

2015 ANNUAL REPORT



Welcome Aboard!

MST

MONTEREY-SALINAS TRANSIT

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MISSION

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

STRATEGIC GOALS

- 1) *To develop adequate and stable long-term revenues*
- 2) *To provide quality transit and mobility management services*
- 3) *To implement board protocols and best practices to achieve effective and efficient board operations and board meeting management*
- 4) *To research, implement, and promote policies and practices that encourage environmental sustainability and resource conservation*
- 5) *To educate the public on MST services through promotion, communication, and advocacy*
- 6) *To actively promote organizational values to maintain high-quality relationships with MST employees, contractors, vendors, and community stakeholders*

GENERAL MANAGER'S MESSAGE



It is with great pleasure, and a certain amount of pride, that I present the 2015 Monterey-Salinas Transit annual report to the community. After years of fiscal uncertainty, the US Congress has put forward a five-year funding plan that will support ongoing transit operations, the purchase of new buses and other capital needs through 2020. And, disputes with the US Department of Labor that have threatened MST services in the past appear to be resolved for now. Also, the recovering local economy is generating increased sales tax revenues, and recent legislation from State of California is providing MST millions of dollars to support services that reduce greenhouse gas emissions. All of this combined with an estimated additional \$7 million of annual revenue generated by the local Measure Q initiative has finally provided our district a long needed level of financial stability, which is allowing MST to focus on the task of providing convenient, affordable, and dependable transit services to the diverse communities that comprise the Monterey Bay region.

We had a very productive 2015 as we implemented a first-of-its-kind wirelessly-charged electric trolley serving Monterey tourist destinations and the Monterey Bay Aquarium; deployed new services to residents of Salinas and South County communities including San Ardo and San Lucas; preserved much needed mobility services for seniors and disabled members of our communities; and, provided discount (½ price) fares on all MST services for veterans. All of this was accomplished while the hard working men and women of MST managed to increase the number of passengers we carry, improve overall safety, and enhance our on-time performance.

It looks to be another busy year in 2016. We plan to rehabilitate a 37-year-old facility in Ryan Ranch; purchase additional electric powered buses and support vehicles; install new bus shelters; and deploy the latest technologies and apps to provide real-time next bus arrival information directly to our customers' mobile devices.

It has indeed been a great year, and on behalf of MST employees and our board of directors, I would like to thank all of our community stakeholders who have played a part in our continued success.

MST WIDENS ITS SUSTAINABILITY FOCUS

Sustainability goals steered several Monterey-Salinas Transit (MST) initiatives introduced in 2015, from the pioneering adoption of clean-powered wireless technologies to the creative application of cap-and-trade grant funds.

“Monterey-Salinas Transit is pleased to lead the industry with the first wirelessly charged trolley used in a public right-of-way,” says MST General Manager and CEO Carl Sedoryk. “We’re also exploring electric buses on several routes, and we’ve implemented other programs that reduce traffic congestion and cut greenhouse gas emissions while modernizing public transportation.”

ELECTRIC TROLLEY SERVICE

MST’s headlining sustainability accomplishment was the implementation of California’s first wireless power transfer (WPT) trolley service in May. Engineers removed the diesel engine and transmission from a 12-year-old vehicle and replaced them with a state-of-the-art rechargeable battery system and electric drive components. MST also installed equipment under the roadbed that charges the revamped WPT trolley as it stops for passengers at the Monterey Transit Plaza. Charges sent throughout the day keep the vehicle running on smaller, lighter batteries than standard electric buses require, offering an efficient, zero-emission alternative to traditional transit vehicles.

