Board of Directors Regular Meeting

Monday, May 14, 2007

MST Conference Room
One Ryan Ranch Road, Monterey

10:00 a.m.

TRANSPORTATION: Ride the Peninsula DART to MST Office

1. CALL TO ORDER

1-1. Roll call.

1-2. Pledge of Allegiance.

2. CONSENT AGENDA

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

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


2-3. Disposal of property left aboard buses. (Danny Avina) (p. 3)

2-4. Minutes of the regular meeting of April 9, 2007. (Sonia Bannister) (p. 5)


2-6. Adopt Resolution 2007-21 declaring the week of May 12-18, 2007 as Monterey County Bike Week and declaring May 2007 as Clean Air Month in the Monterey Bay region. (Hunter Harvath) (p. 29)

2-7. Update on Board committee members and proposed meeting dates. (Carl Sedoryk) (p. 31)
2-8. Adopt Resolution 2007-22 authorizing federal funding under FTA with California Department of Transportation. (Hunter Harvath) (p. 33)

2-9. Adopt Resolution 2007-23 approving the revised Drug & Alcohol policy. (Tonja Posey) (p. 35)

2-10. Authorize sending a letter of support to the City of Monterey regarding Lighthouse Avenue traffic improvement. (Mary Archer) (p. 79)

2-11. Authorize disposal and release of title and salvage rights for vehicle #5113. (Michael Hernandez) (p. 83)

End of Consent Agenda

3. SPECIAL PRESENTATIONS

3-1. May Employee of the Month – Debra Daniels. (Robert Weber)

3-2. Michael Hernandez – 30 years of service. (Carl Sedoryk)

4. 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.

5. COMMITTEE REPORTS

No action required unless specifically noted.

5-1. MST RIDES Advisory Committee Minutes – February 21, 2007. (Bill Morris) (p. 85)

5-2. MST RIDES Advisory Committee Minutes – March 19, 2007. (Bill Morris) (p. 89)

5-3. MST Facilities Committee Minutes – April 9, 2007. (Carl Wulf) (p. 93)

5-4. MST Human Resources Committee Minutes – April 30, 2007. (Lyn Owens) (p. 97)

5-5. MST Finance Committee Minutes – May 3, 2007. (Dave Sobotka) (p. 99)

6. BIDS/PROPOSALS
7. PUBLIC HEARINGS

8. UNFINISHED BUSINESS

8-1. MST fare structure analysis report. (Hunter Harvath) (p. 101)

8-2. Approve FY 2008 Operating and Capital budgets and authorize staff to file necessary grant applications. (Dave Sobotka) (p. 145)

8-3. Receive draft Strategic Plan and provide direction to staff. (Carl Sedoryk) (p. 185)

9. NEW BUSINESS

10. REPORTS & INFORMATION ITEMS

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

10-1. General Manager/CEO Report. (p. 199)

10-2. TAMC Highlights – April 25, 2007. (p. 221)


10-5. Letter to Department of Transportation regarding FTA proposed rulemaking 49 CFR Part 604. (p. 227)

10-6. Staff trip reports. (p. 233)

11. COMMENTS BY BOARD MEMBERS

11-1. Reports on meetings attended by Board members at MST expense (AB1234).

12. ANNOUNCEMENTS

12-1. Finance Committee Meeting – May 18, 2007, 1:00 p.m., County of Monterey.


12-3. MST Legislative Committee Meeting – May 24, 2007, 9:00 a.m.
12-4. MST Planning/Operations Committee meeting – June 11, 2007, 9:00 a.m.

13. CLOSED SESSION

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.

13-1. Conference with labor negotiators. (No Enclosure)
Agency designated representatives: D. Laredo, L. Owens
Employee organization: Amalgamated Transit Union

13-2. Conference with Legal Counsel – Existing Litigation (No Enclosure)
(Gov. Code Section 54945.9(a))
Name of Case: G. Valencia Superior Court Case #M77539

14. RETURN TO OPEN SESSION

14-1. Report on Closed Session and possible action.

15. ADJOURN

**NEXT MEETING DATE:** June 11, 2007 in MST Conference Room.

**NEXT AGENDA DEADLINE:** May 30, 2007

Upon request, MST will provide written agenda materials in appropriate alternative formats, or disability-related modification or accommodation, including 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 and brief description of the requested materials and preferred alternative format or auxiliary aid or service at least 5 days before the meeting. Requests should be sent to Sonia Bannister, MST, One Ryan Ranch Road, Monterey, CA 93940 or sbannister@mst.org
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 their positive contribution to MST and to the entire community; and

WHEREAS, Debra Daniels began her career with Monterey-Salinas Transit in April 1997 as a Coach Operator. In October 1999, she was promoted to a Dispatcher and in November 2002 to an Operations Supervisor; and

WHEREAS, on April 3, 2007, MST was notified that two of the children of an MST Coach Operator had been critically injured. The father of the two boys had not yet been notified and was at that time driving the Line 42, which serves Natividad Hospital in Salinas – the very hospital where his sons were being treated for their injuries. The parents were notified that one of the boys was in grave condition and that he was being transferred by helicopter to the Trauma Center at Santa Clara Valley Medical Center in San Jose. Without hesitation, Debra loaned the distraught parents the use of her personnel vehicle and cellular phone so they could respond to San Jose to be with their son.

THEREFORE BE IT RESOLVED that the Board of Directors of Monterey-Salinas Transit recognizes Debra Daniels as Employee of the Month for May 2007; and

BE IT FURTHER RESOLVED that Debra Daniels is to be congratulated for his excellent work at Monterey-Salinas Transit.

THE BOARD OF DIRECTORS OF MONTEREY–SALINAS TRANSIT PASSED AND ADOPTED RESOLUTION 2007-20 this 15th day of May 2007 by the following vote:

AYES: Armenta, Cunningham, Downey, Mancini, Russell, Stilwell, Wilmot

NOES: None

ABSENT: Clark

Fernando Armenta
Chairman

Carl Sedoryk
Secretary
To: Board of Directors

From: Danny Avina, Customer Service Supervisor

Subject: Disposal of unclaimed property left on bus

St. Vincent De Paul (Seaside)

1 apron  3 hats  2 rings
1 gas mask  1 jacket  1 hairpin
1 belt  1 scarf  2 wallets
6 CDs  1 toy  1 coin purse
3 eyeglasses  1 cell phone
4 eyeglass cases  2 microphones

To be disposed

2 pairs of tennis shoes  2 ID cards  1 bag of medication
3 sets of keys  1 shoe  1 glove

To be retained

$10.37 forwarded to Accounting for deposit.

MST makes an attempt to contact the owners of Lost and Found items. If the items are unclaimed after 30 days, they are added to the above list.
1. CALL TO ORDER

Chairman Armenta called the meeting to order at 10:00 a.m. in the Monterey-Salinas Transit Conference Room.

Present:  
- Michael Cunningham  City of Carmel-By-The-Sea
- Kristin Clark  City of Del Rey Oaks
- Gary Wilmot  City of Marina
- Libby Downey (10:01)  City of Monterey
- Vicki Stilwell  City of Pacific Grove
- Robert Russell  City of Salinas
- Thomas Mancini  City of Seaside
- Fernando Armenta  County of Monterey

Absent:  
- Lisa Senkir  City of Gonzales (Ex-Officio)

Staff:  
- Carl Sedoryk  General Manager/CEO
- Lyn Owens  Director of Human Resources
- Hunter Harvath  Director of Administration
- Michael Hernandez  Chief Operating Officer
- Robert Weber  Dir. Transportation Services
- Mark Eccles  Dir. Information Technology
- Sonia Bannister  Office Administrator
- Mary Archer  Planner
- William Morris  Contract Transportation Manager
- Dave Sobotka  Controller
- Tonja Posey  Human Resource Supervisor
- Carl Wulf  Facilities/Capital Projects Manager
- Tom Hicks  CTSA Manager
- Drew Salzbom  Marketing/Planning Intern

Others:  
- Dave Laredo  DeLay & Laredo
- Tom Greer  Coach Operator
- Jim Fink  Salinas resident
- Richard Hans  MV Transportation
- Lance Atencio  MV Transportation

Apology is made for any misspelling of a name.
2-2. – 2-10. CONSENT AGENDA

The consent agenda items consisted of the following:


2-3. Disposal of property left aboard buses.


2-6. Refer draft FY 2008 budget to Finance Committee.

2-7. Approve pollution legal liability insurance: Self-Insured retention agreement.


2-9. 2006 stakeholder survey.

2-10. Approve Resolution 2007-18 authorization for the execution of a Master Agreement and Program Supplements for state funded transit projects.


Mr. Harvath, Director of Administration, introduced Tom Hicks, as the new Consolidated Transportation Services Agency Manager. Mr. Hicks will be working with the social services community to better coordinate transportation services with MST’s internal RIDES program.

Regarding the stakeholder survey, it was noted that the response was poor. It was suggested to call 20 individuals and get feedback of the service instead of doing a mass mailing.

Item 2-7 was pulled for further discussion.

Director Wilmot moved to approve the remaining items on the consent agenda. Director Mancini seconded and the motion carried unanimously.
2-7. POLLUTION LEGAL LIABILITY INSURANCE

For the past 227 months, FORA, its land use jurisdictions, and other property owners such as MST have been covered by Pollution Legal Liability Insurance for damages and injuries related to unexploded ordnances as well as other hazardous materials remaining on the former Fort Ord. To date, no claims have been filed. As the property of the former Fort Ord continues to be redeveloped, FORA legal counsel has advised the Named Insureds that there may be circumstances in which the SIR of the Pollution Legal Liability insurance policy must be allocated among the Named Insureds. Such a circumstance would affect multiple Named Insureds, requiring cooperation in paying for the $1 million [for Munitions and Explosives of Concern (“MEC”) claims] or $500,000 (for non-MEC claims) SIR before accessing insurance benefits.

Mr. Laredo said the modified language is in favor of MST’s interests. However, the question needs to be asked of FORA that if there is a failure to reach a 2/3 majority vote, what happens?

Director Mancini moved to approve the pollution legal liability insurance: Self-Insured Retention agreement for MST’s properties on the former Fort Ord with additional language to provide clarity on what happens when a 2/3 majority vote cannot be reached. Director Downey seconded and the motion carried unanimously.

3. SPECIAL PRESENTATIONS

Robert Weber, Director of Transportation Services, introduced Tom Greer, Coach Operator, for celebrating 20 years of service with MST. He has received a Safe Driving award for 18 continuous years. Mr. Greer has also served as Line Instructor.

4. PUBLIC COMMENTS

Jim Fink, Salinas resident, commented that MST bicycle service continues to be superb. He wants to see service to San Luis Obispo, and to reinstate service to the Spirit West Coast at Laguna Seca in August. He invited the Board and staff to attend a prayer breakfast at Embassy Suites Hotel on April 17.

5-1. – 5-3. COMMITTEE MINUTES

The Board accepted and filed the MST Finance Committee Minutes – March 19, 2007; the Marketing Committee Minutes – March 30, 2007; and the MST Board Strategic Planning workshop minutes – March 22, 2007.

6-1. MINI-BUS PURCHASE

Mr. Hernandez, Chief Operating Officer, said that this purchase will replace the aging fleet. MST’s contractor, MV Inc, operates 15 mini-buses for DART and other fixed
route services. The initial purchase will replace five (5) of the highest mileage 2002 vehicles, ranging in mileage from 200,000 to over 243,000 miles. FTA guideline for replacing medium sized, light-duty transit vehicles is 5 years or 150,000 miles. The remaining three 2002 vehicles will be replaced after funding is available in fiscal 2008. Three additional new vehicles will be used for expansion service on the Peninsula and South County.

Director Cunningham moved to: 1) Authorize the purchase of five (5) Aero Tech mini-buses from Creative Bus Sales in the amount of $377,025; 2) examine engine type (hybrid vs. gasoline/diesel) on the next 6 mini-buses prior to purchase in 2008, as well as other competing needs to the capital budget; 3) authorize the option to purchase up to six (6) additional vehicles in FY 2008; and 4) authorize disposal of the retired vehicles. Director Downey seconded and the motion carried unanimously.

7-1. PROGRAM OF PROJECTS

The Program of Projects (POP) allocates Section 5307 federal funds to specific projects each fiscal year. The POP becomes part of MST’s application for federal grant funding that is submitted to the Federal Transit Administration via AMBAG. According to federal regulations, MST is required to develop, publish and afford an opportunity for a public hearing on and submit for approval a POP that are funded by Section 5307 funds.

In addition, the projects listed in the POP will be submitted to AMBAG for inclusion in the Metropolitan Transportation Improvement Program (MTIP). AMBAG will be amending the MTIP in May to ensure compliance with the provisions of SAFETEA-LU, the current federal transportation authorization legislation, before the July 1, 2007 deadline.

Chairman Armenta opened the public hearing at 10:52 a.m. to receive public comment on the FY 2007 Program of Projects.

Jim Fink, Salinas resident, noted that the MST RIDES budget did not show any increases in future years. He is concerned that the public may have to pick up the difference. Mr. Harvath, Director of Administration commented that the MST RIDES budget is supplemented from other funding sources.

Seeing no one else wishing to comment, the public hearing was closed at 10:53 a.m.

Director Downey moved to: 1) adopt the amended FY 2007 Program of Projects; and 2) authorize the filing of the appropriate grant applications with the Federal Transit Administration. Director Wilmot seconded and the motion carried unanimously.
8. UNFINISHED BUSINESS

None.

9-1. MST STRATEGIC PLAN

Mr. Sedoryk, General Manager/CEO, reported that on March 22, 2007 a Board Strategic Planning Workshop was held. Staff has summarized six strategic goals as follows: 1) Improve service design and infrastructure; 2) Develop stable, long-term funding sources; 3) Enhance information technology; 4) Improve Service Quality; 5) Leverage Alternative Fuels; and 6) Improve Board Structure and Process.

Discussion was held regarding #5 Leveraging alternative fuels. It was suggested to merge this item with Strategic Goal #4 Improving service quality.

Mr. Sedoryk, recommended changing the language to goal #5 to reflect environmentally-friendly yet economically-sound practices with regard to resource management.

