

RIDE THE BUS WITH US

MST

MONTEREY-SALINAS TRANSIT

CALIFORNIA

2021

INNOV8

Annual Report

MONTEREY-SALINAS TRANSIT (MST)

MST MISSION

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

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2021 BOARD OF DIRECTORS

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City of Sand City
Mary Ann Carbone

City of Seaside
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Scheduled Board Meetings:

Usually occur on the second Monday of each month,
10:00 a.m., Monterey-Salinas Transit Board Room,
19 Upper Ragsdale Drive, Suite 100, Monterey,
CA 93940.



"Looking forward, we will continue to innovate with new services that will streamline travel throughout the region, more zero emission buses, and continue planning the SURF! Busway and Bus Rapid Transit project."

GENERAL MANAGER'S MESSAGE

2021. Another big year with new challenges and new opportunities. Team MST rose to the challenges finding innovative ways to keep our workforce, our customers, and their families safe all while implementing mobility services and new projects to restore our local economy, promote social equity, and protect our environment.

With summer came reopening, and a big welcome back to our community and visitors celebrating a first-of-its-kind contactless payment system, new zero-emission buses, and by using federal COVID-19 funds, the return of the ever-popular MST Trolley Monterey. We closed out the year by completing the construction and starting operations from our new division in King City.

We capitalized on opportunities to promote and incentivize COVID-19 vaccines to our customers and employees. Virtually 100% of MST's frontline employees were compliant with the adopted MST vaccination mandate policy by years end, and over one thousand free rides were provided to MST customers just for providing proof of vaccination.

For 2022, the future is bright and only getting better. Looking forward, we will continue to innovate with new services that will streamline travel throughout the region, more zero emission buses, and continue planning the SURF! Busway and Bus Rapid Transit project.

A handwritten signature in blue ink that reads "Carl Sedoryk". The signature is fluid and cursive, with a large, stylized "C" and "S".

Carl Sedoryk
MST General Manager/CEO

SUSTAINABILITY SHAPES MST EFFORTS

MST prioritized environmental, fiscal and operational sustainability in 2021, staying committed to equitable, innovative service despite decreased ridership and the pandemic's lingering economic challenges.

Environment

This summer, MST converted its heavy-duty fleet to 100% renewable diesel – a fuel made from natural fats, vegetable oils and greases. The agency will also update its gas-powered mini buses as suitable technologies reach the market. Renewable diesel features a similar production process and chemical makeup as petroleum, but the hydrogenated formula burns more cleanly. It does not impact vehicle performance, and it requires no modifications to existing equipment. Moving MST's heavy-duty buses from fossil fuels to renewable diesel will decrease carbon emissions and improve air quality.

MST added two 40-foot coaches to its zero-emission fleet, joining two 30-foot buses and an electric trolley. The agency's Board also approved a zero-emission bus plan well ahead of a 2023 California Innovative Clean Transit (ICT) deadline. ICT regulations require transit operators to transition to zero-emission technologies by 2040 with purchases phasing in each year starting 2026 for MST.

Fiscal

Three federal relief programs supported MST's 2021 work. Funds from the Coronavirus

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Aid, Relief and Economic Security (CARES) Act, Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA), and American Rescue Plan Act (ARPA) helped bridge budget gaps and boost the agency's long-term financial strength.

Though these federal dollars were one-time awards, they replaced lost revenue and funded key services at a critical time. MST continues to manage a 50% drop in ridership sparked by pandemic shutdowns and economic challenges.

Operational

MST is positioning itself for future success with three major projects:

Comprehensive Operational Analysis (COA). By restructuring routes for the first time in decades, MST can better direct transit resources to areas of high demand and greater social need. Board members will review network plans inspired by a 12-month COA in early 2022. *(Learn more on page 14.)*

South County Operations and Maintenance Facility. MST's new King City facility helps the agency more equitably serve fast-growing communities in Monterey's South County, while further lightening public transit's environmental footprint. *(Learn more on page 6.)*

SURF! Busway and Bus Rapid Transit Project. The proposed SURF! line, a bus-only route between Marina and Sand City/Seaside, would curb pollution and cut commute times by easing traffic congestion. MST plans to run zero-emission buses on the transit lines using the six-mile busway. *(Learn more on page 8.)*

Renewable electricity fuels MST's zero-emission fleet. Over a typical 12-year lifespan, each vehicle will:

- **Eliminate 3,390 tons of CO₂ emissions**
- **Eliminate 20 tons of NO₂**
- **Eliminate 700 pounds of diesel particulate matter**

"MST has always worked to reduce its carbon footprint. We've tested battery-electric hybrid buses. We introduced California's first zero-emission, wireless power transfer trolley. We also adopted renewable diesel, not because of a mandate, but as something we simply wanted to do. It's a little more expensive, but it absolutely brings positive impacts to our community."