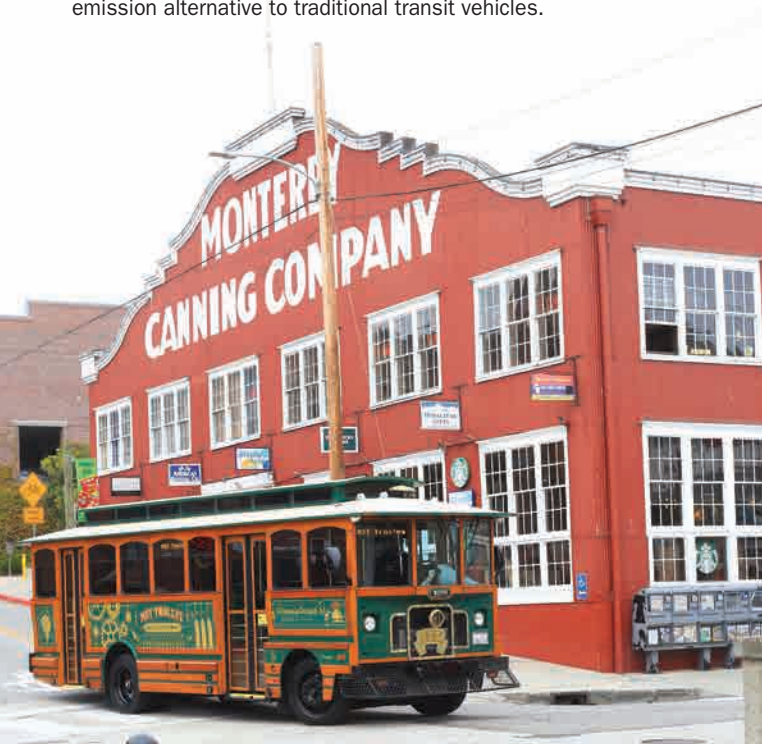


Electric trolley implementation included: 1) Wireless power transfer charging station at Monterey Transit Plaza. 2) Roadbed installed wireless charging pad. 3) State-of-the-art rechargeable battery system and electric drive components.

The wireless MST Trolley carried thousands of visitors and residents along Monterey’s waterfront between Memorial Day and Labor Day. Based on the route’s popularity, Monterey city leaders then decided to fund extended weekend trolley service until the daily route resumes next Memorial Day. MST is also testing the WPT trolley between Monterey, Pacific Grove and Carmel-by-the-Sea, a route that includes some of the steepest hills in the agency’s system. Success on these pilot programs could pave the way for expanded electric service in other Monterey County communities.

“Monterey-Salinas Transit is pleased to lead the industry with the first wirelessly charged trolley used in a public right-of-way.”

Carl Sedoryk
MST General Manager and CEO





Rendering of renovations at the Thomas D. Albert (TDA) Operations Facility.

THOMAS D. ALBERT RENOVATIONS

This year, MST received a \$10 million cap-and-trade grant from the state that will drive upcoming renovations at the Thomas D. Albert (TDA) Operations Facility. The current Ryan Ranch infrastructure accommodates one-third of the agency's bus fleet, yet approximately two-thirds of MST routes operate on the Monterey Peninsula. By expanding storage and maintenance facilities closer to those routes, MST will reduce equipment wear and tear and decrease the amount of fuel used to transport buses between Salinas and Monterey each day. The agency will also minimize the staffing costs that come with transferring empty buses at the start and finish of the service day.

The \$10 million cap-and-trade grant will support renovations estimated to cost \$18 million overall, while the finished project will save the agency approximately \$250,000 in annual fuel and labor costs.



NEW ADMINISTRATION BUILDING

MST will funnel savings from the expanded TDA facility into additional bus services and the acquisition of a new administration building, located about a mile away at 19 Upper Ragsdale Drive in Monterey. The agency's board of directors approved the purchase of the Ryan Ranch property in November. Before TDA renovations begin late next spring, MST administrative staff members will pack up and make way for the expansion after nearly 40 years in the current offices.

Administrative staff will be moving to 19 Upper Ragsdale Drive in Monterey.



ELECTRIC VEHICLES

Another grant-funded purchase completed in 2015 further controls fuel and labor costs while lightening MST's environmental footprint. When coach operators begin and end their shifts, many must travel between operating bases and the transit centers where they meet their buses and vans. To minimize emissions from these trips, MST purchased two electric Nissan Leaf cars to operate as shuttle vehicles. The Monterey Bay Unified Air Pollution Control District supported the purchase with a grant, and MST was awarded funds to purchase a third Leaf in 2016. In the past six months, these electric cars have lowered fuel costs and cut fossil fuel emissions while traveling more than 12,000 miles.

LINE 42 WESTRIDGE–EAST SALINAS

In August, MST introduced Line 42 between East Salinas and the Westridge Shopping Center. The route is funded, in part, by state cap-and-trade money designated for communities defined as disadvantaged by the California Environmental Protection Agency. MST surveyed members of the public before creating the route, and found that many residents wanted to visit Westridge

for weekend shopping trips. As a result, the agency dedicated approximately \$200,000 of the county's portion of the cap-and-trade Low Carbon Transportation Operations Program funds to the route in 2015. Another \$400,000 of anticipated funds will continue and expand the service in 2016.