Regarding the fuel policy, Mr. Sedoryk reported that staff plans to revisit this matter to see what technology is available prior to the next major bus purchase.

Director Wilmot commented that with regard to Goal #1 service changes should attract new riders – not just marketing techniques.

Director Cunningham requested a change to Goal #2 to show long-term revenue sources as not coming from Sacramento or Washington DC.

Jim Fink, Salinas resident, would like to see service re-established to Toro Park and Serra Village, and add new service to Las Palmas. These are upscale areas that have too many single-passenger vehicle trips. He suggested merging Strategic Goal #1 Improving service design and Infrastructure with #4 Improving service quality.

Director Downey moved to accept the FY 2008-2010 Strategic Goals: 1) Improve service design and infrastructure; 2) Develop stable, long-term funding sources; 3) Enhance information technology; and 4) Improve service quality. Director Mancini seconded and the motion carried unanimously.

10-1. – 10-5. REPORTS & INFORMATION ITEMS

11. COMMENTS BY BOARD MEMBERS

Director Downey gave a brief report on the CTA Lobby Day in Sacramento. She talked about the various proposed changes to the Governor’s budget with regards to transportation.

12. ANNOUNCEMENTS

None.

13. CLOSED SESSION

The Board adjourned to Closed Session to meet with legal counsel regarding the performance of unrepresented employee (GM/CEO).

Upon returning to Open Session, Chairman Armenta announced that no action was taken.

14. ADJOURNMENT

There being no further business, Chairman Armenta adjourned the meeting at 12:00 p.m.

PREPARED BY: Sonia AR Bannister

Sonia AR Bannister
To: Board of Directors
From: D. Sobotka, Controller

RECOMMENDATION:

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

FISCAL IMPACT:

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

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning balance March 24, 2007</td>
<td>$ &lt; 277,817.89&gt;</td>
</tr>
<tr>
<td>Revenues</td>
<td>3,547,132.54</td>
</tr>
<tr>
<td>Disbursements</td>
<td>&lt; 2,204,410.62&gt;</td>
</tr>
<tr>
<td>Ending balance April 30, 2007</td>
<td>$ 1,064,904.03</td>
</tr>
</tbody>
</table>

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.
## TREASURY TRANSACTIONS
### FOR APRIL 2007

<table>
<thead>
<tr>
<th>Date</th>
<th>Account</th>
<th>Confirm #</th>
<th>Deposit</th>
<th>Withdrawal</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance Forward at 3/24/07</td>
<td></td>
<td></td>
<td></td>
<td>$292,870</td>
<td></td>
</tr>
<tr>
<td>Mar 29</td>
<td>LAIF</td>
<td>1114907</td>
<td></td>
<td>291,000</td>
<td>1,870</td>
</tr>
<tr>
<td>Mar 30</td>
<td>LAIF</td>
<td>1115184</td>
<td>200,000</td>
<td></td>
<td>201,870</td>
</tr>
<tr>
<td>Apr 2</td>
<td>LAIF</td>
<td>1115273</td>
<td>623,000</td>
<td></td>
<td>824,870</td>
</tr>
<tr>
<td>Apr 10</td>
<td>LAIF</td>
<td>1116042</td>
<td></td>
<td>392,000</td>
<td>432,870</td>
</tr>
<tr>
<td>Apr 12</td>
<td>LAIF</td>
<td>1116336</td>
<td></td>
<td>356,000</td>
<td>76,870</td>
</tr>
<tr>
<td>Apr 13</td>
<td>LAIF</td>
<td>1119666</td>
<td></td>
<td>19,753</td>
<td>96,623</td>
</tr>
<tr>
<td>Apr 19</td>
<td>LAIF</td>
<td>1120067</td>
<td>1,491,000</td>
<td></td>
<td>1,587,623</td>
</tr>
<tr>
<td>Apr 23</td>
<td>LAIF</td>
<td>1120540</td>
<td></td>
<td>63,000</td>
<td>1,524,623</td>
</tr>
<tr>
<td>Apr 26</td>
<td>LAIF</td>
<td>1120856</td>
<td></td>
<td>368,000</td>
<td>1,156,623</td>
</tr>
<tr>
<td>Apr 30</td>
<td>LAIF</td>
<td>1120856</td>
<td></td>
<td>240,000</td>
<td>$916,623</td>
</tr>
</tbody>
</table>

Local Agency Investment Fund:
(Earned 5.214% for March 2007) $916,623

Treasury Balance at 4/30/07: $916,623
RESOLUTION 2007–21
DECLARING THE WEEK OF MAY 12–18 AS MONTEREY COUNTY BIKE WEEK AND DECLARING MAY 2007 AS CLEAN AIR MONTH IN MONTEREY COUNTY

WHEREAS, air pollution and road congestion are two key transportation issues at the national, state, and local levels; and

WHEREAS, the bicycle is an important alternative mode of transportation to reduce traffic congestion and air pollution; and

WHEREAS, riding a bicycle has many health benefits; and

WHEREAS, setting aside designated days for bicycle use promotes awareness of the bicycle as a legitimate transportation option – one that is efficient, inexpensive and enjoyable; and

WHEREAS, the goal of clean air and clean transportation will be promoted extensively during Clean Air Month, May 2007; and

WHEREAS, Monterey-Salinas Transit’s buses are 100% bicycle-equipped and MST carries 2,629 bicycles per month.

THEREFORE, BE IT RESOLVED that the Board of Directors of Monterey-Salinas Transit hereby declares that the week of May 12–18 be Monterey County Bike Week and May 2007 be Clean Air Month, and that all local agencies and businesses be called upon to encourage their employees to bike to work; and

BE IT FURTHER RESOLVED that the Board of Directors of Monterey-Salinas Transit urges all residents to consider alternatives to driving alone, such as public transit, bicycling, walking, carpooling, vanpooling, and telecommuting during the month of May 2007.

THE BOARD OF DIRECTORS OF MONTEREY–SALINAS TRANSIT PASSED AND ADOPTED RESOLUTION 2007-21 this 14th day of May 2007 by the following vote:

AYES: Armenta, Cunningham, Downey, Mancini, Russell, Stilwell, Wilmot

NOES: None

ABSENT: Clark

_______________________  _______________________
Fernando Armenta               Carl Sedoryk
Chairman                      Secretary
To: Board of Directors  
From: C. Sedoryk, General Manager/CEO  
Subject: Proposed Board Committee Meeting Dates

RECOMMENDATION:

Receive schedule for proposed board committee meeting dates.

FISCAL IMPACT:

None.

POLICY IMPLICATIONS:

Your Board has established six committees with each Board member serving on at least two committees. The Chair and Vice-Chair serve on three committees.

DISCUSSION:

For planning purposes, staff has developed a proposed schedule of Board Committee meetings for the next several months. The proposed dates are tentative as committee meetings may be added or deleted based on need and Board member availability.

The committees, their mission statements, committee members and proposed meeting dates are attached.

PREPARED BY:

Carl G. Sedoryk
<table>
<thead>
<tr>
<th>Committee</th>
<th>Mission Statements</th>
<th>Members</th>
<th>Proposed Meeting Dates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel Committee</td>
<td>Recommends policies to the Board concerning the effective use of human resources and compensation/benefits/recognition systems.</td>
<td>Mancini, Cunningham, Stilwell</td>
<td>May 14, 2007 9:00am MST Boardroom</td>
</tr>
<tr>
<td>Legislative Policy Committee</td>
<td>Recommends to the Board strategies and actions regarding legislative initiatives.</td>
<td>Armenta, Clark, Sanchez, Downey</td>
<td>May 24, 2007 9:00am MST Boardroom</td>
</tr>
<tr>
<td>Planning/Operations Committee</td>
<td>Recommends policy to the Board to improve transit services and better meet the transportation needs of Monterey County.</td>
<td>Sanchez, Mancini, Clark</td>
<td>June 11, 2007 9:00am MST Boardroom</td>
</tr>
<tr>
<td>Facilities Committee</td>
<td>Recommends to the Board policies which best allows utilization of facilities and other tangible assets to meet organizational growth and development needs</td>
<td>Downey, Mancini, Wilmot</td>
<td>July 9, 2007 9:00am MST Boardroom</td>
</tr>
<tr>
<td>Marketing Committee</td>
<td>Oversees and recommends policies to the Board regarding public information and marketing plans to include DART, RIDES, and The WAVE, as well as exterior bus advertising policies.</td>
<td>Wilmot, Stilwell, Armenta Senkir</td>
<td>August 13, 2007 9:00am MST Boardroom</td>
</tr>
<tr>
<td>Finance Committee</td>
<td>Oversees MST financial matters and recommends to the Board policies, practices, and efficiencies, which maximize service and ensure a financially solvent organization.</td>
<td>Armenta, Clark, Cunningham</td>
<td>October 15, 2007 9:00am MST Boardroom</td>
</tr>
</tbody>
</table>
To: Board of Directors

From: H. Harvath, Director of Administration

Subject: Resolution authorizing federal funding

RECOMMENDATION:

Adopt Resolution 2007-22 authorizing General Manager/CEO to perform all required duties necessary to ensure receipt of federal capital and operating grants.

FISCAL IMPACT:

$7.3M of federal capital and operating funds during fiscal year 2008.

POLICY IMPLICATIONS:

None. This action is consistent with Federal regulations governing the receipt of grant funds.

DISCUSSION:

In order to comply with Federal Transit Administration requirements, the MST Board must pass a resolution authorizing the General Manager to receive federal transit funds from the Federal Transit Administration through the use of its state designated recipient, the California Department of Transportation. MST anticipates receiving $7.3M of federal funds during fiscal year 2008, which represents about 25% of its total capital and operating funds for the year.

SUBMITTED BY: Hunter Harvath
WHEREAS, the U. S. Department of Transportation is authorized to make grants to states through the Federal Transit Administration to support capital and operating assistance projects; and

WHEREAS, the California Department of Transportation (Department) has been designated by the Governor of the State of California to administer federal grants for public transportation projects; and

WHEREAS, the Monterey-Salinas Transit Board of Directors desires to apply for said financial assistance to permit operation transit service in Monterey County; and

WHEREAS, the Monterey-Salinas Transit Board of Directors has to the maximum extent feasible, coordinated with other transportation providers and users in the region (including social service agencies);

NOW, THEREFORE, BE IT RESOLVED that the Monterey-Salinas Transit Board of Directors does hereby authorize Carl Sedoryk, General Manager/CEO, to file and execute applications on behalf of the Monterey-Salinas Transit Board of Directors with the Department to aid in the financing of federal operating or capital assistance projects; and

BE IT FURTHER RESOLVED THAT Carl Sedoryk, General Manager/CEO is authorized to execute and file all assurances or any other document required by the Department; and

BE IT FURTHER RESOLVED THAT Carl Sedoryk, General Manager/CEO is authorized to provide additional information as the Department may require in connection with the application for the projects; and

BE IT FURTHER RESOLVED THAT Carl Sedoryk, General Manager/CEO is authorized to submit and approve request for reimbursement of funds from the Department for the projects.

THE BOARD OF DIRECTORS OF MONTEREY-SALINAS TRANSIT PASSED AND ADOPTED RESOLUTION 2007-22 this 14th day of May 2007 by the following vote:

AYES: Armenta, Cunningham, Downey, Mancini, Russell, Stilwell, Wilmot

NOES: None

ABSENT: Clark

_______________________  _________________________
Fernando Armenta        Carl Sedoryk
Chairman                Secretary
To: Board of Directors

From: L. Owens, Director of Human Resources

Subject: Revised Drug and Alcohol Policy

RECOMMENDATION:

Approve the revised Anti-Drug Abuse and Alcohol Misuse Program Policy.

FISCAL IMPACT:

None

POLICY IMPLICATIONS:

Your Board approves changes to this policy. This action complies with Federal Transit Administration (FTA) regulations and enables MST to receive federal funds.

DISCUSSION:

Based on the FTA review conducted April 25, 2007, it was recommended that references to CFR 49 “Federal Safety Motor Carrier” be changed to reference CFR 40 and Part 655 FTA. The revised policy is dated May 1, 2007.

Attachment: Revised Anti-Drug Abuse and Alcohol Misuse Program Policy
Monterey-Salinas Transit

ANTI-DRUG ABUSE &
ALCOHOL MISUSE PROGRAM

IN

COMPLIANCE WITH THE

UNITED STATES

DEPARTMENT OF TRANSPORTATION

(CFR 40 and 655)

September 1, 2001
AMENDED May 1, 2007
I. POLICY STATEMENT

Monterey-Salinas Transit recognizes that drug abuse and alcohol misuse in today’s society is a very serious problem, which has also found its way into the workplace. Monterey-Salinas Transit also recognizes the significant threat that a drug and/or alcohol-impaired “EMPLOYEE,” as defined in CFR 40 and Part 655, working in the transportation industry can pose to the safety “of him/herself”, of his/her co-workers and the general public.

Purpose:

In order to address the safety threat presented by the problem of drug abuse and/or alcohol misuse in the transportation industry, the Department of Transportation has established extensive regulations requiring drug and alcohol testing under certain circumstances. In light of the above, Monterey-Salinas Transit has adopted this Anti-Drug Abuse & Alcohol Misuse Program to specify the circumstances under which drug and/or alcohol testing will be required, the procedures for conducting such testing and the methods and procedures for complying with Department of Transportation, rules and regulations.

All EMPLOYEE(S) listed in Section III, are EMPLOYEE(S) that are considered to be in safety sensitive positions. EMPLOYEE(S) in these positions are required to participate in this program as part of employment conditions with Monterey-Salinas Transit.

Objective:

Monterey-Salinas Transit's Program is designed to create an alcohol/drug-free workplace. This Program has been developed in compliance with Department of Transportation rules and regulations in a manner that ensures accurate and reliable test results, and thereby eliminates the possibility of any “false positives.” This Program also contains procedures designed to recognize and respect the dignity and privacy of all our EMPLOYEES. Monterey-Salinas Transit also has information to appropriate resources designed to help those individuals who are desirous of treating such problems.