– Norm Tuitavuki, MST Chief Operating Officer

MST OPENS SOUTH COUNTY OPERATIONS AND MAINTENANCE FACILITY

MST cut the ribbon on its South County Operations and Maintenance Facility in October and brought it into full operation in December.

Funding Firsts

MST's South County facility is the nation's second to be funded and first completed through the Build America Bureau's Transportation Infrastructure Finance and Innovation Act (TIFIA) Rural Project Initiative. Using a TIFIA loan saved MST approximately \$5 million in interest payments, when compared with traditional private financing. Additional federal funds, State of California SB 1 funds, TAMC Measure X dollars and other local contributions also supported the project.

Going Green and Doing Good

Starting its South County routes in King City eliminates the need to drive empty buses to and from MST facilities in Salinas and Monterey. Taking those 45- to-60-mile trips off the daily schedule will cut 900 tons of greenhouse gas emissions per year, which is equivalent to 163 homes' electricity use for one year. While operating more efficiently, MST will also save money and time by decreasing labor costs and reducing vehicle wear

(Continued)



and tear. The agency can redirect those resources into enhanced South County services.

The King City facility was also built for future rooftop solar panels, along with charging stations for electric and zero-emission fleet additions.

Planning was swift for this first-of-its kind project. Securing funds, and completing construction in just 13 months required help from local, state and federal partners. Thanks to their shared vision and collaboration, MST is now better positioned to:

- Fill transit gaps in underserved South County communities
- Provide vital links for essential jobs, medical care, education and shopping
- Expand mobility options for low-income residents, veterans, seniors and individuals living with disabilities
- Launch a job-training program together with Hartnell College
- Reduce congestion on US 101
- Protect the environment by reducing the number of miles travelled and trips taken

“Projections show continued population growth in Monterey’s South County cities, and MST is excited to grow with the region. This facility helps us better meet evolving customer needs while reducing overall environmental impact.”

- Lisa Rheinheimer, MST Assistant General Manager

MST's South County Operations and Maintenance Facility By the Numbers:

900 Tons

Annual greenhouse gas
emissions eliminated
by starting MST routes
in King City

35 Jobs

MST roles based at the
new facility, with more
expected as operations
expand

\$13.5 Million

Total project
construction costs

190 Jobs

Employment created
through direct and
indirect construction
activities

\$77.5 Million

Economic return to
local communities

40 Buses

Number of vehicles
that can be operated
and maintained in
King City

**11,000
Square Feet**

Maintenance
building size

COMMUNITY BENEFITS EXPECTED FROM MST'S SURF! BUSWAY

The MST Board of Directors approved the SURF! Busway and Bus Rapid Transit Project in July, supporting a proposed six-mile, transit-only route that would connect Salinas, Marina, Seaside, Sand City, Monterey, and Pacific Grove – while also providing an efficient link to connecting service across the MST network. Residents and visitors will also enjoy 1 mile of new bicycle trail connections and improvements to the Monterey Bay Recreational Trail.

MST will refine preliminary design plans and continue meeting with local stakeholders and community members to move the project forward. The agency hopes to start SURF! construction in 2025.

“We’ve been talking a lot about addressing injustices and expanding social equity in this country. MST estimates that a quarter of Monterey County’s residents will be directly served by the SURF! Busway, or by a connecting route, as they travel to essential jobs, school, medical care and daily activities.”

– Lisa Rheinheimer, MST Assistant General Manager

(Continued)



Here's what the busway would mean for Monterey County:

ENVIRONMENT

544,582 fewer passenger vehicle trips per year.

A 1,283-metric-ton reduction in CO2e (greenhouse gases). That equals the electricity used by 858 homes per year.

