: *Carl G. Sedoryk*  
Carl G. Sedoryk

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# News Release



24580 Silver Cloud Court, Monterey, California 93940  
PH: 831/647-9411 FAX 831/647-8501

## ***Air District Grants \$1,632,756 for Air Quality Improvement Projects Monterey, California – September 25, 2018***

On September 19, 2018, the District Board approved the Fiscal Year 2019 AB2766 Motor Vehicle Emission Reduction Grant Awards. Grant awards are funded by registration fees collected by the California Department of Motor Vehicles to help air districts reduce emissions from motor vehicles. These funds help to offset costs incurred by local governments where budgets cannot cover the full cost of these improvement projects. This year's AB2766 Grant award budget totaled \$1,632,756.

Direct emission reduction project grants were awarded to the following:

**Monterey County:** 1.

- **Monterey/Salinas Transit: New Electric Bus**
- City of Salinas: Roundabout Design and Construction
- City of Soledad: Roundabout Design and Construction

**Santa Cruz County:**

- City of Santa Cruz: New Electric Trolley
- City of Capitola: Adaptive Signal Control Expansion

**San Benito County:**

- San Benito High School District: Fleet Vehicle Replacement Project

EV Replacement vouchers were awarded to the following:

**Monterey County Agencies:** Del Rey Oaks Police Department, City of Marina, City of Pacific Grove

**Santa Cruz County Agencies:** County of Santa Cruz General Services

This message is brought to you by the Monterey Bay Air Resources District, serving Monterey, Santa Cruz, and San Benito Counties. Visit our website at [www.montereybaycleanair.org](http://www.montereybaycleanair.org) and check your local air quality forecast at <http://air.mbard.org/>.

Richard A. Stedman  
Air Pollution Control Officer

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September 24, 2018

California Air Resources Board, Members  
1001 I Street, Suite  
Sacramento, CA 95814

**RE: Response to the Initial Statement of Reasons for the Proposed Innovative Clean Transit Regulation**

Chair Nichols and Members of the California Air Resources Board:

On behalf of the Monterey Salinas Transit District (MST) I want to acknowledge – and thank you for – the considerable progress that has been made on the proposed Innovative Clean Transit (ICT) regulation.

MST remains committed to reducing greenhouse gas emissions by providing frequent, affordable, and accessible public mobility services throughout the Monterey Bay region. Over several decades our district has been an innovator in experimenting with a wide variety of alternative technologies, including lead-acid battery electric, compressed natural gas, locally grown and processed bio-diesel, hybrid-electric and most recently the latest in zero emission battery-electric buses including the first-of-its-kind inductive charged battery electric trolley vehicle. We believe that reducing carbon emissions and greenhouse gases is important to the health of our residents and environment in which we live and support the goal of eventually eliminating fossil fuel as a primary source of fuel to power our mobility.

MST continues to believe that facilitating a transition to cleaner transit buses is best done by allowing transit agencies to craft individualized zero emission bus (ZEB) deployment plans that are consistent with their unique financial and operational requirements; however, we also recognize the value in providing ARB staff with constructive feedback on the proposed regulation as currently drafted. We believe this feedback better ensures that if you proceed with a purchase mandate, the worst impacts to transit service will be minimized.

**Costs and Incentives**

MST remains concerned with the specifics of what is now in print as well as the impact the associated price tag will have on local agencies like MST. You should be aware that according to ARB staff's own estimates, which include some significant assumptions we would strongly dispute, the regulation will cost transit agencies \$1.1 billion between 2020 and 2040. If you remove the Low Carbon Fuel Standards (LCFS) funding, which does not even have statutory authorization through 2040, that price tag climbs to \$2.1 billion over the same time frame.