General:

Alcohol, when consumed in quantity producing physical or mood altering effects it becomes substance abuse. Alcohol has the following effects on operating a vehicle: Slurred speech, Aggressiveness, Blackouts, Tunnel vision, Slowed reaction time, Impaired judgment, Nausea, Hostility, Drowsiness, Coma, Increased Tolerance Levels, Distorted Sense of Time and Distance, Memory Loss, Unsteadiness, Odor of Alcohol, Incoherent, Short Attention Span, Blurred or Distorted Vision. Signs and symptoms of alcohol use and misuse are very similar to other prohibited drugs.
II. DEFINITION OF TERMS

A. **MST** means a person or business entity operating under the authority of Monterey-Salinas Transit.

B. **CONTRACTOR**, means any individual or business entity with whom MST contracts to perform an operating function as regulated by CFR 40 and Part 655, for MST as an independent CONTRACTOR or SUBCONTRACTOR. Both CONTRACTOR and the CONTRACTOR’S EMPLOYEES are deemed EMPLOYEES of MST. Except where specifically referred to as CONTRACTOR, the term “MST” shall mean MST and the CONTRACTOR.

C. **CONTRACTOR**, acknowledges under the authority of CFR 40 and Part 655 that MST remains responsible for ensuring that the requirements of CFR 40 and Part 655 are complied with; and that the CONTRACTOR must allow MST access to all property and records for the purpose of monitoring the CONTRACTOR’S compliance with the requirements, thereby ensuring MST's compliance with the Department of Transportation.

D. **MEDICAL REVIEW OFFICER**, (MRO), means a licensed physician responsible for receiving laboratory results generated by MST’s drug testing plan who has knowledge of substance abuse disorders and has appropriate medical training to interpret and evaluate an individual’s confirmed positive test result together with his/her medical history and any other relevant information.

E. **REPORTING OF TEST RESULTS** means that the MRO shall communicate test results to MST by contacting the Drug and Alcohol Program Manager.

F. **DEPARTMENT OF TRANSPORTATION**, (DOT), means the United States Department of Transportation.

G. **DOT PROCEDURES**, means the “Procedures for Transportation Work Place Drug Testing Programs” published by the Office of Secretary of Transportation in Part 40 of 49 CFR.

H. **DOT REGULATIONS**, means the Alcohol and Controlled Substances Testing Regulations published by the Office of the Secretary of Transportation.


J. **SUBSTANCE ABUSE PROFESSIONAL**, (SAP), means Substance Abuse Professional, licensed physician, medical doctor or doctor of Osteopathy, or a licensed or certified psychologist, social worker, employee assistance professional, or addiction counselor (certified by the National Association of...
Alcoholism and Drug Abuse Counselors Certification Commission) with knowledge of and clinical experience in the diagnosis and treatment of alcohol and controlled substances related disorder.

K. **DRUG AND ALCOHOL PROGRAM MANAGER, (DAPM),** means Drug and Alcohol Program Manager, the primary individual who is in charge of the Drug and Alcohol Program for MST.

III. **SCOPE**

A. **SAFETY SENSITIVE EMPLOYEES UNDER THIS PROGRAM**

“SAFETY SENSITIVE” means an EMPLOYEE who is required by their job description to have a Class "B" Commercial Driver's License (CDL); operates a motor vehicle weighing over 26,000 pounds; and/or is designed to carry 16 passengers or more including the driver; or carries a hazardous placard. SAFETY SENSITIVE EMPLOYEES are regulated by CFR 40 and Part 655. This individual may be engaged by MST, be a CONTRACTOR engaged by MST, or be employed by the CONTRACTOR. Thus, all contract personnel, including SUBCONTRACTORS and anyone employed by a SUBCONTRACTOR, who performs safety sensitive work, comes within the EMPLOYEE definition.

1. To simplify, the following positions are subject to drug & alcohol testing as outlined in the Program:

Any EMPLOYEE who is required by their job description to have a Class "B" Commercial Driver's License (CDL); operates a motor vehicle weighing over 26,000 pounds; that operates a motor vehicle and/or is designed to carry 16 passengers or more including the driver; or drives a motor vehicle displaying a hazardous placard, and/or;

Performs the following “safety sensitive” functions as part of their job description and/or duties:

- Operate revenue service vehicles including when not in revenue service.
- Operate non-revenue service vehicles that require drivers to hold Commercial Driver's Licenses.
- Dispatch or control revenue service vehicles.
- Maintain revenue service vehicles equipment used in revenue service, except for contractors to section 18 (49 U.S.C. 5331) transit agencies

- Provide security and carry a firearm.
- Supervisors who perform any of the above functions.

The following is a list of Safety-Sensitive job functions at Monterey-Salinas Transit.
All EMPLOYEES will be provided with a copy of the Program at the time they are hired. MST will also make copies of the Program available to any employee upon request.

2. CONTRACTOR COMPLIANCE

All CONTRACTOR(S) shall maintain compliance with CFR 40 and Part 655 and the basic content of this document and shall be inspected semi-annually by MST’s Program Manager. Where the CONTRACTOR(S) own policy differ, it must still maintain the minimum requirements of the CFR 40 AND PART 655.

B. PROHIBITED DRUGS

The presence in the body, possession, use, distribution, dispensing, and/or unlawful manufacture of prohibited drugs is prohibited while conducting MST business; while in work areas; in MST vehicles on or off MST premises. No EMPLOYEE will work under the influence of prohibited drugs.

Prohibited drug means any of the following substances:

Marijuana (THC)
Opiates
Cocaine
Phencyclidine (PCP)
Amphetamines

Any EMPLOYEE in violation of these prohibitions shall be immediately relieved from duty and shall be subject to appropriate disciplinary action in accordance with Section IX, DISCIPLINE.

C. PRESCRIBED MEDICATION

EMPLOYEE(S) need not reveal any medication that he/she may be taking or may have recently taken, however, the EMPLOYEE may provide that information to the MRO as part of the medical interview following a positive report from the Laboratory to the MRO. As part of the medical interview, the MRO may request the EMPLOYEE identify the physician prescribing the medication and authorize the MRO to communicate with that physician about the medication, it’s possible side effects, the condition requiring taking the medication, and the medication’s relationship to the ability to safely perform his/her job. Prior to making a final decision to verify a positive test result, the EMPLOYEE will have the opportunity to discuss the use of the medication with the MRO.

In the event it is determined by the MRO that an EMPLOYEE is taking or is under the influence of a prescribed medication that will reasonably impair the ability to safely and adequately perform his/her job, the EMPLOYEE will be placed on a medical leave of absence until the condition requiring the taking of the medication is resolved or the EMPLOYEE is no longer taking the medication.

D. REFUSAL TO SUBMIT TO TESTING, means any EMPLOYEE or applicant who:
(1) refuses to take a required drug and/or alcohol test; (2) without a legitimate reason fails to report to the Collection Site; (3) without a medical reason fails to provide an adequate specimen of a minimum amount of 45 milliliters or an adequate breath sample for alcohol testing; or (4) fails to cooperate with collection process at the Collection Site; or (5) fails to arrive within the allotted time to the Collection Site.

E. FAIL A DRUG OR ALCOHOL TEST OR TEST POSITIVE, means that the Confirmation Test result shows positive evidence of the presence of a prohibited drug or blood alcohol concentration in the or applicant’s system. See Section IV, A, 2., PROHIBITED BEHAVIOR, for specific alcohol tolerance levels.

F. PASS A DRUG OR ALCOHOL TEST OR TESTS NEGATIVE, means that initial testing or performance by the Substance Abuse & Mental Health Services Agency (SAMHSA, formerly National Institute of Drug Abuse, NIDA) certified lab, which is Federally Registered & approved, does not show evidence of the presence of a prohibited drug in the / applicant’s system.
For Alcohol Testing: this means the initial or confirmation test shows a blood alcohol concentration or less than .02 BAC. See Section IX, H. for specific alcohol tolerance levels.

IV. QUALIFICATIONS FOR EMPLOYMENT AND PROHIBITED BEHAVIOR

A. PROHIBITED BEHAVIOR

1. DOT Federal Motor Carrier Safety Regulations, prohibit MST or CONTRACTOR from using any EMPLOYEE, CONTRACTOR, or an EMPLOYEE of the CONTRACTOR, or a SUBCONTRACTOR of the CONTRACTOR whom: Fails a drug test which is confirmed as positive by the MRO, or who refuses to take a drug test, or knowingly allows the use, sale, possession, manufacture or distribution of prohibited drugs by its EMPLOYEES at any time.

   Further, no EMPLOYEE may work under the influence of prohibited drugs.

2. ALCOHOL CONCENTRATION – No EMPLOYEE:

   ▪ shall report to work or remain on duty in a safety sensitive position or function while having an alcohol concentration of .04 or greater.
   ▪ having an alcohol concentration of .02 or greater but less than .04 must not perform any safety sensitive functions for a minimum of 24 hours.
   ▪ shall remain on duty or operating a commercial motor vehicle while the EMPLOYEE possesses any alcohol except if the alcohol is manifested and is being transported as part of a shipment.
   ▪ shall use or consume alcohol while performing a safety sensitive function
   ▪ shall use or consume alcohol within eight * (8) hours before performing a safety sensitive function
   ▪ required to take a post-accident alcohol shall not consume alcohol after eight* (8) hours after an accident, or until the EMPLOYEE has taken the post-accident test, which ever occurs first.
   ▪ shall remain on duty or perform any safety sensitive functions if that EMPLOYEE has tested positive for alcohol

   * Pursuant to MST’s choice and authority.

   See Section IX. H., for specific tolerance levels.

B. DISQUALIFICATION

Any EMPLOYEE who tests positive or refuses to submit to any chain of custody collection procedure, drug or alcohol testing will be immediately relieved from duty without pay and is subject to discipline up to and including termination.
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V. DRUG AND ALCOHOL TEST(S) REQUIRED

A. PRE-EMPLOYMENT

All applicants for initial employment, subsequent re-employment, or temporary employment in safety-sensitive positions with MST (see Section III. A.) must successfully pass a Pre-Employment Drug Test prior to working in a safety-sensitive position. All applicants will be notified at the time they complete a job application, that they will be required to submit to a drug test, if they are considered otherwise qualified for employment and that they will submit to the terms and conditions of this Program if they are ultimately hired.

All current EMPLOYEES transferring or being transferred from a non-safety-sensitive position to a safety-sensitive position must successfully pass a Pre-Employment Drug Test prior to assuming a safety-sensitive position. MST may not use any EMPLOYEE hired by a CONTRACTOR who does not pass a Pre-Employment drug test.

No applicant or transferring EMPLOYEE will be hired into a safety-sensitive position unless he/she passes a Pre-Employment Drug Test (see Section IX, A, PRE-EMPLOYMENT).

B. POST-ACCIDENT

As soon as possible, but no later than 32 hours for drugs and 8 hours for alcohol, after an accident, MST will test each EMPLOYEE or supervisor whose performance either contributed to an accident or cannot be completely discounted as a contributing factor to the accident.

All reasonable steps will be taken to obtain a urine specimen for drugs from an EMPLOYEE after an accident. In the case of a conscious but hospitalized EMPLOYEE, MST will request that the hospital or medical facility obtain a specimen, following proper Chain-of-Custody and, if necessary, MST will refer the hospital or medical facility to the DOT Drug Testing Requirements provided in CFR 40.

If an EMPLOYEE is unconscious and otherwise unable to evidence consent to a Post-Accident Drug Test, after the condition is stabilized, the hospital or medical facility shall collect a specimen in compliance with the Chain-of-Custody and guidelines provided in CFR 40, and the hospital or medical facility shall retain the specimen, preferably in frozen storage, until the EMPLOYEE has regained consciousness.

If an EMPLOYEE who is subject to Post-Accident Drug & Alcohol testing is conscious, able to urinate normally (in the opinion of a medical doctor/physician)
and refuses to be tested, that EMPLOYEE shall be relieved from his/her safety-sensitive position and shall be subject to discipline according to Section IX., C.,

**POST-ACCIDENT.**

For purposes of this Program and in compliance with the Federal Transit Association, an accident is defined as one of the following:

Must perform a DOT post-accident test when there is an occurrence associated with the operation of a mass transit vehicle, if as a result:

1. An individual dies; or
2. An individual suffers bodily injury and immediately receives medical treatment away from the scene of the accident; or

   ("individual" refers to a transit employee, pedestrian, passenger on the mass transit vehicle or person in the other vehicle(s))

3. A vehicle (including non-transit vehicle) incurs disabling damage the result of the occurrence and a vehicle is transported away from the scene by a tow truck or another vehicle.

An EMPLOYEE required to take a post-accident alcohol shall not consume alcohol after eight (8) hours after an accident, or until the EMPLOYEE has taken the post-accident test, which ever occurs first.

If the test results are negative, then the EMPLOYEE may return to work in a safety-sensitive position.

**C. RANDOM**

All EMPLOYEES, including temporary, limited and seasonal, who perform work for MST in a safety-sensitive position will be subject to Random Drug and/or Alcohol Testing at any time with no advance notice. The random selection process will ensure each EMPLOYEE the same fair and equal chance of being selected.

MST or its agents will perform the random selections and transmit this information to the MST’s Drug and Alcohol Program Manager. The MST’s Program Manager then selects the day and time for the EMPLOYEE is to be tested. Upon notification, the EMPLOYEE shall report to the Collection Site immediately.

To ensure the selection process is completely random, all full-time, part-time, temporary, limited and seasonal EMPLOYEES will be in a common pool.
EMPLOYEES will be selected for Random Drug and/or Alcohol Testing by an anonymous, objective selection criteria (computer-based random number generator) matched with a social security number, and all EMPLOYEES will have an equal chance of being selected. Because each random sampling selects from the total pool of EMPLOYEES, it is conceivable that an EMPLOYEE could be tested more than once each year. The random computer selection procedure will be by the social security number.

Random Drug Testing will be administered for the year at a rate equal to 25 percent of the total pool of EMPLOYEES. The number of EMPLOYEES to be tested for each month will be calculated by taking the total number of EMPLOYEES in the pool dividing that number by 25% and dividing that subsequent number by 12 for the monthly selection for testing

Random Alcohol Testing will be administered for the year at a rate equal to 10 percent of the total pool of EMPLOYEES. The number of EMPLOYEES to be tested for each month will be calculated by taking the total number of EMPLOYEES in the pool dividing that number by 10% and dividing that subsequent number by 12 for the monthly selection for testing

The selection procedure will exceed the required testing percentage for the twelve-month period in order to reach the appropriate testing level during each test period.

