1. CALL TO ORDER

Chair Armenta called the meeting to order at 9:38 a.m. in the MST Conference Room and led the Pledge of Allegiance.

Present: Fernando Armenta County of Monterey
         Kristin Clark City of Del Rey Oaks
         Alan Cohen City of Pacific Grove
         Libby Downey City of Monterey
         Alvin Edwards City of Seaside
         John Huerta, Jr. City of Greenfield
         Susan Kleber City of King
         Frank O’Connell City of Marina
         Maria Orozco City of Gonzales
         David Pendergrass City of Sand City
         Tony Barrera (alt) City of Salinas
         Karen Sharp City of Carmel-by-the-Sea
         Patricia Stephens City of Soledad

Absent: Sergio Sanchez City of Salinas

Staff: Angela Dawson Accountant
       Mark Eccles Director of IT
       Mike Gallant Planning Manager
       Kelly Halcon Director of Human Resources
       Hunter Harvath Asst. General Manager/Finance & Administration
       Michael Hernandez Asst. General Manager/COO
       Tom Hicks Mobility Manager
       Michelle Overmeyer Grants & Compliance Analyst
       Carl Sedoryk General Manager/CEO
       Zoe Shoats Marketing Analyst
       Deanna Smith Executive Assistant to the GM/CEO
       Robert Weber Director of Transportation Services
       Kathy Williams General Budget & Accounting Manager
       Carl Wulf Facilities Manager

Others: Dave Laredo De Lay & Laredo
        Eric Petersen Citizen
        Jim Fink Citizen, MST Customer
        Lance Atencio MV Transportation
        Steven Colburn MST Employee
        Margaret Silva MST Employee

Apology is made for any misspelling of a name.
2. CONSENT AGENDA

2-1. Review highlights of Agenda. (Carl Sedoryk)

Mr. Sedoryk read the highlights of the agenda.


2-3. Adopt Resolution 2012-15 recognizing Steven Colburn, Coach Operator, as Employee of the Year. (Robert Weber)

2-4. Minutes of the regular meeting of December 12, 2011. (Deanna Smith)

2-5. Claim Rejection – Bautch, Meri and Kipka, Jenny. (Ben Newman)

2-6. Claim Rejection – Kolonics, Imre and Helen. (Ben Newman)

2-7. Appoint Melissa McKenzie to the CTSA Advisory Committee. (Tom Hicks)

2-8. Approve Resolution 2012-16 authorizing the use of PTMISEA Bond program funds for the purchase of bus and bus-related equipment and Intelligent Transportation Systems (ITS) upgrade. (Michelle Overmeyer)

2-9. Memorandum of Agreement – MST contracting commuter bus service (Line 83) to San Luis Obispo Regional Transit Authority (SLO RTA)

Public Comment – none.

**Director Clark made a motion to approve the Consent Agenda and was seconded by Director Sharp. The motion carried unanimously.**

3. SPECIAL PRESENTATIONS

3-1. January Employee of the Month – Margarita Silva, Coach Operator. (Robert Weber)

Mr. Weber recognized Margarita Silva, Coach Operator, as the January Employee of the Month for her positive contribution to MST and the entire community; for her outstanding performance and customer service record; for her numerous safety awards over the course of her career; and for assisting the Senior Operations Supervisor with the safe evacuation and re-routing of passengers on December 1, 2011.

3-2. Employee of the Year 2011 - Steven Colburn, Coach Operator. (Carl Sedoryk)

Mr. Sedoryk recognized Steven Colburn, Coach Operator, for his positive contribution to MST and the entire community. Mr. Colburn has worked at MST for twenty-one years and has served as Line Instructor and a Department of Transportation certified instructor, training all but twenty-five of MST’s current 145 coach operators.
Mr. Colburn has received numerous Employee of the Month awards and assisted in the development of the new fare structure and farebox deployment.

3-3. General Manager’s Excellence Award - Angela Dawson, Accountant. (Carl Sedoryk)

Mr. Sedoryk recognized Angela Dawson, Accountant, as the recipient of this year’s General Manager’s Excellence Award for her exemplary work ethic and for assisting with system upgrades of Navision and Assetworks. Angela was an integral part of re-aligning the Parts Department into the finance group and took on the supervision of this group. Angela has gone beyond the call of duty to step into a vacant position in addition to her own duties.