*Advocating and delivering quality public transportation as a leader within our community and industry.*

**Transit District Members** Monterey County • Carmel-by-the-Sea • Del Rey Oaks • Gonzales • Greenfield • King City • Marina • Monterey  
Pacific Grove • Salinas • Sand City • Seaside • Soledad **Administrative Offices** 19 Upper Ragsdale Drive, Suite 200 Monterey, CA 93940

PH 1-888-MST-BUS1 (1-888-678-2871) • FAX (831) 899-3954 • WEB [mst.org](http://mst.org)

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This is meaningful because at various junctures your Board has communicated to ARB staff its preference to preserve and expand transit service as we continue to make progress on cleaner bus fleets. We fail to see how this is possible without adequate funding to absorb the cost of the regulation and without more robust safeguards being built into the regulation. We fully understand that ARB cannot make commitments for future funding because you do not control the State's purse strings; the Legislature does. That said, our industry has long argued that accessing the incentive funding that ARB does have should be made much simpler and more useful to transit agencies.

Under the proposed regulation, transit agencies would only be able to access ARB's incentive funding – primarily Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project dollars – if they take early action to procure ZEBs before the purchase mandates kick in or if they procure more ZEBs than is required. Unfortunately, this will mean that transit agencies that cannot procure ZEBs early because their fleets have not reached their useful life when the purchase mandate goes into effect, or because their financial positions won't allow it, would be barred from accessing incentive funding for future ZEB procurements.

If transit agencies lose access to this incentive funding, which is being offered because ARB acknowledges that the technology is currently more expensive and underperforms, they will need to redirect resources from some other purposes. Should it be reducing the state of good repair for our current fleets? Reducing Transit service to some of the most vulnerable people in our community? Or should we pass costs onto our riders by way of higher fares, which would most likely push choice riders back into their single occupancy, fossil fuel-powered vehicles?

**You should know that we are not alone in making this request. CalZEV, comprised of Proterra, GreenPower, CalETC, and BYD, among others, has expressed their support for freeing up incentive funding to support the proposed regulation.**

We also ask you to consider that if incentive funding isn't available to transit agencies when they need it, an agency might have no alternative but to keep an older, higher pollution/emissions vehicle in service because they lack the resources to move forward with a zero-emission bus purchase and its attendant electric charging or hydrogen storage/fueling infrastructure costs. In that regard, we feel that ARB must express its support for creating an infrastructure funding program. This program should also be available to small operators to finance their roll-out plans. Without a secure source for infrastructure investments in fueling/charging facilities, maintenance facilities, and storage capacity, the ability to meet the goals of this rule is doubtful.

### **Performance Benchmarks**

While the availability of incentive funding is critical for smoothing the introduction of ZEBs and limiting financial risk to transit agencies, we'd argue that the greater risk to our transit service would be in projecting the cost and technological capabilities of ZEBs five, ten, or twenty years out. To limit these risks, we've asked ARB staff to establish **within the regulation itself** cost and performance benchmarks that would be reviewed periodically, likely before the imposition of a purchase requirement, and used to determine how the regulation proceeds. This is consistent with the approach taken in the original Transit Fleet Rule.

Under this scheme, ARB would review the real-world cost and performance of zero-emission buses and their supporting infrastructure at some future date and, if they do not align with ARB staff's projections

– which are built into the cost model and used to estimate the proposed regulation’s economic and environmental impact – **then the regulation would put on a temporary hold.**

Currently, ARB staff has included language within the staff report that commits to reviewing the real-world cost and performance of ZEBs one year prior to the imposition of a purchase requirement, but there is no indication of how the data gathered would be used. We are thankful for this inclusion, but it doesn’t go far enough to ensure that transit agencies will not be saddled with untenable costs or inadequate performance. We encourage you to work with ARB staff to have our preferred provisions added to the regulation itself.

### **Small Agencies and Non-Standard Buses**

While we make these requests, we also want to communicate the dangers of ARB staff moving the regulation, particularly its purchase requirement, in a more aggressive direction. This, as you may already know, is being advocated for by a coalition of environmental groups, and these groups advocate for:

- Accelerating the purchase requirement, particularly for small agencies
- Accelerating the creation of ZEB roll-out plans, particularly for small agencies
- Accelerating the inclusion of cutaway and non-standard buses in the regulation

Referring to our points about cost and performance, these changes would require transit agencies to purchase more ZEBs while costs are higher and performance is lower. This would require smaller transit agencies to experiment with new technologies – even though these agencies can least afford to do so – and would require that the industry, all at once, troubleshoot the transition rather than allow for an information transfer between early adopters and other agencies.