EMPLOYEES are to be randomly drug and/or alcohol tested when they are scheduled to work. Generally, this means just before the EMPLOYEE is to perform, while the EMPLOYEE is performing, or just after the EMPLOYEE has ceased performing such functions that day.

On Duty Time is defined as: All the time from the time the driver begins to work or is required to work or is required to be in readiness for work until he/she is relieved from work and all the responsibility for performing work. On Duty Time shall include all the time spent providing a breath sample or urine sample, including travel time to and from the collection site, in order to comply with the random, reasonable suspicion, post accident or follow up testing required to.

EMPLOYEES will not be tested whenever not scheduled to work that day which includes those who are on scheduled vacation or have reported in sick.

If an EMPLOYEE tests positive in a Random Drug Test, his/her discipline will be handled according to Section IX., D., RANDOM.

See Section IX.,H., for specific alcohol tolerance levels.

D. REASONABLE SUSPICION
MST will require a Reasonable Suspicion drug & alcohol test for an EMPLOYEE when there is a reasonable and articulated belief that the EMPLOYEE is using or under the influence of a prohibited drug on the basis of specific, contemporaneous physical, behavioral or performance. An EMPLOYEE displaying unusual behavior, speech or alcohol odors are indicators of probable alcohol use.

These observations must be made just preceding, during, or just after the period of the workday that the employee performed a safety-sensitive function.

For instance, evidence of repeated errors on the job regulatory or MST rule violations, unsatisfactory attendance or punctuality patterns, if coupled with a specific contemporaneous event that indicates probable drug and/or alcohol use, could provide Reasonable Suspicion to test an EMPLOYEE. Any MST supervisor may, in a confidential manner, order the EMPLOYEE to submit to reasonable suspicion drug and alcohol test.

The EMPLOYEE shall be immediately relieved from their safety sensitive positions/functions for any Reasonable Suspicion Drug and Alcohol testing.

A written report describing the condition will be completed, dated and signed by the supervisor who substantiated this Reasonable Suspicion report. Copies of the report must be made available to the EMPLOYEE upon request.

Third party reports that an EMPLOYEE is impaired in his duties due to the possible use of prohibited drugs and/or consumption/use of alcohol, shall not constitute Reasonable Suspicion, but may be cause for the observation of the EMPLOYEE.

MST will transport the EMPLOYEE to an appropriate Collection Site facility as soon as possible, but within two (2) hours and await the completion of the collection procedure. MST will exercise a variety of methods to ensure that the EMPLOYEE does not drive to his/her home. Failure by the EMPLOYEE to cooperate in the Reasonable Suspicion procedures will result in disciplinary actions up to and including termination.

While waiting for the drug test results, that EMPLOYEE must be relieved from his/her safety-sensitive position until the drug test results are confirmed negative for prohibited drugs. If the EMPLOYEE cannot be placed in a non-sensitive position during this time, the EMPLOYEE will be off work with pay.

Alcohol test results will be known immediately. An alcohol test must be performed and the test result is below .02, before the EMPLOYEE can return to perform in a safety sensitive function. See Section IX., H., for specific alcohol tolerance levels.
If the EMPLOYEE tests positive, his/her discipline shall be subject to disciplinary action in accordance with, Section IX., B., REASONABLE SUSPICION.

If the EMPLOYEE tests negative, the EMPLOYEE may return to work in a safety-sensitive position.

E. RETURN TO DUTY TEST (Not applicable under MST’s current Zero Tolerance rule established and approved by the Board of Directors on May 13, 2002).

A Return to Duty drug & alcohol test is required for an EMPLOYEE when he/she has been previously tested positive for using a prohibited drug or alcohol misuse. If the EMPLOYEE tests positive, the employee will not be allowed to return to work and will be terminated from employment. If the EMPLOYEE tests negative, the EMPLOYEE may return to work in a safety-sensitive position. See Section IX., H., for specific alcohol tolerance levels.

F. FOLLOW UP (Not applicable under MST’s current Zero Tolerance rule established and approved by the Board of Directors on May 13, 2002).

Follow Up testing for drug and/or alcohol is required for an EMPLOYEE when he/she has been previously tested positive for using a prohibited drug or alcohol misuse.

Follow Up Testing is determined by the SAP and if necessary with the MRO, as described in Section VIII. If the EMPLOYEE tests positive at any time during the follow up testing, he/she will be immediately relieved and will be terminated from employment. See section IX, E., FOLLOW UP. See Section IX, H., for specific alcohol tolerance levels.

G. REFUSAL TO SUBMIT/INSUBORDINATION

Any EMPLOYEE who refuses to submit to any drug and/or alcohol test required under this Program would be treated as if he/she had tested positive in any such test. The discipline shall be subject to Section IX., E., REFUSAL TO SUBMIT/INSUBORDINATION.

Refusal to submit shall include: (1) Failure of EMPLOYEE to report to Collection Site without a legitimate reason; (2) Failure to provide an adequate specimen/breath sample, without a legitimate medical reason; (3) refusal of MST’s initial request to submit to any required drug and/or alcohol testing; and (4) refusal to provide a specimen and/or breath sample, and/or cooperate with the collection process at the Collection Site.

1. FAILURE OF EMPLOYEE TO REPORT TO COLLECTION SITE
If an EMPLOYEE fails to appear for a scheduled collection, the Collection Site Personnel shall immediately notify MST’s Program Manager by telephone, who in turn shall immediately contact the supervisor.

The Supervisor shall initiate appropriate disciplinary action in accordance with Section IX., E., REFUSAL TO SUBMIT/INSUBORDINATION.

2. EMPLOYEE REFUSAL TO PROVIDE SPECIMEN AND/OR A BREATH SAMPLE, AT THE COLLECTION SITE

In the event an EMPLOYEE refuses to provide a specimen and/or a breath sample, the following procedures shall apply:

a. The EMPLOYEE shall be informed by the Collection Site Personnel that:
   (1) MST’s Program Manager will be contacted; and
   (2) He/She is to report back to the work site supervisor and await further instructions.

b. The Collection Site Personnel shall immediately notify MST’s, Program Manager by telephone and document the refusal in writing on the Chain-of Custody form and/or Breath Alcohol test form.

c. The Drug and Alcohol Program Manager shall notify the supervisor of the refusal to provide specimen and/or a breath sample at the collection site. The supervisor shall initiate appropriate disciplinary action in accordance with Section IX., E, REFUSAL TO SUBMIT/INSUBORDINATION.

3. FAILURE OF EMPLOYEE TO PROVIDE AN ADEQUATE SPECIMEN

If the EMPLOYEE fails to provide a sufficient quantity of urine, at least 45 milliliters, the following procedures shall apply:

a. The EMPLOYEE shall remain at the Collection Site and be given a reasonable period of time to provide a specimen. As a standard rule, the EMPLOYEE will be allowed up to three (3) hours from the time the 1\textsuperscript{st} specimen is collected. No more than 40oz of fluids over the three-hour period, whichever is later.

b. Employees shall be instructed to drink fluids to facilitate urination. During the waiting period, the EMPLOYEE will remain at the Collection Site under supervision at all times.
c. If at the end of the waiting period if the EMPLOYEE still cannot provide a specimen of sufficient quantity, this inability shall be recorded by the Collection Site Personnel on the Chain-of-Custody form as failure to provide a specimen. Collection personal will contact the authorized company representation for instructions.

d. A physician (not the MRO) will evaluate the employee for possible physical reasons for not providing an adequate urine specimen for drug testing – and will notify the company representative of the evaluation.

e. A physician (not the MRO) will evaluate the employee for possible physical reasons for not providing an adequate breath sample for alcohol testing – and will notify the company representative of the evaluation.

f. If the physician finds no possible physical reasons for the EMPLOYEE not providing an adequate urine specimen drug testing, and/or breath sample for alcohol testing. MST’s Program Manager shall contact the supervisor. The supervisor shall initiate appropriate disciplinary action in accordance with Section IX., E., REFUSAL TO SUBMIT/INSUBORDINATION.

4. **EMPLOYEE REFUSAL TO SUBMIT TO TESTING**

a. Any EMPLOYEE who refuses MST’s initial request to submit to any required drug and/or alcohol test is in violation of this policy and will be considered the same as testing positive.

b. The EMPLOYEE will be immediately removed from his/her safety-sensitive position and shall be subject to disciplinary action in accordance with Section IX., E., REFUSAL TO SUBMIT/INSUBORDINATION.

VI. **SPECIMEN COLLECTION PROCEDURES**

A. **URINE SPECIMEN COLLECTION**

Any EMPLOYEE instructed to undergo a drug test will be required to provide a urine specimen at a designated Collection Site. In order to ensure integrity of the specimen collection procedure, a standard Urine Custody and Control form will be used. This form shall be checked and completed by the EMPLOYEE and the Collection Site Personnel. The form will be forwarded along with the urine specimen to a designated laboratory, which will conduct the actual drug test.
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The Laboratory will then forward a copy of the Urine Custody and Control form to the MRO, who will review it when analyzing test results. MST will retain a copy of the Urine Custody and Control form for each drug test it conducts. Every person who handles or otherwise comes into contact with the urine specimen shall complete the Chain-of-Custody portion of the Urine Custody and Control form.

All urine will be collected in a clean, single-use specimen bottle that is securely wrapped until filled with the specimen. A clean single-use collection container (e.g., disposable cup or sterile urinal) that is securely wrapped until used may also be employed. If urination is directly into the specimen bottle, the specimen bottle shall be provided to the EMPLOYEE still sealed in its wrapper or shall be unwrapped in the presence immediately prior to its being provided. If a separate collection container is used for urination, the collection container shall be provided to the EMPLOYEE still sealed in its wrapper or shall be unwrapped in the presence immediately prior to its being provided; and the Collection Site Person shall unwrap the specimen bottle in the presence of the EMPLOYEE at the time the urine specimen is presented.

B. COLLECTION PROCEDURES

1. DESIGNATED COLLECTION SITES

MST will utilize an approved Collection Site which will have the personnel, materials, equipment, facilities, and supervision necessary to provide for the collection, security, temporary storage, and shipping of urine specimens to a DHHS-certified laboratory for testing, in a manner consistent with the requirements of the CFR, Part 40.

See Attached Collection site listing.

2. ALTERNATIVE COLLECTION SITES

If one of MST’s designated Collection Site facilities cannot be used to collect a specimen (e.g., a Post-Accident test in a distant location), MST and/or the EMPLOYEE will attempt to use another Collection Site facility which is familiar with collection procedures under CFR 40. In the event an alternative Collection Site familiar with requirements of CFR 40 is not available, the urine specimen must still be collected in a secure manner, described below:

a. Procedures shall provide for the Collection Site to be secure. If a Collection Site facility is dedicated solely to urine collection, it shall be secure at all times. If a facility cannot be dedicated solely to drug testing, the portion of the facility used for testing shall be secured during drug testing.
b. A facility normally used for other purposes, such as a public rest room or hospital examining room, may be secured by visual inspection to ensure other persons are not present and undetected access (e.g., through a rear door not in the view of the Collection Site Person) is not possible. Security during collection may be maintained by effective restriction of access to collection materials and specimens. In the case of a public rest room, the facility must be posted against access during the entire collection procedure to assure privacy to the EMPLOYEE and eliminate any distractions of the Collection Site Person.

c. If it is impractical to maintain continuous physical security of a Collection Site from the time the specimen is presented until the sealed mailer is transferred for shipment, the following minimum procedures in the collection of a urine specimen shall apply. The specimen shall remain under the direct control of the Collection Site Person from delivery to its being sealed in the mailer, maintained in secure storage, or remain until mailed under the personal control of the Collection Site Person.

3. INDIVIDUAL PRIVACY

Collection procedures allow urine specimens to be provided by the EMPLOYEE in private, unless there is reason to believe that the EMPLOYEE may alter or substitute the specimen, as set forth below:

a. CIRCUMSTANCES REQUIRING DIRECT OBSERVATION

A second specimen of urine will be obtained as soon as possible under the direct observation of a same gender Collection Site Person whenever there is reason to believe that a particular donor has altered or substituted the specimen under the following circumstances:

(1) The donor has presented a specimen which falls outside the allowable temperature ranges (32.5 to 37.7 degrees Celsius or 90.5 to 99.8 degrees Fahrenheit), and
   (a) The donor declines to provide a measurement of oral body temperature, or
   (b) The donor’s oral body temperature varies by more than 1 degree Celsius or 1.8 degrees Fahrenheit, from the temperature of the specimen.

(2) The Collection Site Person observes donor conduct clearly and unequivocally indicating an attempt to substitute or adulterate the specimen.
When it is necessary to collect a second specimen of urine, the donor may find it
difficult to immediately give another specimen. In such cases, the donor is to
remain at the designated Collection Site (in no event longer than three hours or
until the EMPLOYEE has provided a specimen. The EMPLOYEE will be given
fluid to drink. No more than 40oz. over a three (3) hour period.

b. CIRCUMSTANCES WHEN DIRECT OBSERVATION OF COLLECTION
WILL BE OPTIONAL

Under certain circumstances collection of a second specimen of urine may be
required. A collector of the same gender as the donor will observe this second
collection of urine if a higher-level supervisor of the Collection Site Person, MRO,
or a designated MST management official have reviewed and concurred in
advance with any decision by the Collection Site Person to obtain a specimen
under direct observation. The circumstances are as follows:

(1) the last urine specimen provided by the donor on a previous occasion was
determined by the NIDA certified laboratory to have a specific gravity of
less than 1.003 and a creatinine concentration below .2 g/L, or

(2) the donor has tested positive in a prior drug test and the particular test being
conducted was either a Return-to-Duty Test or an unannounced Follow-Up
Test (post-rehabilitation).

4. SPECIMEN INTEGRITY AND IDENTITY

MST, the EMPLOYEE and the Collection Site shall take appropriate precautions
to preserve the integrity and identity of the urine specimen by ensuring that it is
not adulterated or diluted during the collection procedure and that the urine
specimen tested is that of the Person from whom it was collected. Collection Site
Personnel will be responsible for maintaining the integrity of the specimen
collection and transfer process, but EMPLOYEES shall cooperate with Collection
Site Personnel.