Line 42 provides a one-seat ride from East Salinas to Westridge Shopping Center.



NEW ELECTRIC ROUTES

MST's next proposed Salinas project aims to convert all buses operating within city limits to an electric system. The agency has applied for another grant through the FTA's Low or No Emission Vehicle Deployment Program, along with a state match that would help pay for nine electric buses and five charging stations. Building upon the success of the MST Trolley, this larger-scale wireless power transfer system would bring zero-emission public transit to residents throughout the city of Salinas.

MST is also working with California State University, Monterey Bay (CSUMB) and the Fort Ord Reuse Authority (FORA) to install electric charging equipment on the CSUMB campus. Project leaders hope to secure funds for the equipment, as well as electric buses, shelters and additional passenger amenities, by partnering on applications for state and federal seed money.



NEW BUS STOP SHOP OPENS IN MONTEREY

Monterey-Salinas Transit offers important amenities and services at the new MST Bus Stop Shop, which debuted this summer in downtown Monterey. Housed at 201 Pearl Street, across from the Monterey Transit Plaza, the facility is conveniently located adjacent to Monterey's busiest public transit hub.

Since the new Bus Stop Shop opened in June, more than 50 MST passengers a day have stopped in for information and assistance. Riders swing by for real-time arrival and departure updates and a change machine that's available 24 hours-a-day. During business hours, passengers can also purchase bus passes and apply for MST RIDES, the agency's American with Disabilities Act (ADA) paratransit program. Customers visit the shop to take photographs for MST's free courtesy cards, too. The cards serve as proof of eligibility for discounted MST fares.

Additionally, the new MST Bus Stop Shop offers convenient restroom and lunch facilities for MST coach operators. And, MST's commitments to sustainability and the local community extend to the shop's design. Interior flooring is crafted from recycled bus tires, while the lobby features photos of Monterey's public transit system that date back to the 1890s.



MST IMPLEMENTS MEASURE Q PROGRAMS

A year after Monterey County voters overwhelmingly approved Measure Q, a dedicated 1/8-cent local sales tax that will be collected for 15 years, MST administrators and community leaders are expanding essential transit services for seniors, veterans and people with disabilities.

Measure Q passed in November 2014 with the support of 72.45 percent of voters. The money provides secure funding that cannot be eliminated by budget cuts at the state or federal level. It also ensures that community members who depend on MST services – most notably seniors, disabled individuals and veterans – have safe, reliable and friendly transit access at an affordable price.

“Measure Q collections began in April 2015, generating \$1.5 million alone during the fourth quarter of last fiscal year. With those initial resources, MST extended popular transit programs that were threatened after state and federal funding cuts,” says MST General Manager and CEO Carl Sedoryk.

Existing MST mobility programs supported by new Measure Q receipts include the taxi voucher program, a flexible, personalized discount taxi option for seniors and persons with disabilities, and travel training outreach that teaches passengers to independently ride MST buses. The money also funds the administration of



“Without these services, I simply would not be able to get around outside of my home. Measure Q allows me to live my life independently.”

Diana Seay, Carmel

MST’s popular Navigators program, a group of volunteers who answer transit questions, move scooters on and off the bus, carry packages for passengers and provide other help for those who need assistance.

In December, MST devoted additional Measure Q funds to a half-price fare discount for military veterans. This was one of many priorities identified through community surveys conducted last spring.

“We need Measure Q to go to school, learn job skills, find work, and settle back into life at home.”

**Cynthia Ramirez-Medina,
Sergeant (Ret.), US Army**



“When I returned home from the Marines to Salinas, I needed help. The services funded by Measure Q allowed me to get back to school, earn my degree and get a job.

**Robert Jurado,
Case Manager Assistant,
Veterans Transition Center**

*“Without Measure Q,
I would lose the
services I use to get
to the doctor, the
grocery store, and to
see my family.”*

**Maria Sandoval,
Salinas**



“MST reached out to individuals and advocacy groups across Monterey County to ask how we could best serve seniors, veterans and persons with disabilities. We looked for gaps in existing services and also discussed new ideas of interest to community members,” says Lisa Rheinheimer, MST director of planning and development.