Public Comment – none.

4. PUBLIC COMMENTS ON MATTERS NOT ON THE AGENDA

Mr. Jim Fink thanked MST for a great 2011. He also thanked the coach operator who assisted him when he fell after de-boarding the bus on New Year’s Eve.

Close Public Comment

5. COMMITTEE REPORTS

5-1 Facilities Committee Minutes of December 5, 2011. (Deanna Smith)

6. BIDS/PROPOSALS

None.

7. PUBLIC HEARING

None.

8. UNFINISHED BUSINESS

None.

9. NEW BUSINESS

9-1. Authorize the Purchase of Four Hybrid Buses. (Michael Hernandez)

Mr. Hernandez requested authorization to purchase four hybrid buses with funds from the Federal Clean Fuels Grant Program, California’s Air Quality Improvement Program, the Bus Voucher Incentive Program, and State of California Proposition 1B funds.

Libby Downey requested that an announcement be sent to the Monterey County Herald to emphasize MST’s commitment to the environment.

Public Comment – none.
Close Public Comment

Chair Armenta asked if the Monterey Bay Unified Air Pollution Control Board could help with funding. Mr. Hernandez stated that the purchase is fully funded through the grants.

**Director Edwards made a motion to approve the purchase of four Hybrid Buses and was seconded by Libby Downey. The motion carried unanimously.**

9-2 Strategic Plan Update. (Carl Sedoryk)

Mr. Sedoryk stated that MST’s current Strategic Plan (pg. 29 of agenda) was developed and approved by the Board in 2010. Today he will present an update on MST’s progress to date, which is outlined in the Action Plan (pg. 41 of agenda). He announced Hunter Harvath as the first of six Department Heads to present a brief update.

Mr. Harvath, Assistant General Manager of Finance & Administration, highlighted the major accomplishments of the Administration Department in 2011, including successful Grants Management, implementation of the Senior Voucher Program, progress toward implementation of the Bus Rapid Transit (BRT) project, and positive service agreements with CSUMB and the Presidio of Monterey. The Salinas Area Survey will provide valuable stakeholder and customer feedback relevant for planning bus service in 2012.

Mr. Barrera asked for more information on the Salinas Area Survey; Mr. Harvath stated that service area surveys are conducted every five to seven years in conjunction with data evaluation of ridership and on-time performance in order to evaluate MST’s service quality and ensure efficient delivery of bus service.

Mr. Hernandez, Assistant General Manager and Chief Operating Officer, provided a breakdown of the MST bus and service vehicle fleet. He stated that approximately 30% of MST buses are in need of replacement, but a lack of capital funds has prevented new purchases. 2011 accomplishments include the Trolley Refurbishment Project on recently purchased trolleys and continual involvement with the California Transit Association (CTA) and the American Public Transit Association (APTA). Security improvements have been made to the Salinas CJW facility including security gate, fencing, and security camera upgrades and installation with funds from security grants. Security improvements to the Monterey TDA facility are scheduled for 2012. The construction of BRT shelters and bus stops are also scheduled for 2012 as well as refurbishment of the wood siding on MST’s original fleet of Trolleys.

Chair Armenta asked if the Department of Homeland Security offered grants for security upgrades and suggested researching opportunities for the Department of Corrections to provide the refurbishment of wood siding on Trolleys.

Mr. Weber, Director of Transportation Services, explained that implementation of the new fareboxes on MST buses has resulted in some negative customer reaction while increasing fare revenue and decreasing fraud. Fixed route ridership was up 2% in 2011 and Paratransit ridership was up 4.4%; the trend is anticipated to continue in 2012. Fixed on-time compliance was down 2%, partly due to farebox issues. MST’s safety record of 1 collision per 300,000 thousand miles continues to exceed the national
average of 1 collision per 100,000 miles. Approximately 35,000 passengers were transported to and from special events in 2011. An RFP for purchased transportation will be published in 2012.

Director Edwards asked if MST received compensation for special event transportation. Mr. Sedoryk stated that passengers ride free to and from the events, but the average $2 per trip cost is recovered directly from event producers, in the form of advertising revenue or direct reimbursement.