To deter the dilution of specimens at the Collection Site, toilet-bluing agents shall
be placed in toilet tanks wherever possible, so the reservoir of water in the toilet
bowl always remains blue. Where practicable, there shall be no other source of
water (e.g., no shower or sink) in the enclosure where urination occurs. If there
is another source of water in the enclosure, it shall be effectively secured or
monitored to ensure it is not used to dilute the specimen.

When an EMPLOYEE arrives at the Collection Site, the Collection Site Personnel
shall ensure that the EMPLOYEE is positively identified as the EMPLOYEE
selected for testing through presentation of photo identification. If the individual’s
identity cannot be established, the Collection Site Personnel shall not proceed with the collection. If the EMPLOYEE requests, the Collection Site Personnel shall show his/her identification to the EMPLOYEE.

5. **COLLECTION CONTROL**

The Collection Site Person shall keep the individual’s specimen bottle within sight both before and after the EMPLOYEE has urinated. After the specimen is collected, it shall be properly sealed and labeled. The Urine Custody and Control form shall be used for maintaining control and accountability of each specimen from the point of collection to final disposition of the specimen.

The date and purpose shall be documented on an approved Chain-of-Custody form each time a specimen is handled or transferred and every EMPLOYEE in the chain shall be identified. Every effort shall be made to minimize the number of persons handling specimens.

6. **TRANSPORTATION TO LABORATORY**

Collection Site Personnel shall arrange to ship the collected specimens to the Drug Testing Laboratory. The specimens shall be placed in a container designed to minimize the possibility of damage during shipment (e.g., specimen boxes and/or padded mailers), and those containers shall be securely sealed to eliminate the possibility of undetected tampering. On the tape sealing the container, Collection Site Personnel will enter the date the specimen was sealed in the containers for shipment. The Collection Site Person shall ensure that the Chain-of-Custody documentation is attached to each container sealed for shipment to the Drug Testing Laboratory.

7. **FAILURE TO COOPERATE**

If the EMPLOYEE refuses to cooperate during the collection process (e.g., refusal to provide a complete specimen, complete paperwork, initial specimen etc.), the Collection Site Person shall inform MST and shall document the non-cooperation on the Urine Custody and Control form.

Any EMPLOYEE required to provide a urine specimen shall complete any necessary forms required by the Collection Site or MST, including those authorizing the disclosure of test results to MST. Failure or refusal to do so will result in the EMPLOYEE being relieved from his/her safety sensitive position and be subject to disciplinary action in accordance with Section IX., E., REFUSAL TO SUBMIT/INSUBORDINATION.

8. **EMPLOYEES REQUIRING MEDICAL ATTENTION**
MONTEREY-SALINAS TRANSIT

If the specimen is being collected from an EMPLOYEE in need of medical attention (e.g., as part of a Post-Accident test given in an emergency facility), necessary medical attention will not be delayed in order to collect the specimen. For additional information on collection procedures for injured EMPLOYEES, see Section V., B., POST-ACCIDENT.

D. ALCOHOL TESTING

Alcohol testing shall be conducted using an Evidentiary Breath Testing (EBT) device as approved by the National Highway Traffic Safety Administration (NHTSA) and listed on their Conforming Products List. Two breath tests are required to determine if a person has a prohibited alcohol concentration.

A screening test is conducted first. Any result with alcohol concentration less than 0.02 are considered a "negative" test and no further testing is required.

Alcohol concentration of .02 or greater requires that a second test (confirmation test) must be conducted fifteen (15) minutes after the initial test. The confirmation test must be conducted using a EBT device that prints the test results, date and time the procedure was performed. The EBT also prints a sequential test number along with the name and serial number of the EBT. This information is provided to ensure the integrity and reliability of the results under which NHTSA has approved a quality assurance program submitted by the device manufacturer.

The Breath Analysis Technician (BAT) conducts and reports the test results to the employer. A BAT is defined as a person trained in using the breath analysis device.

VII. TESTING METHODOLOGY

A. APPROPRIATE LABORATORIES

All urine specimens to be tested for the presence of prohibited drugs must be analyzed by the NIDA Laboratory certified under the DHHS Mandatory Guidelines for Federal Work Place Drug Testing Programs. All drug tests required by MST will therefore be shipped for analysis to the laboratories listed below:

MEDTOX
402 West County Road D
Saint Paul, MN 55112

B. INITIAL TEST

All urine specimens will be initially tested for the use of prohibited drugs by an immunoassay test, which will eliminate negative urine specimens from further
consideration. Any positive test results in an initial test will be subject to confirmation through an additional, more precise, and accurate testing methodology.

The cut-off levels set forth below will be used for the initial testing of specimens to determine whether they are negative for the following drugs.

1. Marijuana metabolites  50 ng/ml
2. Cocaine metabolites  1000 ng/ml
3. Opiate metabolites   1000 ng/ml
4. Phencyclidine        25 ng/ml
5. Amphetamines         1000 ng/ml

C. CONFIRMATORY TESTS

Any urine specimen identified as positive on the initial test will be confirmed by a second analytical procedure independent from the initial test and which uses a different chemical technique and procedure. MST will use gas chromatography/mass spectrometry to confirm initial positive test results.

The cut-off levels set forth below will be used to establish the existence of a "confirmed positive" test result:

1. Marijuana metabolites  15 ng/ml
2. Cocaine metabolites  150 ng/ml
3. Opiates
   Codeine        2000 ng/ml
   Morphine       2000 ng/ml
4. Phencyclidine     25 ng/ml
5. Amphetamines
   Methamphetamine 500 ng/ml
   Amphetamine     500 ng/ml

(1)Delta 9-tetrahydrocannabinol-9 carboxylic acid; (2) Benzoylecgonine; (3) Specimen must also include amphetamine at a concentration greater than or equal to 200 ng/ml; (4) Laboratories must report quantitative values for morphine or codeine at 15,000 ng/ml or above.

Any initial positive result, which is not confirmed as positive under the above cut-off levels, will be deemed negative.

D. REPORTING PROCEDURES

Before the Laboratory reports any test results, it will first review the results of the initial test, confirmatory test or any relevant quality control data to certify that the test result is accurate. The Laboratory will then report the test results to MST’s
MRO within five (5), working days after the receipt of the specimen and will also forward the original Urine Custody and Control forms to the MRO. Any specimen which was negative on an initial or confirmatory test will be reported as negative. The only specimens reported as positive will be those, which have been confirmed as positive through gas chromatography/mass spectrometry. Test results may not be reported verbally to the MRO by telephone. Additionally, the Laboratory will not report any test results to MST, but only to its MRO. The Laboratory and MST will ensure that the data transmission is confidential and will secure and limit access to its data transmission storage and retrieval system.

The MRO may request from the Laboratory and the Laboratory will provide quantification of test results. The MRO will then report to MST’s Drug and Alcohol Program Manager whether the test is positive or negative and may also report the identity of the drug(s) for which there was a positive result. The MRO will not however, disclose the quantification of test results to MST unless disclosure of the same to MST, EMPLOYEE, or decision-maker is necessary in a lawsuit, grievance, or other proceeding initiated by or on behalf of the EMPLOYEE arising from a verified positive drug test.

E. SPECIMEN RETENTION

Specimens that yield positive results on confirmation must be retained by the Laboratory in properly secured, long-term, frozen storage for at least 365 days as required by DOT, Rules and Regulations. Within this 365 day period, the EMPLOYEE or his representative, MST, or MST’s representative, the DOT, Administrator, or, if MST is subject to the jurisdiction of a state agency, may request that the Laboratory retain the specimen for an additional period. If within the 365-day period the Laboratory has not received a proper written request to retain the specimen for a further reasonable period specified in the request, the specimen may be discarded following the end of the 365-day period.

F. RETEST PROCEDURES

If the MRO determines there is no legitimate medical explanation for a confirmed positive test result other than the unauthorized use of a prohibited drug, the original specimen must be retested if the EMPLOYEE makes a written request for retesting within 72 hours of receipt of the final test result from the MRO. The EMPLOYEE may specify retesting to be done by the original laboratory or by a second laboratory certified by the Department of Health and Human Services. The retest will be at the expense unless the retest is negative, at which time the EMPLOYEE will be reimbursed for his/her costs.

If the EMPLOYEE specified retesting is done by a second laboratory, the original laboratory must follow approved Chain-of-Custody procedures in transferring a portion of the specimen.
Since some substances may deteriorate during storage, detected levels of the drug below detection limits established in the DOT Procedures, but equal to or greater than the established sensitivity of the assay, must, as technically appropriate, be reported and considered corroborative of the original positive results.

VIII. REVIEW OF DRUG TEST RESULTS

A. MEDICAL REVIEW OFFICER QUALIFICATIONS

All confirmed positive test results will be reported by the Laboratory to MST’s MRO prior to any decision regarding an qualification for continued employment due to the results of a drug test. The MRO will be a licensed physician with knowledge of substance abuse disorders. The MRO will review and consider possible alternate medical explanations for the positive test result, as well as the Chain-of-Custody to ensure that it is complete and sufficient on its face. MST’s MRO is:

Medical Review Officer
John Womack, M.D.
First Advantage Corporation, LLC.
100 Carillon Parkway
St. Petersburn, FL 33716

B. MRO DUTIES
The MRO will perform the following functions for MST:

1. Review the results of drug testing before they are reported to MST.

2. Review and interpret each confirmed positive test result to determine if there is an alternative medical explanation for the confirmed positive test result by:
   a. Conducting a medical interview with the EMPLOYEE tested;
   b. Reviewing the medical history and any relevant biomedical factors;
   c. Reviewing all medical records made available by the EMPLOYEE tested to determine if a confirmed positive test resulted from legally prescribed medication;
   d. requiring, if necessary, that the original specimen be reanalyzed to determine the accuracy of the reported test results; and
   e. verifying that the Laboratory report and assessment are correct.

C. ACTION ON POSITIVE TEST RESULTS

Prior to making a final decision to verify a positive test result for an EMPLOYEE, the MRO will give the EMPLOYEE an opportunity to discuss the test result. The
MRO will therefore contact the EMPLOYEE directly on a confidential basis, to determine whether the EMPLOYEE wishes to discuss the test result. A staff person under the MRO's supervision may make the initial contact and a medically licensed or certified staff person may gather information from the EMPLOYEE. Except as provided below, the MRO will talk directly with the EMPLOYEE before verifying a test as positive.

If, after making and documenting all reasonable efforts to contact the EMPLOYEE, the MRO is unable to reach the EMPLOYEE directly, the MRO will contact MST’s Drug and Alcohol Program Manager, who will direct the EMPLOYEE to contact the MRO as soon as possible. If it becomes necessary to reach the EMPLOYEE through the Drug and Alcohol Program Manager, the DAPM will utilize procedures to ensure, to the maximum extent practicable, the requirement that the EMPLOYEE contact by the MRO is held in confidence.

If, after making all reasonable efforts, MST is unable to contact the EMPLOYEE, MST will place the EMPLOYEE on temporary medically unqualified status or on medical leave of absence.

The MRO may verify a test as positive without having communicated directly with an EMPLOYEE if:

1. the EMPLOYEE expressly declines the opportunity to discuss the test;
2. the Drug and Alcohol Program Manager has successfully made and documented a contact with the EMPLOYEE and instructed him/her to contact the MRO, and more than five (5) days have passed since the EMPLOYEE was successfully contacted; or
3. other circumstances provided for in DOT Drug Testing Regulations are affected

If a test is verified as positive because of a failure to contact the MRO (number 2 above), the EMPLOYEE will have the opportunity to provide the MRO with evidence documenting the serious illness, injury, or other circumstances that unavoidably prevented him/her from timely contacting the MRO. The MRO on the basis of such information may reopen the verification and allow the EMPLOYEE to present information concerning a legitimate explanation for the confirmed positive test. If the MRO concludes that there is a legitimate explanation, the MRO will declare the test to be negative.

D. MRO DETERMINATION

If the MRO determines, after appropriate review, that there is a legitimate medical explanation for the confirmed positive test result other than the unauthorized use of prohibited drugs, the MRO will conclude and report the test to be negative.
If the MRO determines, after appropriate review, that there is no legitimate medical explanation for the confirmed positive test result other than the unauthorized use of prohibited drug, the MRO shall confirm and report the test as positive and refer the EMPLOYEE tested to MST for further proceedings in accordance with the Program.

If the MRO determines, based upon his/her review of the Laboratory’s Inspection Reports, quality assurance and quality control data, and other drug test results, that a particular drug test result is scientifically insufficient for further action, the MRO will conclude that the test is negative.

E. DISCLOSURE OF INFORMATION

The MRO will not disclose to any third party medical information provided by the EMPLOYEE to the MRO as a part of the testing verification process, except as provided below:

1. The MRO may disclose such information to the MST, a government agency, or a physician responsible for determining the medical qualification of the EMPLOYEE under an applicable DOT regulation, as applicable, only if:
   a. An applicable DOT regulation permits or requires such disclosure;
   b. In the MRO’s reasonable medical judgment, the information could result in the EMPLOYEE being determined to be medically unqualified under a DOT rule; or
   c. In the MRO’s reasonable medical judgment, in a situation in which there is no DOT rule establishing physical qualification standards applicable to the EMPLOYEE, the information indicates that continued performance by the EMPLOYEE in his/her safety-sensitive position could pose a significant safety risk.

2. Before obtaining medical information from the EMPLOYEE as part of the verification process, the MRO will advise the EMPLOYEE that the information may be disclosed to third parties as provided above and of the identity of any parties to whom the information may be disclosed.

MRO REPORT OF A NEGATIVE DILUTE SPECIMAN
If the MRO informs MST that a negative drug test was dilute, the employee will be required to take another test immediately. In some cases the MRO may require the retest to be performed under direct observation.

Employees directed to take another test will be given minimum advance notice that he/she must go to the collection site to take another test.

The result of the second test, not that of the first test, becomes MST’s final result of record. Any employee who takes a second test and the result of the second test is also negative dilute will not be required to take a third test.

