BOARD OF DIRECTORS
MINUTES OF THE REGULAR MEETING
MONTEREY-SALINAS TRANSIT
July 11, 2011

1. CALL TO ORDER

Chair Armenta called the meeting to order at 10:01 a.m. in the MST Conference Room and asked Director Edwards to lead the Pledge of Allegiance.

Present: Fernando Armenta County of Monterey
Alan Cohen City of Pacific Grove
Jerry Edelen (alt) City of Del Rey Oaks
Libby Downey City of Monterey
Alvin Edwards City of Seaside
John Huerta, Jr. City of Greenfield (arrived at 10:30 a.m.)
Frank O’Connell City of Marina
Maria Orozco City of Gonzales
David Pendergrass City of Sand City
Sergio Sanchez City of Salinas
Karen Sharp City of Carmel-by-the-Sea
Patricia Stephens City of Soledad (arrived at 10:05 a.m.)

Absent: Susan Kleber City of King

Staff: Sonia Bannister Office Administrator/Marketing & Sales Specialist
Mark Eccles Director of IT
Mike Gallant
Kelly Halcon Director of Human Resources
Tom Hicks CTSA Manager
Hunter Harvath Asst. General Manager/Finance & Administration
Michael Hernandez Asst. General Manager/COO
Carl Sedoryk General Manager/CEO
Zoe Shoats Marketing Analyst
Deanna Smith Executive Assistant to the GM/CEO
Robert Weber Director of Transportation Services

Others: David C. Laredo De Lay & Laredo
Eric Peterson Citizen
Lou Osborne Citizen
Bruce Delgado Mayor of Marina
Javier Gonzales MST
Jim Fink Citizen
Debbie Hale TAMC
Lance Atencio MVT
Dennis Jackson MVT
Patricia Mesrica Citizen
2-1 Review highlights of Agenda.

Mr. Sedoryk presented the highlights of the agenda. He noted that Item 2-12 has been pulled from the agenda. Colonel Darcy Brewer will not be in attendance to receive Resolution of Appreciation, Item 3-2.

2-2 Adopt Resolution 2012-01 recognizing Javier Gonzales, Coach Operator, as Employee of the Month for July 2011.

2-3 Disposal of property left aboard buses.

2-4 Minutes of the regular meeting of June 13, 2011.


2-6 Disposal of Accountable Property.

2-7 American Public Transportation Association Membership.

2-8 Approve General Manager participation in International Transit Studies Program Fiscal Year 2012.

2-9 Approve Resolution 2012-02 California Energy Commission Loan Application Authority.

2-10 Review Current Committee Assignments and Receive Proposed Committee Meeting Schedule.

2-11 Renew Operating Line of Credit.

2-12 Authorize Vehicle Donation to Rancho Cielo Youth Campus.

2-13 Approve Resolution 2012-03 recognizing COL Darcy Brewer, Commander—U.S. Army Garrison, Presidio of Monterey.

Public Comments-none.

Director Pendergrass made a motion to approve the Consent Agenda and was seconded by Director Orozco. The Motion Carried Unanimously.
3. SPECIAL PRESENTATIONS

3-1 July Employee of the Month—Javier Gonzales, Coach Operator.

Robert Weber recognized Javier Gonzales, Coach Operator, as Employee of the Month for his positive contribution to MST and the entire community and for dealing with an unprovoked attack during his bus route with restraint and professionalism.

3-2 Resolution of Appreciation COL Darcy Brewer, Commander—U.S. Army Garrison, Presidio of Monterey.

COL Darcy Brewer was not present. Mr. Sedoryk provided Colonel Brewer with his Resolution of Appreciation at his going away barbecue.

Director Stephens arrived at 10:05a.m.

4. PUBLIC COMMENT

Jim Fink, citizen and MST customer, asked if management has done a study to compare bus fares with daily income based on minimum wage. He believes consideration should be given to raising fares annually as a way to deal with budget gaps and keep up with inflation.

Mayor Bruce Delgado, City of Marina, offered to meet with the MST Board directly after today’s Board meeting to discuss site options in Marina for the proposed new MST Administrative Facility. Chair Armenta stated that the last minute request would not be possible as he and other Board members have commitments immediately following the meeting. He stated that with prior notice a meeting could be arranged.

Eric Petersen, Green Party member, asked the Board to remove the Whispering Oaks item off of Tuesday’s County Board of Supervisor’s meeting. He is opposed to the site as a location for the new MST Administrative Facility.

Close Public Comment

Director Downey requested that a meeting with Mayor Delgado be set as soon as possible to discuss and remain open to all options.