Less noise pollution. Zero emission buses will use the SURF! busway which are 40 to 50% quieter than diesel buses.

Fewer microplastics in the Monterey Bay. Reducing vehicle traffic decreases the microplastics that slough off car tires and cause pollution.

A boost for transit-oriented development. Efficient transit opens opportunities for car-free housing, grant opportunities, and increased access to offices, shops, schools and more.

EQUITY

Improved access. SURF! routes enhance service for those who depend on transit, including parts of the county where 70% of residents identify as non-White or of Hispanic origin.

Decreased costs for those in need. The average MST riders annual household income is less than \$20,000 annually, and 14% live in poverty.

Enhanced mobility. MST welcomes many people who can't drive, including some individuals with disabilities, veterans and older passengers. Seniors make up 14% of MST's ridership.

Expanded equity. Faster, safer, more efficient service cuts travel time and increases opportunities for students and those without a car or who cannot drive.

ECONOMY

An economic driver. Every \$1 invested in transportation generates a \$5 return. That's an estimated \$250 million return on \$50 million SURF! construction.

New jobs. Every \$1 million investment in transportation creates 13 jobs. The 650 projected SURF! jobs include construction roles and permanent openings for MST drivers, mechanics, customer service professionals and others.

Real savings. Residents and essential workers can save money and shorten commute times by taking the bus to work.

Lower construction costs. Building a dedicated SURF! busway costs less than widening existing roads and highways or passenger rail.

EDUCATION

School connections. The SURF! line improves access to CSUMB, Hartnell College and MPC – Marina center. Buses using the route also serve primary and secondary schools.

Savings for students. Easy transit access to educational institutions benefits students and families living on fixed incomes, plus teachers, staff and administrators.



FY 2022-2025 GOALS

- 1) Develop and Maintain Adequate and Stable Long-Term Revenues.
- 2) Provide Quality Transit and Mobility Service for the Communities We Serve.
- 3) Improve Board Protocols and Recommend Best Practices to Achieve Effective and Efficient Board Operations and Board Meeting Management.
- 4) Promote Policies and Practices that Encourage Environmental Sustainability and Resource Conservation.
- 5) Educate the Public on MST Services Through Promotion, Communication and Advocacy.
- 6) Promote Organizational Values to Maintain High-Quality Relationships with MST Employees, Contractors, Vendors, Board Members, and Community Stakeholders.
- 7) Enhance Industry Leadership for Like-Sized Agencies within California and the United States.

MST FAST FACTS

MST Fixed Route

Population Served: **439,035**
Service Area: **154 square miles**
Fleet Size: **134**
Operating Expenses FY 2021: **\$38,071,517**
Capital Expenses FY 2021: **\$14,821,519**
Passengers Carried: **1,280,619**
Stops in Service Area: **1,039**
Revenue Miles Traveled: **2,955,461**
Routes: **36**
Employees: **236**

MST RIDES

Fleet Size: **39**
Operating Expenses FY 2021: **\$4,178,063**
Capital Expenses FY 2021: **\$79,008**
Passengers Carried: **124,134**
Revenue Miles Traveled: **820,473**

MST SERVICE AREA



2021 EMPLOYEES OF THE YEAR

Each year, for the past 30 years, MST has selected a single employee whose commitment, dedication, and service to the community made them eligible to receive the honor of Employee of the Year. 2021, and everything that came with it, presented us with many unique challenges including how to identify a single employee for this honor. As we moved from assisting our community in responding to the COVID-19 pandemic toward helping our local communities in their economic recovery, all areas of MST were put to the test. Throughout the year our employees were enforcing federal face covering mandates, promoting the importance of vaccinations, restoring services including the MST Trolley, planning better services for the future, deploying new, zero-emission buses, and constructing new facilities. All of this, while showing up every day to serve our community by providing safe, affordable, convenient public transportation.