Any employee who is directed to take another test and the employee declines to do so, shall be considered “refusal to test” as stated in this policy and as required in the DOT regulations.

F. **SUBSTANCE ABUSE PROFESSIONAL** (Any reference to returning to work after a positive test result is not applicable under MST’s Zero Tolerance rule established and approved by MST’s Board of Directors on May 13, 2002.)

1. Determines whether an EMPLOYEE who refused to take or did not pass a drug test administered under DOT Procedures may be returned to duty.

2. Determines a schedule of unannounced Follow-Up Drug Testing, in consultation with MST, for an EMPLOYEE who is scheduled to return to duty.

G. **MST**

1. Ensures that an EMPLOYEE has been drug tested in accordance with the DOT Procedures.

**IX. DISCIPLINE**

The following discipline will be taken in the event of a positive test result:

**A. PRE-EMPLOYMENT**

Any applicant who tests positive as a result of a Pre-Employment, Post Offer Drug test or refuses to submit to the same, will be disqualified from further consideration for employment and may not reapply for a period of one (1) year.

Any current EMPLOYEE transferring from a non-safety-sensitive position to a safety-sensitive position who tests positive as a result of a conditional offer of transfer, or refuses to submit to a Drug Test will not be hired into the safety-sensitive position. The EMPLOYEE will be given a one-time opportunity for rehabilitation at the employee’s expense. The employee must be evaluated by a
Substance Abuse Professional. The SAP may concur with the MRO when the EMPLOYEE may return to the safety sensitive position and on a plan for return to duty testing and on follow up testing.

A current EMPLOYEE with a verified positive urine drug test will be terminated in accordance with MST’s Zero Tolerance Rule as established and approved by MST’s Board of Directors on May 13, 2002.

B. REASONABLE SUSPICION

Any EMPLOYEE who tests positive as a result of a Reasonable Suspicion Drug Test will be relieved from his/her safety sensitive position immediately. The EMPLOYEE will be on leave without pay. The EMPLOYEE will be given a one-time opportunity for rehabilitation at the employee’s expense. The employee must be evaluated by a Substance Abuse Professional.

See this section, “H” for alcohol conditions/circumstances, requirements and discipline.

C. POST-ACCIDENT

Any EMPLOYEE who tests positive as a result of a post-accident drug will be relieved from his/her safety sensitive position immediately. The EMPLOYEE will be on leave without pay. The EMPLOYEE will be given a one-time opportunity for rehabilitation at the employee’s expense. The employee must be evaluated by a Substance Abuse Professional.

See this section, “H” for alcohol conditions/circumstances, requirements and discipline.

D. RANDOM

Any EMPLOYEE who tests positive as a result of a Random Drug Test will relieved from his/her safety sensitive position immediately. The EMPLOYEE will be on leave without pay. The EMPLOYEE will be given a one-time opportunity for rehabilitation at the employee’s expense. The employee must be evaluated by a Substance Abuse Professional.

See this section, “H” for alcohol conditions/circumstances, requirements and discipline.

E. FOLLOW UP (this section is not applicable under MST’s Zero Tolerance rule as established and approved by MST’s Board of Directors on May 13, 2002)

Any EMPLOYEE who tests positive as a result of a Follow Up Drug Test will relieved from his/her safety sensitive position immediately. The employee shall
be evaluated by an SAP. An EMPLOYEE with a verified positive urine drug test will be terminated. See this section, “H” for alcohol conditions, requirements and discipline.

F. REFUSAL TO SUBMIT/INSUBORDINATION

Any EMPLOYEE who refuses to take a required drug or alcohol test, refuses to provide a specimen/breath sample at the Collection Site, refuses to cooperate during the collection process, refuses to complete any relevant documentation, such as the Urine Custody and Control form or any other paperwork, fails to properly cooperate with Collection Site Personnel, engages in any conduct which creates reason to believe a urine specimen has been altered or substituted, fails to report to the Collection Site without a legitimate reason, and fails to provide an adequate specimen/breath sample without a medical basis will be taken off his/her safety sensitive position. The EMPLOYEE will be subject to disciplinary action up to and including termination of employment.

G. VOLUNTARILY COMES FORWARD

Any EMPLOYEE who voluntarily comes forward with a drug or alcohol problem will be taken off his/her safety sensitive position immediately. The EMPLOYEE will be on leave without pay. The EMPLOYEE will be given a one-time opportunity for rehabilitation at the employee’s expense. The employee must be evaluated by a Substance Abuse Professional. The SAP may concur with the MRO when the EMPLOYEE may return to the safety sensitive position and on a plan for return to duty testing and on follow up testing.

An EMPLOYEE who voluntarily comes forward and who has returned to duty and has a verified positive urine drug and or alcohol test will be terminated.

H. ALCOHOL TESTS RESULTS AND DICIPLINE

Any EMPLOYEE who tests positive for of a Reasonable Suspicion, Post-Accident, or Random Alcohol test results are greater than .02 BAC but less than .04 will be relieved from his/her safety sensitive position immediately for 24 hours and will be taken to their residence. The EMPLOYEE will be on leave without pay.

Any EMPLOYEE who tests positive for of a Reasonable Suspicion, Post-Accident, or Random Alcohol test results are greater than .04 will be relieved from his/her safety sensitive position immediately and will be taken to their residence.
The EMPLOYEE will be on leave without pay. The EMPLOYEE will be given a one-time opportunity for rehabilitation at employee's expense. The employee must be evaluated by a SAP.

X. **EMPLOYEE EDUCATION, TRAINING, AND ASSISTANCE PROGRAM**

A. **EMPLOYEE EDUCATION**

MST will provide an education program for its EMPLOYEES, which will include the following:

1. Display and distribution of informational material on substance abuse;
2. Display and distribution of a community service hot-line telephone number for EMPLOYEE assistance; and
3. Display and distribution of MST’s Anti-Drug Abuse & Alcohol Misuse Program regarding the use of prohibited drugs and alcohol misuse.

B. **SUPERVISOR TRAINING**

Any supervisory personnel responsible for determining whether an EMPLOYEE must be drug and alcohol tested based on Reasonable Suspicion will be required to complete at least 120-minute session of training on the specific contemporaneous physical, behavioral, and performance indicates of probable drug use/abuse or alcohol use/misuse.

Supervisory positions to receive training under this Program are:

- OPERATIONS SUPERVISORS
- COMMUNICATIONS SYSTEMS SPECIALISTS
- MAINTENANCE SUPERVISORS
- FLEET MANAGER
- DRUG AND ALCOHOL PROGRAM MANAGER

Training will be provided by the:

- Safety/Training Officer
- Monterey-Salinas Transit
- One Ryan Ranch Road
- Monterey, CA 93940
- (831) 758-3563

C. **EMPLOYEE ASSISTANCE PROGRAM**
In addition to the Employee Education and Supervisor Training programs described above, MST also will have available an Employee Assistance resources to which EMPLOYEES may refer for additional consultation and referral. See Appendix B.

XI. **CONFIDENTIALITY**

Information regarding drug and alcohol test results will only be released upon the written consent of the EMPLOYEE, except that such information must be released to the DOT, Administrator or the representative of a state agency upon request as part of an accident investigation.

Statistical data related to drug and alcohol testing that is not name-specific and training records must be made available to the DOT Administration or the representative of a state agency upon request.

MST’s contract with its Laboratory requires it to maintain all EMPLOYEE test records in confidence. However, the Laboratory will disclose information related to a positive drug test of an EMPLOYEE to the EMPLOYEE, MST, or the decision-maker in a lawsuit, grievance, or other proceeding initiated by or on behalf of the EMPLOYEE and arising from a certified positive drug test.

Any EMPLOYEE who is the subject of a drug and alcohol test conducted under this program shall, upon written request, have access to any records relating to his/her drug and alcohol test and any records relating to the results of any relevant certification, review, or revocation-of-certification proceedings.

To maintain confidentiality, written requests regarding the drug and alcohol records will be stored in locked containers. The drug and alcohol testing records will not be made a part of the personnel file.

XII. **BLIND PERFORMANCE TEST PROCEDURES**

In order to further ensure the accuracy of test results and test procedures, MST will utilize blind testing quality control procedures. Under these procedures, MST or his agent will submit three blind performance test specimens for each 100 EMPLOYEE specimens it submits, up to a maximum of 100 blind performance test specimens to be submitted per quarter.

MST or his agent may submit blind performance test specimens as follows:

1. Approximately 80 percent of the blind samples submitted by MST or its agent will be blank and the remaining samples will be positive for one or more drugs per sample in a distribution such that all the drugs to be tested are included in approximately equal frequencies of challenge.
positive samples will be spiked only with those drugs for which MST is testing; or

(2) MST may also submit only blank samples; or

(3) MST may submit two separately labeled portions of a specimen from the same Non-Safety Sensitive Employee.

In the event of a false positive error on a blind test, which is determined to be due to an administrative error (e.g., clerical, samples mix-up, etc.), MST will promptly notify DHHS. DHHS and MST will then require the Laboratory to take corrective action to minimize the occurrence of the particular error in the future, and if there is reason to believe the error could have been systemic, the DHHS may also require review and re-analysis of previously run specimens.

In the event of a false positive error on a blind test, which is determined to be due to a technical or methodological error, MST will instruct the Laboratory to submit all quality control data from the batch of specimens, which included the false positive specimen to DHHS. In addition, the Laboratory will be required to retest all specimens analyzed positive for that drug or metabolite from the time of final resolution of the error back to the time of the last satisfactory performance test cycle. This retesting must be documented by a statement signed by the individual responsible for the day-to-day management of the Laboratory’s urine drug testing.

XIII. RECORD KEEPING

MST shall keep the following records for the periods specified and permit access to the records as provided in Section XI:

A. Records of EMPLOYEE drug and/or alcohol test results that show that EMPLOYEE failed any drug and/or alcohol test, and the type of test failed (e.g., Post-Accident), and records that demonstrate rehabilitation, if any, will be kept for at least five (5) years.

B. Records of EMPLOYEE drug test results that show EMPLOYEES passed a drug and/or alcohol test will be kept for at least one (1) year.

C. A record of the number of EMPLOYEES tested, by type of test (e.g., Post-Accident), will be kept for at least five (5) years. Annual report to Federal Transit Administration, (FTA)

D. Records confirming that supervisors and EMPLOYEES have been trained as required under this Program will be kept permanently.
XIV  **DRUG AND ALCOHOL PROGRAM MANAGER**

A. MST’s Anti-Drug Abuse and Alcohol Misuse Program Manager is responsible for monitoring compliance with the provisions of the Program and is available to provide information and answer questions that you may have regarding the Program. MST's Program Manager is:

Safety/Training Officer  
Monterey-Salinas Transit  
One Ryan Ranch Rd.  
Monterey CA 93940-5703  
(831) 393-8161

________________________________  Date ________________________________

Signature

______________________________

Director of Human Resources
MONTEREY-SALINAS TRANSIT

XV APPENDICES

A. Employee Specimen Collection Procedure
B. Employee Notification
C. Collection Sites
D. Waiver and Agreement With Respect to Drug Testing
Appendix A

EMPLOYEE SPECIMEN COLLECTION PROCEDURES

1. To deter the dilution of specimens at the Collection Site, toilet-bluing agents will be placed in toilet tanks wherever possible so the reservoir of water in the toilet bowl always remains blue. Where practicable, there shall be no other source of water (e.g., no shower or sink) in the enclosure where urination occurs. If there is another source of water in the enclosure, it shall be effectively secured or monitored to ensure it is not used (undetected) as a source of diluting the specimen.

2. Upon arriving at the Collection Site, the EMPLOYEE to be tested shall present the Collection Site Person with proper identification to ensure that he/she is positively identified as the Person selected for testing (e.g., by presenting a driver’s license or other photo ID, or by identification by Drug Program Administrator. If the identity cannot be established, the Collection Site Person shall not proceed with the collection and MST shall be notified. If the EMPLOYEE requests, the Collection Site Person shall show his/her identification to the EMPLOYEE.

3. If the EMPLOYEE to be tested fails to arrive at the Collection Site at the assigned time, the Collection Site Person shall contact MST to obtain guidance on the action to be taken. Failure to report for urine test at the assigned time may result in the termination of employment.

4. The EMPLOYEE to be tested will be required to remove any unnecessary outer garments (e.g., a coat or jacket) that might conceal items or substances that could be used to tamper with or adulterate the urine specimen. The Collection Site Person will ensure that all personal belongings such as purses or briefcases remain with the outer garments. The EMPLOYEE may retain his/her wallet. If the EMPLOYEE requests it, the Collection Site Person shall provide the EMPLOYEE with a receipt for any personal belongings.

5. Before the collection process begins, the EMPLOYEE shall provide the Collection Site Person with a Urine Custody and Control form, unless it has been previously forwarded to the Collection Site by MST on behalf of EMPLOYEE.

6. The EMPLOYEE shall be instructed to wash and dry his/her hands prior to urination.

7. After washing his/her hands, the EMPLOYEE shall remain in the presence of the Collection Site Person and shall not have access to any water fountain, faucet, soap dispenser, cleaning agent, or any other materials, which could be used to adulterate the specimen.
8. The EMPLOYEE may provide his/her specimen in the privacy of a stall or otherwise partitioned area that allows for EMPLOYEE privacy. The Collection Site Person shall provide the EMPLOYEE with a specimen bottle or container, if applicable.

9. The Collection Site Person shall note any unusual behavior or appearance on the Urine Custody and Control form.

10. In the exceptional event that a MST designated Collection Site is not accessible and there is an immediate requirement for specimen collection (e.g., an accident investigation), a public rest room may be used according to the following procedures: A Collection Site Person of the same gender as the EMPLOYEE shall accompany the EMPLOYEE into the public rest room, which shall be made secure during the collection procedure. If possible, a toilet-bluing agent shall be placed in the bowl and any accessible toilet tank. The Collection Site Person shall remain in the rest room, but outside the stall until the specimen is collected. If no bluing agent is available to deter specimen dilution, the Collection Site Person shall instruct the EMPLOYEE not to flush the toilet until the specimen is delivered to the Collection Site Person. After the Collection Site Person has possession of the specimen, the EMPLOYEE will be instructed to flush the toilet and to participate with the Collection Site Person in completing the Chain-of-Custody procedure.