After evaluating that feedback, an internal MST steering committee created short-term priorities and a 15-year long-term plan for Measure Q funding. The agency also appointed seven people to a Measure Q oversight committee that convened for the first time in July. The volunteer group will meet twice a year for the next 15 years to review, report on and make recommendations related to Measure Q revenues and expenditures.

Juan Pablo Lopez represents urbanized Salinas on the oversight committee, while Sid Williams serves for urbanized Seaside-Marina-Monterey. Susan Kleber represents non-urbanized areas and Kathy Merritt represents unincorporated Monterey County. Also serving as members are Harry Mucha of the Monterey Peninsula Taxpayers Association and MST Mobility Advisory Committee representatives Laurie Crosby and Kazuko Wessendorf.

By acting as good stewards of Measure Q funds and investing in innovative programs for seniors, veterans and people with disabilities, MST helps these individuals live richer, more independent lives.

“For a person who can’t drive, uses a wheelchair, a senior living far from family members, or a veteran who has fallen on hard times, reliable, affordable transportation is vital,” says Sedoryk. “MST is proud to serve our friends and neighbors who need help the most.”

After reviewing public input, Measure Q team members outlined five areas of focus for the next five years:

Expand the MST Navigators program. By recruiting more volunteers, MST can serve more passengers who need assistance navigating the transit system.

Pilot a flex voucher program. MST’s taxi voucher program offers a popular transit alternative for passengers while relieving demand on the MST RIDES ADA paratransit program. Applying vouchers to other transportation services would provide additional choices for riders.

Nominate veterans for free passes. By nominating a veteran for a free annual pass, MST could honor veterans for their outstanding service or simply support those who need some extra help.

Launch a veterans-helping-veterans program. Expanding the current MST Navigators program by training military veterans to help other veterans who use public transit would support the close-knit military community.

Assist families and friends with reimbursements. Extending transportation incentives to relatives and friends who take elderly individuals to medical appointments and basic services could ease financial pressures for Monterey County residents.



MST ENHANCES SOUTH COUNTY SERVICES

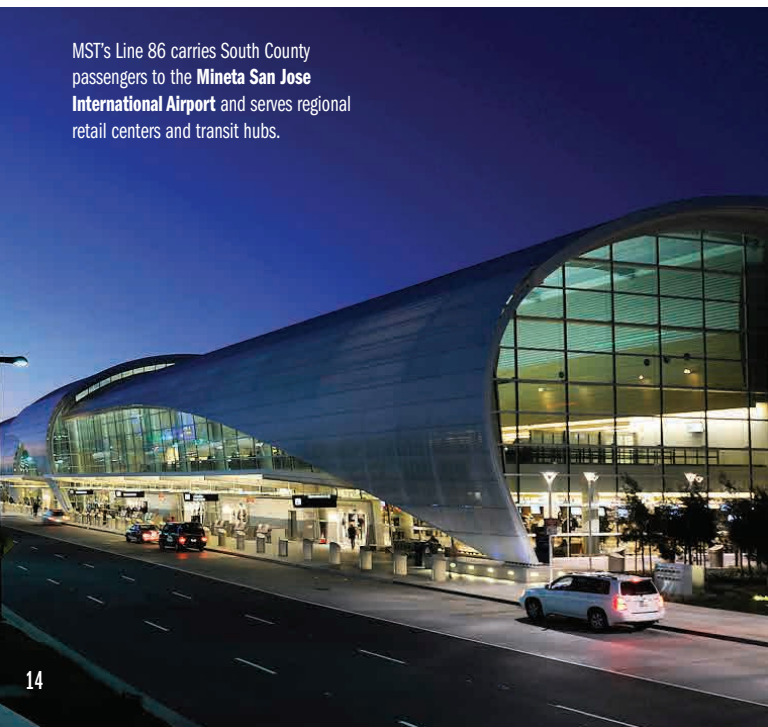
With 280 square miles of service area and nearly four million miles traveled annually, MST provides reliable transit service for a diverse population. The agency has recently added new fixed routes in southern Monterey County, where many resident farmworkers and their families rely on informal, expensive private transportation arrangements to reach vital services.

MST's Line 86 carries South County passengers to the Mineta San Jose International Airport and serves regional retail centers and transit hubs. Linking rural communities with inner-city transportation networks provides an affordable alternative for riders traveling to major medical facilities and urban amenities.