Director Orozco left at 10:29a.m. Director Huerta, Jr. arrived at 10:30a.m.

5. COMMITTEE REPORTS AND PRESENTATIONS

5-1 Human Resources Committee Minutes.

5-2 Planning and Operations Committee Minutes.
6. BIDS/PROPOSALS

None.

7. PUBLIC HEARINGS

7-1 Conduct Public Hearing on FY 2012 Service Reductions.

Mr. Harvath directed the Board to handouts on the dais providing updated information regarding proposed service reductions and Public Hearings held to date. He stated that MST must close a $1 million budget gap for FY 2012. The budget discrepancy is primarily caused by lower ridership, higher fuel prices, and an overall reduction in federal funding. He stated that all Public Hearings were noticed in local newspapers, both English and Spanish, received both radio and television exposure, and English/Spanish service reduction handouts were placed on all buses. He presented his PowerPoint Presentation which provided details on ridership and proposed service reductions and changes.

Public Comment

Mr. Fink stated he has been thrilled with the Sunday evening service and suggests keeping this service and thinning out frequencies elsewhere. He stated again his suggestion for fare increases.

Debbie Hale, executive director of TAMC, agreed that CalTrans is not functioning well and is the major cause of funding delays. She suggested that CalTrans tends to listen to Highway representatives more than Transit representatives and offered to be a liaison between them and MST.

Close Public Comment

Director Sanchez asked Mr. Harvath to explain the data used to determine service reductions in Salinas. Mr. Harvath stated that Line 48 ridership declined greatly with the economic downturn, but switching to a large bus will increase capacity to make up for a reduction in frequency. Ridership at Boronda Crossing was used to determine reductions to Westridge/Northridge. He also stated that he is trying to preserve a Sunday 8:15p.m. as a last departure time.

Mr. Edelen asked if there were any furloughs or layoffs implemented to try to alleviate deep service cuts. Mr. Harvath stated that MST is incurring substantial overtime costs and the service reductions will reduce this cost. Mr. Edelen stated that MST should not sacrifice service to maintain employment levels.

Mr. Sedoryk stated that a hiring freeze has been implemented and that the savings will be realized in overtime reductions as opposed to layoffs.
Director Edwards asked if a fare increase and maintaining the late evening service on Sunday was possible. Mr. Harvath stated that a recent five (5) year effort resulted in fare restructuring and new fare boxes. This was implemented in April, so it would be difficult to raise fares without observing the results of this restructuring. He stated that a fare increase consideration would be more appropriate in one (1) year. He stated that if the Sunday evening service was maintained, reductions to peak hour service would have to be reduced.

Mr. Sedoryk stated that wage analysis was conducted prior to the new fare structure implemented in April.

Director Pendergrass stated that the Edgewater/Fremont Corridor should also be referred to as a Sand City Service, not solely a Seaside Service. Mr. Harvath stated he will make appropriate changes.

**Director Downey made a motion to approve the FY 2012 service reductions to balance MST's FY 2012 operating budget. Director Huerta seconded the motion with the condition that MST staff report back to the Board in six (6) months with new fare data. The Motion Carried Unanimously.**

8. **UNFINISHED BUSINESS**

None.

9. **NEW BUSINESS**

9-1 Receive Update on Discussions regarding MST-TAMC-AMBAG Realignment.

Mr. Sedoryk referred the Board to Agenda Item 9-1 and stated that the issue of analyzing possible duplication of duties and purposes between MST, AMBAG, and TAMC was brought up at a TAMC Board meeting several months ago. Since then, Ms. Hale and he have discussed a possible realignment considering shared tasks and minimizing duplication of effort, all with a focus on streamlining agency processes and saving money. He stated that Ms. Hale has provided the Board with her analysis, but that a more comprehensive analysis from all agencies is needed. He suggested that an outside consultant might be a consideration.

Director Pendergrass stated that he is upset with the way this has been handled and feels that the process has been disrespectful to AMBAG, an agency that has been established for over thirty (30) years. He urges caution moving forward.

Director Edelen stated that streamlining and consolidating agencies is a viable way to save taxpayer money, and that there might be a misperception that the suggestion is intended to disrespect any one agency. He stated that increasing service to the public while lowering costs should be considered.
Director Downey supports Mr. Edelen’s view. The City of Monterey is assessing approached to consolidate as well. She stated that MST and TAMC should consult with AMBAG’s new interim director, Les White.

Director Sanchez left at 11:22a.m.

Director Huerta supports continued analysis for realignment.