11. Upon receiving the specimen from the EMPLOYEE, the Collection Site Person shall determine if it contains at least 45 milliliters of urine. If the EMPLOYEE is unable to provide 45 milliliters of urine, the Collection Site Person shall direct the EMPLOYEE to drink fluids and, after a reasonable time, again attempt to provide a complete specimen using a fresh specimen bottle (and fresh collection container, if employed). The original specimen shall be discarded. If the EMPLOYEE is still unable to provide a complete specimen, the following rules apply:

a. In the case of a Post-Accident Drug Test or test for Reasonable Suspicion, the EMPLOYEE shall remain at the Collection Site and continue to consume up to 40 oz. of fluids, until the specimen has been provided or a period up to three (3) hours from the beginning of the collection procedure has elapsed.

b. In the case of a Pre-Employment Drug, Random Drug, or Post Accident, Follow-Up Drug Test, MST may elect to proceed as specified in paragraph a. above or may elect to discontinue the collection and conduct a subsequent collection at a later time.

c. If the EMPLOYEE cannot provide a complete specimen within the three-hour period or at the subsequent collection, as applicable, then the MRO shall refer the EMPLOYEE for a medical evaluation to gather pertinent information.
concerning whether the ability to provide a specimen is genuine or constitutes a refusal to provide a specimen. In cases of Pre-Employment/Post Offer Drug Testing, if MST does not wish to hire the individual, the MRO is not required to make such a referral. Upon completion of the examination, the MRO shall report his/her conclusions to MST in writing.

12. In the event MST decides to utilize a “split sample” method of collection (it is not required to do so), the following procedures shall be utilized:

a. The donor shall urinate into a collection container, which the Collection Site Person, in the presence of the donor, after determining specimen temperature, pours into two bottles.

b. The first bottle is to be used for the DOT-mandated test, and 45 milliliters of urine shall be poured into it. If there is no additional urine available for the second specimen bottle, the first specimen bottle shall nevertheless be processed for testing.

c. Up to 45 milliliters of the remainder of the urine shall be poured into the second specimen bottle.

d. All requirements of 49 CFR, Part 40 shall be followed with respect to both specimen samples, including the requirement that a copy of Chain-of Custody form accompany each bottle processed under “split sample” procedures.

e. Any specimen collected under “split sample” procedures must be stored in a secured, refrigerated environment and an appropriate entry made on the Chain-of-Custody form.

f. If the test of the first bottle is positive, the EMPLOYEE may request that the MRO direct that the second bottle be tested in a DHHS-certified laboratory for the presence of the drug(s) for which a positive result was obtained in the test of the first bottle. The result of this test is transmitted to the MRO without regard to the cutoff values of 49 CFR, Part 40.29. The MRO shall honor such a request if it is made within 72 hours of the having actual notice that he/she tested positive.

g. Action required by DOT, Rules and Regulations as the result of a positive drug test (e.g., the removal from his/her safety-sensitive position) is not stayed pending the result of the second test.

h. If the result of the second test is negative, the MRO shall cancel the test.

13. Except for split samples collected under paragraph 12, no portion of any specimen collected under these procedures may be used for any purpose other than drug testing required under this PLAN.
14. After the specimen has been provided and submitted to the Collection Site Person, the EMPLOYEE shall be allowed to wash his/her hands.

15. Immediately after the specimen is collected, the Collection Site Person shall measure the temperature of the specimen. The temperature-measuring device used must accurately reflect the temperature of the specimen and not contaminate the specimen. The time from urination to temperature measurement is critical and in no case shall exceed four (4) minutes.

16. If the temperature of a specimen is outside the range of 32.5 to 37.7 degrees Celsius or 90.5 to 99.8 degrees Fahrenheit, there will be reason to believe that the EMPLOYEE may have altered or substituted the specimen, and another specimen shall be collected under direct observation of a Collection Site Person of the same gender and both specimens shall be forwarded to the Laboratory for testing. An EMPLOYEE may volunteer to have his/her oral temperature taken to provide evidence to counter the reason to believe the EMPLOYEE may have altered or substituted the specimen caused by the specimen’s temperature falling outside the prescribed range.

17. Immediately after the specimen is collected, the Collection Site Person shall also inspect the specimen to determine its color and look for any signs of contaminants. Any unusual findings shall be noted on the Urine Custody and Control form.

18. All specimens suspected of being adulterated shall be forwarded to the Laboratory for testing.

19. Whenever there is reason to believe that a particular EMPLOYEE has altered or substituted the specimen, a second specimen shall be obtained as soon as possible under the direct observation of a same gender Collection Site Person.

20. Prior to requiring any EMPLOYEE to provide another urine specimen under direct observation because of circumstances constituting reason to believe the specimen may have been altered or substituted, the Collection Site Person shall first contact a higher level supervisor or MST’s Drug Program Administrator to review and concur in advance with the decision to require observation.

21. After the urine specimen is provided, both the EMPLOYEE being tested and the Collection Site Person shall keep the specimen in view at all times prior to its being sealed and labeled in the presence of the EMPLOYEE. If the specimen is transferred to a second bottle, the Collection Site Person shall request the EMPLOYEE to observe the transfer of the specimen and the placement of the tamper-proof seal over the bottle cap and down the sides of the bottle.

22. The Collection Site Person, in the presence of the EMPLOYEE, shall place securely on the bottle an identification label, which contains the date, the
individual’s specimen number, and any other identifying information provided or required by MST. If separate from the label, the tamper-proof seal shall also be applied.

23. The EMPLOYEE shall, in the presence of the Collection Site Person, initial the identification label on the specimen bottle for the purpose of certifying that it is the specimen collection from him/her.

24. The Collection Site Person shall, in the presence of the EMPLOYEE, enter on the Urine Custody and Control form all information identifying the specimen. The Collection Site Person shall sign the Urine Custody and Control form certifying that the collection was accomplished according to the instructions provided.

25. The EMPLOYEE shall be asked to read and sign a statement on the Urine Custody and Control form certifying that the specimen identified as having been collected from him/her is in fact that specimen he/she provided. He/she will also have the opportunity to set forth, on the EMPLOYEE Donor Copy of the Urine Custody and Control form only, information concerning medication recently taken or administered.

26. After signing the Urine Custody and Control form, the Collection Site may also require the EMPLOYEE to sign consent and/or release form authorizing the collection of the specimen, analysis of the specimen for prohibited drugs, and release of the test results to MST and its MRO. The EMPLOYEE will not be required to waive liability with respect to negligence on the part of any person participating in the collection, handling or analysis of the specimen, or to indemnify any person for the negligence of others.

27. After a proper specimen has been provided, labeled and sealed, the Collection Site Person shall complete the Chain-of-Custody portion of the Urine Custody and Control form to indicate receipt from the EMPLOYEE and shall certify proper completion of the collection process.

28. The urine specimen and Chain-of-Custody form will then be shipped to an appropriate laboratory for analysis. If the specimen is not immediately prepared for shipment, it shall be appropriately safeguarded during temporary storage.

29. While any part of the above Chain-of-Custody procedures are being performed, the urine specimen and custody documents must remain under the control of the involved Collection Site Person. If the involved Collection Site Person leaves his/her workstation momentarily, the specimen and Urine Custody and Control form shall be taken with him/her or shall be secured. After the Collection Site Person returns to the workstation, the custody process will continue. If the Collection Site Person is leaving for an extended period of time, the specimen shall be packaged for mailing before he/she leaves the Collection Site.
30. The Collection Site Person shall not leave the Collection Site in the interval between presentation of the specimen by the EMPLOYEE and identifying of the specimen with an identifying label bearing the specimen identification number (shown on the Urine Custody and Control form) and seal initialed by the EMPLOYEE. If it becomes necessary for the Collection Site Person to leave the site during this interval, the collection shall be modified and (at the election of MST) a new collection begun.
Appendix B

EMPLOYEE NOTIFICATION

The Anti-Drug Abuse & Alcohol Misuse Program Administrator is responsible to train and inform all EMPLOYEES of the DOT Anti-Drug Abuse & Alcohol Misuse Testing Program:

A copy of Monterey-Salinas Transit's Anti-Drug Abuse & Alcohol Misuse Testing Program is provided to each EMPLOYEE.

The Director of Human Resources’s responsibility is to advise all EMPLOYEES of Assistance Resources, which includes community hot-line numbers, and MST’s Policy and Procedures Manual are given to each EMPLOYEE.

EMPLOYEE Assistance Resources are displayed on MST’s bulletin boards.
Appendix C

COLLECTION SITES

Monterey Locations:
For Pre-Employment/Post-Offer, and
Post Accident Test 7:30 a.m.- 9:00 P.M. hours, Monday-Friday
Saturday and Sunday 9 a.m. – 5:00 p.m.

Monterey Bay Urgent Care
245 Washington Street
Monterey, CA 93940
(831) 325-2273

For all tests, 24 hours a day

Community Hospital Laboratory
23625 WR Holman Highway
Monterey, CA  93940
(831) 625-4811

Salinas Locations:
For Pre-Employment/Post Offer, and
Post Accident Test 8:00a.m.- 9:00 p.m. hours, Monday-Sunday

Doctor’s on Duty
1212 S. Main Street
Salinas, CA  93901
(831) 422-7777

WorkWell Health Services (8:00am – 6:00pm)
680 East Romie Lane
Salinas, CA 93901
(831) 422-3701
Appendix D

Monterey-Salinas Transit

WAIVER AND AGREEMENT WITH RESPECT TO DRUG & ALCOHOL TESTING

I, the undersigned EMPLOYEE of Monterey-Salinas Transit hereby certify that I have been furnished with a copy of Monterey-Salinas Transit's Anti-Drug Abuse & Alcohol Misuse Testing Program, including employee assistance resources and that I have read and understand same. I further certify that I have been provided with informational material, education and training on the dangers and problems of drug abuse & alcohol misuse.

I will cooperate with Monterey-Salinas Transit in its Anti-Drug Abuse & Alcohol Misuse Testing Program, including:

(I) providing specimens of urine, when requested,

(II) identifying same as required by Monterey-Salinas Transit, the DOT, Collection Site Personnel, and the Testing Laboratory, and certifying in writing that same is fresh, my own and unadulterated in any manner,

(III) consenting in writing to, and I hereby consent to the testing and analysis of such specimen for drugs, to the submission of such specimen to the Laboratory designated by Monterey-Salinas Transit for such testing and analysis, and to the release of the results of such test and analysis to Monterey-Salinas Transit, the Medical Review Officer designated by Monterey-Salinas Transit, and to whomever else the DOT requires, and

(IV) completing, executing and delivering to Monterey-Salinas Transit, or such other person or entity as Monterey-Salinas Transit or the DOT shall direct, such other forms and documents as may be required by Monterey-Salinas Transit or the DOT in connection with said Anti-Drug & Alcohol Misuse Testing Program.
I am fully aware and agree that I may be terminated from employment or otherwise disciplined for any violation by me of MST’s Anti-Drug & Alcohol Misuse Program, or for any failure or refusal to provide urine specimens and/or breath sample when requested by Monterey-Salinas Transit, for the failure or refusal to identify and certify same as above provided, for the failure to provide the consents, releases, forms and other documents above mentioned, and/or for any other failure or refusal to cooperate with Monterey-Salinas Transit in its said Anti-Drug & Alcohol Misuse Program Monterey-Salinas Transit, and will not be liable to me in damages or otherwise for or on account of any such discharge.

Executed this the _____ day of __________________, year of______.

Employee Name (printed)_____________________________________

Employee Name (signature)___________________________________
To: Board of Directors

From: Mary Archer, Planner

Subject: Letter Of Support to City of Monterey Mayor and Council members

RECOMMENDATION:

Approve letter to be sent to Monterey City Council supporting Bus Rapid Transit (BRT) on Lighthouse Avenue

FISCAL IMPACT:

None.

POLICY IMPLICATIONS:

It is appropriate for your Board to advocate for traffic improvements to reduce congestion and improve public transit system reliability.

DISCUSSION:

The Lighthouse District Destination Plan, developed at the request of the City of Monterey, considers the following alternatives for improved traffic flow on Lighthouse Avenue:

- Alternative A: No Change
- Alternative B: Two-Way with Protected Left Turn Lanes
- Alternative C: One-Way with Bus Lane

The alternatives were evaluated and surveys were distributed at four meetings with representatives from the New Monterey Business Association (NMBA), the Cannery Row Business Industry District (CRBID), the New Monterey Neighborhood Association (NMNA), and the public. MST attended all four meetings to provide additional information and gauge interest in Bus Rapid Transit (BRT).

On April 25, 2007, the City of Monterey Mayor and Council members received a report from the project consultant and the traffic engineering and planning departments of the City of Monterey. The survey responses show overwhelming support for BRT along Lighthouse Avenue; twenty-eight survey responders favored C, whereas
alternatives A and B received one and two votes, respectively. At the Council Session, MST representatives spoke in favor of Alternative C for reasons that include: reduced delay in operations, improved schedule reliability, and decreased traffic congestion due to increased transit ridership.

MST, as the public transit operator for our region has access to Federal funds through the “Very Small Starts program that may be used to make improvements along the Lighthouse Avenue corridor. Staff discussions with Federal Transit Administration staff overseeing this program have indicated that an improvement along Lighthouse Avenue that included a bus lane and other BRT components would have a good chance of receiving federal funding. The City of Monterey would be responsible for identifying local funds to match any federal funds that were to be received.

Representatives from Cannery Row businesses and the Monterey Bay Plaza hotel spoke in opposition to this alternative stating that priority should be given to traffic improvements at the intersection of Del Monte and Washington, and that transit needs to be made more accessible to hospitality employees.

MST staff is committed to working with the City of Monterey, hospitality industry representatives, New Monterey Business Association, Cannery Row Business Industry District, New Monterey Neighborhood Association and other interested stakeholders to develop a plan that overcomes current objections. Further, MST staff is also willing to assist in the submittal of a Very Small Starts grant application.

Mayor Chuck Della Sala asked that MST provide a letter approved by the MST Board of Directors for the City of Monterey May 15, 2007 Council meeting.