MST introduced other South County services in 2015 as well, after working with residents to outline routes and schedules suited to their needs.

In its first year, Line 84 has become a busy route linking Soledad, Greenfield, King City, San Lucas, San Ardo and San Miguel, with additional connections to San Luis Obispo Regional Transit Authority lines in Paso Robles. Passengers now enjoy convenient, inexpensive transportation to medical clinics, shopping centers and educational institutions. Because Line 84 is synced with school activity schedules, King City High School students living in remote areas can also take the bus home from after-school activities.

MST's Line 86 carries South County passengers to the **Mineta San Jose International Airport** and serves regional retail centers and transit hubs.



These southern Monterey County routes serve one of MST's fastest-growing ridership segments. Yet, buses and drivers must travel from as far as Monterey and Salinas to begin and end each day. To decrease the fuel and labor costs associated with that travel time, and to provide better service to South County communities, the agency is finalizing plans for a new King City maintenance facility. MST submitted a bid for land in the city's industrial park this fall; following the planning and design process, construction is slated to begin in 2017.

To help fund the project, MST applied for a United States Department of Agriculture (USDA) loan that supports community projects in rural cities with fewer than 20,000 residents. This is the first time a transit agency has solicited funds through the program.

"This is an innovative partnership that will ensure more cost-effective and convenient service for MST passengers who live, work and attend school in communities across southern Monterey County," says Hunter Harvath, assistant general manager of finance and administration for MST. "We look forward to enhancing the transit services available to these residents."

"This is an innovative partnership that will ensure more cost-effective and convenient service for MST passengers who live, work and attend school in communities across southern Monterey County."

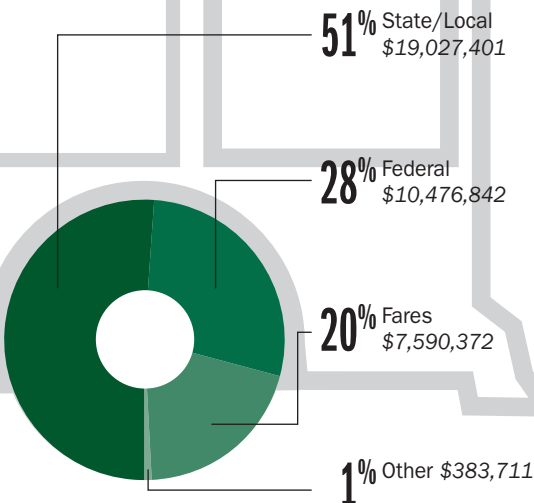
Hunter Harvath
MST Assistant General Manager



2015 FINANCIALS

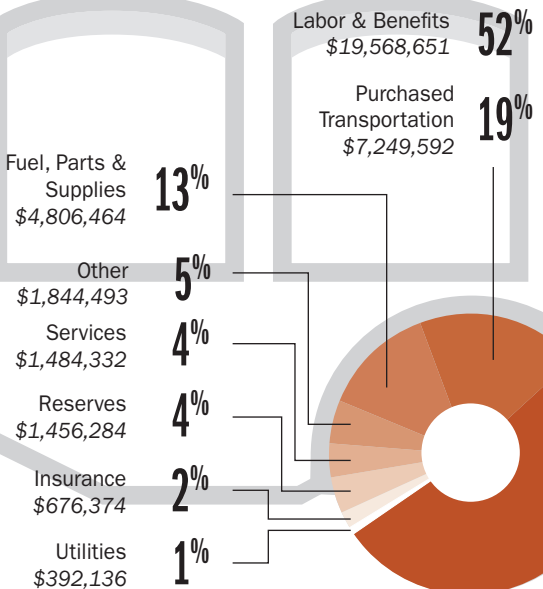
Operating Revenue

\$37,478,326



Operating Expenses

\$37,478,326



2015 EMPLOYEE OF THE YEAR

Doris Martinez began her career at Monterey-Salinas Transit as a coach operator in September 1984. Throughout the years, she has demonstrated exceptional skills in operations, safety and training, scheduling, and data analysis, as she was promoted to positions in the district with increasing authority.

Doris has been recognized numerous times as employee of the month, including a particular recognition in July of 1991 for completing MST's Injury and Prevention Program. During the selection process she received overwhelming support from the bus drivers, providing testimony of her constant professionalism. Doris is also credited with introducing Line 11, which quickly became MST's most productive regularly-scheduled bus line connecting Sand City and Seaside to Carmel-by-the-Sea, and currently carries between 6,000-7,000 passengers per month.