MST urges the Board to reconsider the definition of a “small operator” and instead use a definition that transit operators are familiar with and which is currently used in federal and state programs. The proposed regulations define a small operator as any operator with fewer than 100 buses. MST urges the Board to rely on the current federal definition that specifies a small operator as having less than 100 buses during peak operations.

MST strongly supports the delayed compliance for small operators to adopt the rollout plans and purchase mandates. MST and other small operators in the state agree that additional time will be needed to secure funding for developing and adopting the plans. In some cases operators will need to locate, purchase, and build new storage facilities because of inadequate space or because they currently rent space from another public entity. The additional time needed to develop the roll-out plans support the need for the later purchase mandate timeline. The later purchase mandate should also benefit small operators, allowing them to take advantage of lower vehicle prices as demand increases and supply chains mature.

Finally, in recent years California has been beset by increasingly frequent wildfires, floods, and mudslides, for which local transit operators are called upon to make mass movements of public safety personnel and evacuees over distances that are beyond the range of ZEB vehicles. To this end, MST advocates that public transit operators continue to be allowed to operate some number of traditional fossil fuel fleets in the event of an emergency evacuation response, due to a local civil emergency or

natural disaster, until such time that the range of zero emission buses ensures they are reliably operational for a period of days or until power supplies are restored after such disasters occur.

Once again, I would like to commend your staff on their openness in listening to the comments and concerns of myself and my peers within the California transit industry.

If you have any questions or comments, please feel free to contact me at 831-264-5002.

Sincerely,

A handwritten signature in black ink, appearing to read "Carl Sedoryk". The signature is fluid and cursive, with the first name "Carl" and last name "Sedoryk" clearly distinguishable.

Carl Sedoryk  
General Manager / CEO

cc: Richard Corey, Executive Officer, California Air Resources Board  
Steve Cliff, Deputy Executive Officer, California Air Resources Board  
Jack Kitowski, Chief, Mobile Source Control Division, California Air Resources Board  
Tony Brasil, Heavy Duty Diesel Implementation Branch, California Air Resources Board  
Shirin Barfjani, Mobile Source Control Division, California Air Resources Board



Post: 09/25/2018  
File: 10/05/2018



**To:** All

**From:** Albert Garcia, ATU Local 1225, President  
Kelly Halcon, Director of Human Resources/Risk MGMT

**Subject:** JANUS Decision and MST

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This memo is a joint communication from ATU and MST to provide an update regarding technical changes about union membership stemming from the June, 2018 United States Supreme Court decision, *Janus v. American Fed'n of State, County and Mun. Emps., Council 31* ("*Janus*") and California Senate Bill 866 of 2018.

One immediate effect of the *Janus* decision was nullification of a part of Article 41 of the MST/ATU Contract because language in that Article was declared by *Janus* to be unconstitutional. ATU and MST met and conferred regarding this consequence and agreed language of Article 41 can best be modified during negotiation of the successor labor agreement in 2019. In the meantime, MST and ATU agreed Article 52 of the MST/ATU Contract will suffice to guide ongoing relations between the parties because Article 52 includes a severability or savings clause that states the invalidity of one provision of the labor agreement does not impact the validity of the remainder of the agreement. As such, the remainder of the MST/ATU Contract continues in effect.

*Janus* does not impact any ATU member as those workers voluntarily chose to join the union and pay dues. Instead, *Janus* applies solely to the few employees who may choose to not join the union. Importantly, *Janus* only impacts dues and not representation. MST is required by law to rely on ATU's statement regarding employee membership and deduction requests. Coach operators, mechanics and other employees governed by the MST/ATU Contract are still represented by ATU and are covered by the collective bargaining agreement.

No employee should conclude this memo is intended to encourage or discourage any employee from exercising or not exercising their *Janus* rights.

In the meantime, if you have any question about *Janus*, please contact the MST Human Resources Department, or your ATU representative.

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