Ms. Halcon, Director of Human Resources & Risk Management, stated that two major accomplishments of 2011 were the negotiated contracts with ATU and MSTEA, and contracting with new benefits providers, both of which will result in significant savings to MST moving forward. Her department is working on increasing staffing level efficiencies through re-alignment of duties. In 2012, an RFP to establish a pool of attorneys to handle special services for MST will be published. An RFP for General Counsel is published every 5-7 years. Special services include land use, workers compensation, liability claims, and environmental law.

Director Huerta arrived at 10:34 a.m.

Director Armenta asked if the Salary Survey will be presented to employees. Ms. Halcon stated that the Human Resources Committee was briefed on the findings in October, 2011, and will be presented to MST staff in the coming months.

Mark Eccles, Director of IT, stated that with today’s Board approval of Resolution 1012-16, his department will be able to upgrade the ITS information systems. He stated that MST’s computer and telephone systems are outdated and need to be updated to improve efficiencies and reduce overhead. His staff is currently working to meet the January 13, 2012, deadline for narrow-banding compliance. He stated that a complete budget for system upgrades will be brought before the board.

Kathy Williams, General Accounting & Budget Manager, stated that she was here to provide a “reality check.” Because of reduced stated and federal funding, as well as delayed and irregular disbursement of federal funds, MST’s has been experiencing cash flow problems. Her department recently completed the Comprehensive Annual Financial Report (CAFR) which will be presented to the Finance Committee and Board in February, 2012. She stated that MST’s financial position moving into 2012 will be “rough.” On a positive note, upgrades to financial and human resources software has been completed and substantially decreases paperwork.

Mr. Sedoryk presented his summary of MST’s annual performance and financial position compared to transit agency peers in California. MST was not able to save reserves in 2010 and current reserves stand at approximately $1,000,000. The typical reserve amounts of peers are approximately 15% of budget. MST provides more service per capita than its peers and receives less in local tax revenue. He stated that the current MST model is unsustainable and made recommendations for the coming year:

- Continue to grow ridership and establish additional funding partners
- Reduce services that require a high subsidy
- Discuss possibility of Transient Oriented Tax (TOT) or Room Fee with Hospitality Association
- Investigate establishing a 501(c)(3) to raise funds for transit and mobility services
Develop a strategy for a long term sales tax initiative after 2012 elections

Public Comment

Mr. Fink requested that MST raise fares instead of decreasing service.

Mr. Petersen requested that MST not raise fares. He asked what the expected revenue would have been if Measure Z had passed. Mr. Sedoryk stated that approximately seven to eight million dollars would have been received by Measure Z.

Chair Armenta requested that the Board discuss Mr. Sedoryk’s recommendations at the February, 2012, Board meeting, and that a quarterly update be presented in April.

Director Huerta stated that he thought a quarter-cent sales tax was reasonable. Director Edwards stated that he did not like the idea of a sales tax, but did like the idea of a TOT or room fee.

10. REPORTS & INFORMATION ITEMS

10-1 Correspondence.

11. COMMENTS BY BOARD MEMBERS

11-1 Reports on meetings attended by Board members at MST expense (AB 1234).

12. ATTACHMENTS

None.

13. ANNOUNCEMENTS

Mr. Laredo announced that he will hold an AB 1234 Ethics Training on January 19, 2012, in the MST conference room from 9:30 a.m. to 11:30 a.m.

Chair Armenta called a three-minute recess before moving to Closed Session.

14. CLOSED SESSION

Chair Armenta called a three minute recess at 11:27 a.m. before moving to Closed Session.


14-2 Conference with Legal Counsel-Litigation, Existing Litigation, Gov. Code § 54956.9(a). Landwatch v. County of Monterey. (Monterey Superior Court Case No. M113552) (No enclosure)
14-3. General Manager Performance Evaluation, Gov. Code § 54957 (b) - (No enclosure)

15. RETURN TO OPEN SESSION

15-1. Report on Closed Session and possible action.

No reportable action taken.

16. ADJOURN

There being no further business, Chair Armenta adjourned the meeting at 12:27 p.m.

Prepared by: Deanna Smith, Deputy Secretary