It took the entirety of Team MST to perform at such high levels in this most unusual of years. And for this, **we recognize every member of TEAM MST as our 2021 Employees of the Year!**



2021 Employees of the Month

January Matthew Deal
February Charles Coleman
March Linda Andrada
April Emma Patel

May Tiziano 'Tim' Minelli
June Ezequiel Rebollar
July Reina 'Ana' Diaz Villanueva
August Ruben Gomez

September Jarred Augusta
October Christine Church
November Abel Diaz
December Oscar Lemus

MST TESTS INNOVATIVE CONTACTLESS PAYMENT SYSTEM

Since May, MST has been testing a contactless payment system that lets riders pay fares with the same card or mobile wallet used for everyday purchases. MST is the first California operator to introduce the simple tap-to-pay option, which could revolutionize public transit systems worldwide.

A New Way to Pay

The contactless fare demonstration is led by the California Integrated Travel Project (Cal-ITP), a Caltrans initiative to simplify transit planning and payments. Cal-ITP organizers chose MST as a partner due to its diverse ridership. That includes students, seniors, ag workers, low-income families, tourists, and other rural and urban passengers.

MST worked with Visa and partners on four continents to address technical challenges and implement the payment system. Teams had to adapt traditional card readers to buses that travel between networks, while guaranteeing quick, consistent transactions for payment-enabled devices, prepaid cards, and contactless debit or credit cards by Visa or Mastercard.

During the demonstration project's first six months, the number of MST customers using contactless payments tripled – and it continues to grow. Agencies across the state,

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nation and the globe have expressed interest in adopting the system, which MST will continue testing through July 2022.

Benefits

If widely adopted, this technology will save time and resources. Rather than developing and managing their own payment systems, transit agencies can simply adopt this proven, tap-to-pay technology.

The system also simplifies travel for passengers, who enjoy:

Faster boarding. No fumbling for cash. Simply tap and ride!

Shorter lines. No waiting as riders count coins or feed cash into fareboxes.

A streamlined wallet. No more separate cards or apps that only work on transit.

More hygienic travel. Ditch shared cash and coins.

Simplified fares and travel savings. Tap when boarding and exiting the bus to pay just for the distance traveled.

Automatic fare caps. Use the same card or mobile wallet for each ride, and never pay more than MST's daily, weekly or monthly fare limit (\$10/\$50/\$95).

(Available in late 2021) Senior discounts. Riders over age 65 can register their payment card through a California DMV interface that confirms their age and eligibility. Once validated, they'll enjoy half-price fares whenever they board with that payment card.

Equity for the Unbanked and Underbanked

No bank account? No problem. Individuals who don't hold accounts at a traditional bank can show California identification to get a separate physical card or mobile account access. These accounts, operated by Square and Visa, function like a personal debit account that can be loaded with cash or funds from paper checks. Once loaded, the cards and mobile payment methods work on MST contactless devices and anywhere that accepts traditional credit or debit cards.

"MST is providing reliable options for low-income households and people who lack access to, or trust in, traditional financial institutions. These personal debit accounts offer all the functionality and benefits of a regular bank account or credit card. And, unbanked individuals can load their paper paychecks directly to their account, rather than paying excessive fees for check-cashing services."

— Carl Sedoryk, MST General Manager/CEO



Learn More

For more information
stop by an MST Customer
Service location or visit
mst.org/fares/contactless-payment/

COMMUNITY-DRIVEN TRANSIT REDESIGN

MST launched a comprehensive operational analysis in January 2021, kicking off network updates that will more equitably serve diverse Monterey County communities. The goal is to make MST's system more rider-focused, efficient and convenient.

The Backstory

MST last redesigned its network more than 20 years ago. The agency has added stops and routes since then, working to reach as much of Monterey County as possible. Providing wider geographic coverage, however, offering less-frequent service where many people now live and work.

Building a New Network

This summer, MST held technical design workshops with city planners, engineers and county officials. Participants drafted a new public transit plan that was shared with the public in September. MST gathered community feedback on the plan and brought comments to MST's Operations Performance Committee in late 2021. Planners hope to submit a final network redesign for MST Board approval in early 2022.