Director Edwards stated that it is important that AMBAG decides where they stand on the issue before anyone else decides for them. He is concerned about the cost of a consultant and hopes that all three agencies share the cost.

Director Stephens stated that she felt the problem was with the approach. She feels that the issue was discussed “under the table” without transparency, and that no direct talks were ever initiated with AMBAG. She stated that everyone should “follow the money.”

Chair Armenta stated that he agrees with Director Stephens, although he is not opposed to looking at the various positions. He stated that all three agencies need to sit down together and condemned the lack of transparency of some legislators.

Public Comment

Ms. Hale apologized for any bad feelings and any perception that the issue had been discusses inappropriately. She stated that trust is important to her and maintaining positive relationships is her goal. She stated that the concept of minimizing duplication of effort among state agencies is not an unusual concept in our current economic environment. She stated that her analysis is from TAMC’s perspective, and that going forward, all agencies will have to work together to decide on a solution, and many options remain on the table. She committed to moving forward with transparency.

Director Downey stated that Ms. Hale was simply following her Board’s direction. She urged the leadership of all three agencies to sit down together.

Director Edelen stated that all three entities were at the TAMC meeting when the issue was first discussed.

Mr. Fink asked if all three agencies would consolidate into one. Chair Armenta stated that the concept is in the preliminary analysis stage and no one knows the outcome.

It was recommended that Mr. Sedoryk provide his own analysis, and that AMBAG, TAMC, and MST leadership begin formal discussions.
10. REPORTS & INFORMATION ITEMS

10-1 General Manager/CEO Report.
10-2 TAMC Highlights.
10-4 Staff Trip Reports.
10-5 Correspondence.

11. COMMENTS BY BOARD MEMBERS

Director Downey stated that she would like to see Ms. Hale help MST work with CalTrans to solve the problem of grant funding. She acknowledged that Mayor Delgado’s request to meet with MST Board was last minute, but urges the Board to attempt to meet with him in good faith.

12. ANNOUNCEMENTS

Chair Armenta stated that since the last Board meeting, he met with Rancho Cielo regarding the County’s cuts to their transportation services. The County of Monterey made a commitment to continue the service and to work to develop a plan for the long term. He stated that he met with the Teamsters Local 890 to discuss taxi-related issues, and that he is working with Director Sanchez to continue to provide them with information and support.

Director Downey stated that Mr. Penko has confirmed that the City of Monterey can administer the RTA permitting functions for a $508 annual permit fee per taxi driver.

Director Huerta stated that he believes the proposed MST facility at the Whispering Oaks site has been well-vetted and that the economic downturn is a major cause of the public’s concern.

Mr. Edelen thanked Ms. Hale for her work. He stated that at his farewell barbecue, Colonel Darcy spoke highly of Mr. Sedoryk’s work with the military community.

Mr. Sedoryk announced that MST now has On Call Service in Greenfield and King City. He alerted the Board that they will be receiving the Board Satisfaction Survey via email, although it can be mailed to anyone who requests it. The results of the survey will be brought to the Board in September.

Director O’Connell stated that he believes many of the opponents of the Whispering Oaks site simply do not understand why the many blighted areas in Ft. Ord are not being considered. He wants to reopen the discussion and supported Mayor
Delgado’s efforts to work with MST. He believes the issue surrounding the possible realignment of TAMC, AMBAG and MST is an example of poor communication.

13. CLOSED SESSION

The Board adjourned to Closed Session to meet with legal counsel regarding conference with property negotiators. (Parcel #APN 032 171 005; L.2.3, L.2.4.1, L.2.4.3, L.2.4.2, APN 031-011-056-000)

14. RETURN TO OPEN SESSION

General Counsel Laredo made the following reports.

13-1 Director Edwards made a motion to approve and authorize the Common Interest, Joint Defense, Conflicts Waiver, and Confidentiality Agreement. The motion was seconded by Director Huerta, Jr. Director Downey opposed. The Motion So Carried, with all others voting in favor.

13-2 No reportable action taken.

13-3 Director Pendergrass made a motion to approve Incentive Pay of 3%, as a one-time payout that would not be added to base wage pay, for the General Manager/CEO based upon his performance in accordance with achievement of the Board adopted goals and objectives, and as authorized by the existing employment agreement. He was seconded by Director Huerta, Jr. Directors Downey and O'Connell opposed. The Motion So Carried, with all others voting in favor.

15. ADJOURN

There being no further business, Chairperson Armenta adjourned the meeting at 12:40PM.

Prepared by: Deanna Smith, Deputy Secretary