Over the last year, Doris's leadership in coordinating and implementing the Dispatch Operations Reference Information System (DORIS) has streamlined the coordination and dissemination of route and schedule information to operations staff. DORIS provides drivers and communications systems specialists with the most current and accurate operational information to deploy MST routes. DORIS helps reduce duplication effort and provides drivers with what they need to drive the bus.

MST is pleased to recognize Doris for her continuous excellent performance and for her dedication to those who depend upon us for safe, friendly, and efficient service.

2015 EMPLOYEES OF THE MONTH

JANUARY	Paul Scott
FEBRUARY	Doris Martinez
MARCH	Ruben Cano Jr.
APRIL	David Hobbs
MAY	Johnny Gray
JUNE	David Bielsker
JULY	Carl Wulf
AUGUST	Steve Colburn
SEPTEMBER	Kim Moore
OCTOBER	Jessica Carrillo
NOVEMBER	Nelson De Gracia
DECEMBER	Ben Newman

MST EARNS STATE TRANSIT AWARD

In April, MST earned the 2015 Outstanding Transportation Agency Award from the California Association for Coordinated Transportation (CalACT). The annual award honors CalACT

members who excel in efficiency, effectiveness and customer service, while also contributing to the organization's objectives.

MST was recognized for

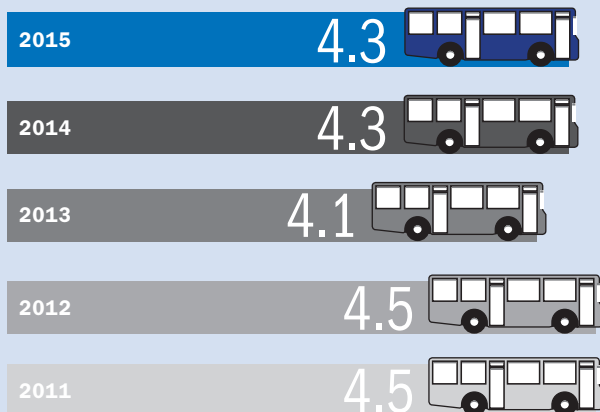
its innovative new wireless electric trolley and for its success in building collaborative partnerships that support new routes and services. Those community partnerships also led to the 2014 passage of Measure Q, a dedicated 1/8-cent sales tax that now funds new and existing services for seniors, veterans and people with disabilities.

"We were pleased to be recognized by our peers in California," says MST General Manager and CEO Carl Sedoryk, who received the award during this year's CalACT Spring Conference & EXPO. "This honor goes to the hard-working MST employees who provide high-quality and valued transit services throughout the Monterey Bay region."



MST TOTAL RIDERSHIP

NUMBER OF PASSENGER BOARDINGS BETWEEN JULY 1, 2014
AND JUNE 30, 2015 (IN MILLIONS)



MST saved the following resources by using Sterling Ultra Gloss paper with 10% post-consumer waste:

Renewable energy certificates—3 fully grown trees,
1911 gallons of water, 3.2 million BTUs of energy,
203 pounds of solid waste, and 393 pounds of
greenhouse gasses*

* Calculations based on research by Environmental Defense Fund
and other members of the Paper Task Force.



Printed on recycled paper with 10% PCW (post-consumer waste)



2015 ANNUAL REPORT CONTRIBUTORS

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Susan Boettner, Graphic Designer

BOARD OF DIRECTORS

City of Monterey
Libby Downey
Chair

City of Salinas
Tony Barrera
Vice-Chair

County of Monterey
Fernando Armenta

City of Carmel-By-The-Sea
Victoria Beach

City of Del Rey Oaks
Kristin Clark

City of Gonzales
Robert Bonincontri

City of Greenfield
Leah Santibañez

City of King
Mike LeBarre

City of Marina
Frank O'Connell

City of Pacific Grove
Daniel Miller

City of Sand City
David Pendergrass

City of Seaside
David Pacheco

City of Soledad
Patricia Stephens

BOARD MEETINGS: Usually occur on the second Monday of each month, 10:00am, Monterey Bay Unified Air Pollution Control District board room, 3rd floor, 24580 Silver Cloud Court, Monterey.



MST

MONTEREY-SALINAS TRANSIT

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