Funded by COVID-relief grants, MST partnered with a national consulting firm to evaluate its services, study passenger demands and demographics, collect community feedback, and outline priorities. After review, MST's Board of Directors asked the agency to restructure transit offerings guided by:

- **A greater focus on supporting ridership demand than offering coverage**
- **An emphasis on service for low-income, underserved and car-free households**
- **A rebalance of routes between Salinas, the Monterey Peninsula and the region**

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Highlights of the new system include:

- More frequent bus service at regular 15-, 30- and 60-minute intervals
- More direct routes that shorten door-to-door travel times
- Free, timed transfers that make connections quicker
- Increased service in areas with higher transit demand
- Greater access to jobs, schools and services
- Expanded mobility options for low-income households, seniors, persons with disabilities, veterans and students

MST considered pandemic uncertainties and potential financing and staffing challenges when drafting these updates. While the final plan matches budget and workforce targets for FY22-23, the agency prepared alternative scenarios that account for revenue challenges, reduced operating capacities, or expanded funding sources.

Learn More

To view research, maps and more information about MST's network redesign, visit mst.org/about-mst/planning-development/coa.

"MST conducted extensive public outreach throughout this process, including a telephone survey of 500 Monterey County households, paid focus groups with riders, and meetings with stakeholders in higher education, healthcare and hospitality. The resulting plan really represents the community's wishes."

— **Michelle Overmeyer, MST Director of Planning and Innovation**



FORT ORD BUILDING DEMO MOVES FORWARD

MST managed the removal of several structures on the former Fort Ord in late 2021. The work eliminated environmental hazards and paved the way for new opportunities.

Why Now?

MST and the Transportation Agency for Monterey (TAMC) are among several local agencies and jurisdictions that received property during the Fort Ord closure process. Before its 2020 sunset, the Fort Ord Reuse Authority issued bonds to fund the removal of blighted former military buildings on some of those properties. That included a pair of adjoining MST and TAMC parcels located along a former rail line, in the city of Marina.

Through a shared funding agreement with TAMC, MST led building removal on the neighboring properties. Crews deconstructed a former bakery, along with cold storage facilities, warehouses and other abandoned structures.

What's Next?

TAMC is exploring mixed-use, transit-oriented development options for its former Fort Ord property. If a project moves forward, MST could lend support by bringing bus lines to its adjoining parcel.

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Environmental Matters

- Before demolishing the buildings, trained environmental teams removed asbestos and lead-based paints.
- Crews recycled 95% of the non-hazardous material taken from the structures.
- MST hired a beekeeper to relocate a honeybee colony found in the MST building.

Unexpected Finds

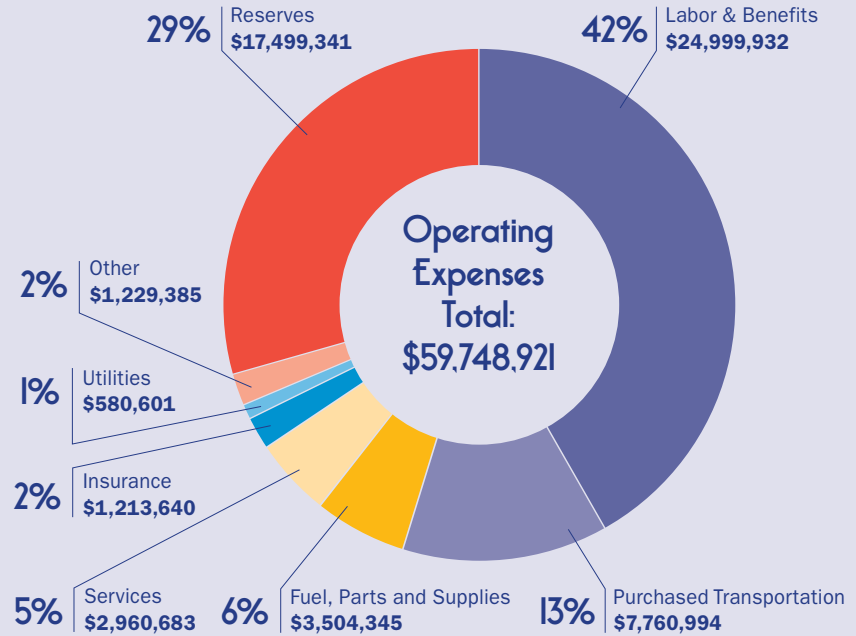
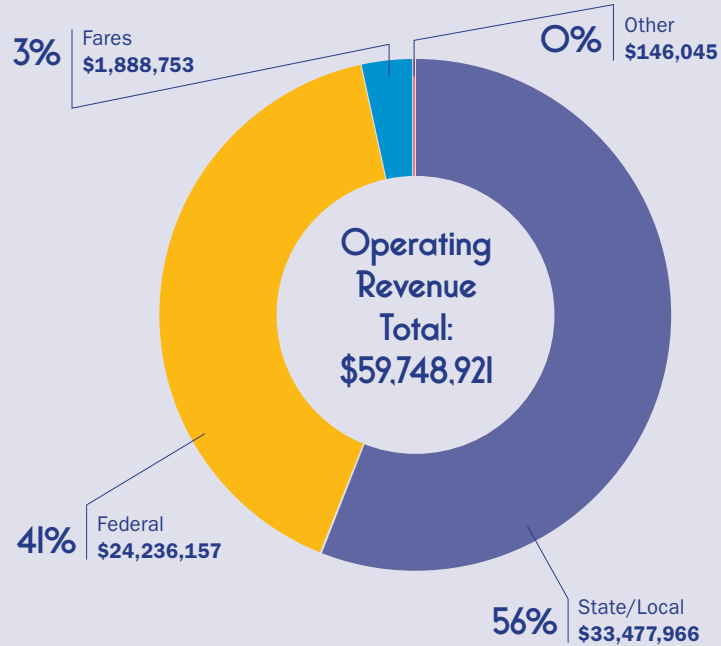
One former military structure contained 16 inches of natural cork sandwiched between two eight-inch concrete layers. The materials served as cold storage insulation, and likely would have doubled as protection for individuals using the building as a fallout shelter.

“The Fort Ord demolition project makes a subtle, yet significant impact. Dismantling those dilapidated buildings removes asbestos and lead-based paint from the landscape, while introducing more welcoming views for travelers on the highway and adjacent bike path.”

– Lisa Rheinheimer, MST Assistant General Manager



2021 FINANCIALS



FY 2022-2025 GOALS, OBJECTIVES, AND ACTION PLAN

Goal #1: Develop and Maintain Adequate and Stable Long-Term Revenues.

Retain and grow public/private and public/public partnerships, fare-pricing strategies and revenue generation from the use of MST assets as a means to generate the revenue required to construct needed capital facilities, purchase vehicles, sustain current and future transit services, and maximize the value of MST services to the community. Through education and advocacy, encourage policymakers and the general public to enact legislation at local, state, and federal levels to provide sustained funding sources that will support the future growth of Monterey County's public transportation system.

Goal #2: Provide Quality Transit and Mobility Service for the Communities We Serve.

Develop and implement services, infrastructure, and technologies to meet and exceed the expectations of customers and maximize the value of MST in the community. Expand public/private, military, and educational partnerships. Continue to explore and implement new technologies and practices that enhance the overall customer experience, improve safety and sustainability, attract new customers, retain existing customers, and motivate employees.

Goal #3: Improve Board Protocols and Recommend Best Practices to Achieve Effective and Efficient Board Operations and Board Meeting Management.

Maintain and grow governance board to be fully involved, fully integrated, well informed, and well-functioning in their policy decision making process.

Goal #4: Promote Policies and Practices that Encourage Environmental Sustainability and Resource Conservation.

Implement economically sound and environmentally friendly resource conservation policies that reduce dependence on scarce natural resources and the potential for negative impacts on our environment including reducing negative impacts of transportation-related to greenhouse gas emissions and global climate change.

(Continued)

Goal #5: Educate the Public on MST Services Through Promotion, Communication and Advocacy.

Attract new and retain existing riders and improve support for MST by utilizing effective marketing, promotion of brand identity, and communication techniques and by applying greater focus in meeting whole community and stakeholder needs.

Goal #6: Promote Organizational Values to Maintain High-Quality Relationships with MST Employees, Contractors, Vendors, Board Members, and Community Stakeholders.

Promote individual and organizational safety, efficiency, and effectiveness and enhance the satisfaction of our customers, employees, partners, board members, and other key stakeholders.

Goal #7: Enhance Industry Leadership for Like-Sized Agencies within California and the United States.

Develop and implement programs and practices that distinguish MST as a leader within the public transit industry.




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paper with 30% PCW
(post-consumer waste)

2021 Annual Report Contributors

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