Attachment: Letter of Support for Alternative C of the Lighthouse District Destination Plan
May 14, 2007

Mayor Chuck Della Sala and Monterey City Council
City Hall
Monterey, CA 93940

RE: Support for Alternative C of the Lighthouse District Destination Plan

Dear Mayor Della Sala and City Council members:

The Monterey-Salinas Transit Board of Directors support Alternative C of the Lighthouse District Destination Plan as the preferred alternative for transit and traffic-related problems along Lighthouse Avenue. According to City of Monterey staff, traffic models of the two other alternatives studied indicated that Alternatives A (no change) and B (4:3 lane conversion) would likely result in increased congestion and thereby increased delays and safety concerns for private vehicles, transit and other modes of travel.

MST currently provides over 150 trips serving over 3,000 passenger boardings each weekday along the Lighthouse Avenue corridor with a variety of routes that include the WAVE trolley and MST lines 1 Pacific Grove, 1X Asilomar–Lovers Point Express, 2 Monterey–Pacific Grove, and 2X Pebble Beach Express.

MST service is experiencing an increasing amount of delays along this corridor, averaging five to seven minutes per trip with some trips being delayed as much as 30 minutes (especially during afternoon peak hours while heading into Monterey on Fridays and Saturdays). At current costs, these delays cost MST as much as $250,000 each year in estimated time lost while stuck in traffic. As a result, service has been deteriorating due to growing congestion problems. Anticipated new development is expected to exacerbate the continued delays resulting in missed connections, poor schedule reliability, and disincentives to take transit instead of driving.

Alternative C would address the congestion issues through the conversion of Lighthouse Avenue to three lanes of one-way traffic from David Avenue to the tunnel, with one lane dedicated to Bus Rapid Transit (BRT). Implementation of premium transit service in the form of BRT will attract drivers to take transit, and improve the overall traffic flow and access to the Cannery Row and New Monterey business districts and neighborhoods, and reduce emissions from automobiles stalled in traffic.
MST is in the process of completing the Monterey Bay BRT Study, which assesses potential BRT corridors in the Monterey Peninsula to entice travelers to take transit, instead of driving to the various destinations within the Monterey Bay Area. Upon proof of community support and project readiness for BRT implementation, MST and the City of Monterey could be eligible for funding through the Federal Transit Administration (FTA) Very Small Starts Capital Improvement Program, which funds transit enhancement and related streetscape projects within a two to three year time-frame at less than $3 million per mile (excluding vehicle purchases). The City of Monterey would be responsible for identifying local funds to match any federal funds that were to be received.

MST is aware of objections from Cannery Row businesses and representatives of the hospitality industry who claim that priority should be given to making intersection improvements at Washington and Del Monte, and that current bus schedules make transit inaccessible to many hospitality employees in Cannery Row. MST staff is committed to working with the City of Monterey, hospitality industry representatives, New Monterey Business Association, Cannery Row Business Industry District, New Monterey Neighborhood Association and other interested stakeholders to develop a plan that overcomes current objections. Further, MST staff is also willing to assist in the submittal of a Very Small Starts grant application.

Bus Rapid Transit solutions like those contemplated under Alternative C have been implemented in a variety of communities in California, and across the country. Experience has shown that a combination of several BRT elements can achieve a 25% to 30% reduction in bus travel times and corresponding gains in ridership. Transit Cooperative Research Program Report 90, a 2003 study of 26 Bus Rapid Transit projects, reaches the following conclusion: “Examination of the case studies shows that BRT does work. BRT systems can attract new riders to transit and induce transit-oriented land use and economic development in a broad variety of environments.”

MST is pleased to be able to contribute future plans for BRT operations as a solution for traffic problems along Lighthouse Avenue, as exemplified in Alternative C.

Sincerely,

Fernando Armenta
Board Chairman

C: MST Board Members
Bill Reichmuth, City of Monterey Public Works Director
Richard Deal, City of Monterey, Senior Traffic Engineer
To: Board of Directors

From: M. Hernandez, Chief Operating Officer

Subject: Vehicle Disposal

RECOMMENDATION:

Authorize the disposal and release of title and salvage rights for Vehicle 5113 to MV Transportation, upon payment of $4,500.

FISCAL IMPACT:

$4,500

POLICY IMPLICATIONS:

Your Board authorizes disposal of assets.

DISCUSSION:

On October 10, 2006, vehicle 5113, a minibus part of the MV Transportation “RIDES” fleet, was involved in an accident in Salinas, causing significant damage to the bus, leaving it beyond repair.

The bus is a 1999 Chevrolet Startrans with an odometer reading of 267,195. The bus is fully depreciated and was at the end of its useful life and was scheduled to be retired.

When determining the value of the bus, staff reviewed past auctions for similarly equipped buses with like mileage and found that the value recouped at auction was from several hundred dollars up to $3,000 per bus. MST was able to negotiate with MV Transportation a sum of $4,500.00 dollars, for compensation for the loss of this vehicle. We find this dollar amount to be fair and reasonable, given the considerations stated above.

The recommendation is to approve settlement terms of this destroyed bus with MV Transportation for a sum of $4,500 dollars. Upon payment, MST will release title and salvage rights to MV Transportation.
MST RIDES Advisory Committee
February 21,2007
Minutes

Present:  **Chair:** Diana Seay: Consumer Representative  
Alma Almanza: CCCIL: Consumer Representative  
Brandy Abend: Salinas Valley Dialysis  
MST Staff: William Morris: Contract Transportation Manager  
MST Staff: Robert Weber: Director of Transit Services  
MST Staff: Matthew Melzer: ADA Paratransit Eligibility Specialist  
MV Transportation Staff: Lance Atencio: General Manager  
MV Transportation Staff: Richard Hans: Maintenance Manager

Absent:  Janne Bennick: REAP  
Marie Swank: Consumer Representative

1. **Call to order**

   Committee Chair Diana Seay called the meeting to order at 1:11 p.m.

2. **Introductions**

   Attendees introduced themselves and explained their affiliations.

3. **Approval Of the Minutes**

   The minutes were approved as published.

4. **Public Comment**

   Kathy Spake, Monterey Pines Skilled Nursing Facility, said that she has received compliments regarding MV drivers. She also appreciated the fact that management has made some on-site visits, and that MV Dispatchers were notifying the facility when vehicles were running late.

5. **Committee Member Reports**

   None.
6. New Business

The election of officers was conducted. Diana Seay was voted to remain as Chair, and Marie Swank was voted to remain as Vice Chair.

Committee members expressed concern that the interior cleanliness of vehicles needed more attention from maintenance staff. Richard Hans, MV Maintenance Manager, discussed his cleaning procedures, and informed the committee that they would be hiring another maintenance worker at night. Committee member Alma Almanza stated that a previously reported heater-fastening problem with one of the vehicles still existed, and that some old fare zone information as well as outdated carcards was still aboard some vehicles. MV staff was asked to focus their attention on the interior cleanliness of vehicles, and to replace any outdated materials.

Lance Atencio, MV General Manager, stated that clip on identification tags have been ordered for drivers, and that they were also looking into the possibilities of embroidering driver names on new shirts.

7. Comments by Committee Members

Committee member Alma Almanza commented that one of her clients was sometimes arriving too late for church, and had to be returned home. She will email the name to Lance, and he will research and correct the problem.

The committee decided to have employee recognition award nominations on each agenda, so that employees could be nominated and selected whenever desired. It was also decided to review and discuss RIDES applications and Professional verification forms at the next meeting.

8. Unfinished Business

None.

9. Staff Reports and Information Items

MST staff reviewed ridership statistics, and discussed on time performance parameters. At 89.47%, the overall on time performance for January 2007 was close to the minimum requirement of 90%.
10. Announcements:

MST staff announced that the MST Board of Directors had approved the expansion of the MST RIDES Advisory Committee to a maximum of seven members. MST staff will also be purchasing a teleconference phone for meeting purposes. The next meeting will be at MV Transportation on March 19, 2007.

11. Adjourn

The Committee adjourned at 2:37 p.m.

SUBMITTED BY: [Signature]
William Morris
MST RIDES Advisory Committee  
March 19, 2007  
Minutes

Present:  Chair: Diana Seay: Consumer Representative  
Vice Chair: Marie Swank: Consumer Representative  
Janne Bennick: REAP  
TAMC Staff: Mike Zeller: Transportation Planner  
MST Staff: William Morris: Contract Transportation Manager  
MST Staff: Matthew Melzer: Paratransit Eligibility Specialist  
MV Transportation Staff: Lance Atencio: General Manager

Absent: Alma Almanza: Excused  
Brandy Abend: Excused

1. Call to order

Committee Chair Diana Seay called the meeting to order at 1:09 p.m.

2. Introductions

Attendees introduced themselves and explained their affiliations.

3. Approval Of the Minutes

The minutes were tabled until next meeting.

4. Public Comment

Kathy Spake, Monterey Pines Skilled Nursing Facility, said that her clients were getting good service, and that one client was really pleased with driver Trinidad Aguayo. Elvira Perez, Salinas Adult Day Care Center, stated that she previously had a problem with one of her clients not being picked up and dropped off on time, but has since resolved the problem with the help of the MV General Manager.

5. Committee Member Reports

None.
6. New Business

The committee selected MV employees Ramiro Flores and Sean Smythe to receive employee recognition awards. Matthew Melzer, MST Staff, reviewed MST RIDES applications and professional verification forms with the committee. He explained what some other agencies do, and asked that committee members review the materials and bring any suggestions for improvement they may have to the next meeting.

7. Comments by Committee Members

William Morris, MST Staff, read an appreciation letter that was received from a satisfied MST RIDES client. He also informed the committee that he had received a complaint letter from committee member Alma Amanza, concerning late pick-ups and a scheduling error. Committee member Marie Swank, stated that she had an increase of late pick-ups within the last 30 days, and thinks that MV may need more dispatchers, supervisors and drivers. Committee Chair, Diana Seay, relayed that committee member Alma Almanza was still concerned about MST RIDES vehicles needing interior cleaning.

Committee member Jane Bennick, said that she had reported a problem with a bad driver that two of her clients had complained about, and was wondering if MST had received the complaint. MV General Manager, Lance Atencio, stated that he had received the complaint from MST, and had spoken with the driver. He will also be calling the two clients to reassure them that the problems will not continue. Lance further explained that problems occurring within the last 30 days were mostly due to an unusual amount of personnel problems, but that service has once again begun to improve.

8. Unfinished Business

None.

9. Staff Reports and Information Items

MST staff reviewed ridership statistics. On time performance had slipped about 5% from the previous month, but was beginning to improve once again. The committee was also informed that MST had hired a CTSA Manager, and that coordinated transportation planning could soon begin.
10. **Announcements:**

None.

11. **Adjourn**

The Committee adjourned at 2:13 p.m.

SUBMITTED BY: _____________________________________________

William Morris
Facilities Committee
April 9, 2007
Minutes

Present: Director Mancini
Director Wilmot
Carl Sedoryk, General Manager/CEO
Michael Hernandez, Chief Operating Officer
Carl Wulf, Facilities/Capital Projects Manager
Hunter Harvath, Director of Administration
David Laredo, Legal Counsel

1. Call to order

Director Mancini called the meeting to order at 9:00 a.m.

2. Public Comment

Hunter Harvath introduced the new CTSA Manager Tom Hicks. The CTSA designation will officially place MST as the agency responsible for coordinating the public/private social service transportation services and funding within Monterey County.

3. Receive an update on Phase 2-(Mixed use) for the project at 280 Reservation Road.

Mr. Harvath presented a hand out on the possibilities for development at Marina Transit Exchange. He stated that MST is in contact with the City of Marina as well as the land use consultant. A draft scope of work has been submitted to the City of Marina to allow a potential developer to submit a slightly altered plan to the City to maximize developer interest. The project would provide retail, professional office space, residential with at least 9 below-market housing units. The new zoning rules require that the project be 50% residential and 50% commercial. Facilities Committee members suggested that MST should not close the doors or set any boundaries on the project but rather wait and see what develops. Director Wilmot inquired as to whether MST was in contact with the adjacent property owner. Mr. Harvath responded that MST was working with the architect for the adjacent property on possible shared parking and/or access driveways.
4. Receive an update on Marina Transit Exchange construction project.

Michael Hernandez handed out pictures and gave an overview of project to date. The project is on schedule with a completion goal of September 2007. To date MST has spent about half of the contingency funds. Some of the contingency items include: hazardous materials removal, real-time gate signage and the addition of a fire sprinkler for the building.

Director Wilmot stated a concern about the look of the trash enclosure. He questioned if it was truly finished and if it had passed the design review board. We stated that it was built to spec. and that it was a split face CMU construction with two cinder block rings.

Director Mancini asked about change orders and we replied that there has been a few related to the fact that the drawings were rushed thru in a 5-month period and some items were missed. Carl Wulf stated that the next big part of the project is the demolition and paving of DeForest Ave. Notification is going out to the post office patrons stating the changes to traffic flow as well as the duration of the paving project. Committee members suggested that a press release be created and sent to local papers outlining the traffic control changes.

5. Receive an update on the following facilities upgrade, repair/maintenance issues.

Michael Hernandez presented information about the need to repair and reseal bus yards at both CJW and TDA. Director Mancini questioned what type of seal coat. He suggested that MST check with Waste Management about their rubberized pavement. Pictures of the bus wash building at TDA were distributed. It was noted that the rusting was severe and needed to be fixed. Director Wilmot stated that we should create a better P/M on the structure to maintain the integrity of the building longer.

Michael Hernandez stated that the CARS Compressor was still not on site but we are anxiously waiting its arrival. MST is going to give the City of Monterey a 6-month notice for transferring the station back to the City. MST anticipates the CARS will be transferred between October 2007 and February 2008, depending on the arrival of the new bus fleet.

Carl Sedoryk stated that MST is trying to balance the cost of continued maintenance at our facilities with the possibility of moving to the new FJL center at Giggling and 7th.
6. Received an update on FJL Monterey Bay Operations Center.

Hunter Harvath handed out information on the project from the land use consultant. He stated the funding for the project is promising. Mr. Harvath explained that if funding remains stable, MST could see about $20-25 million in revenue from the State. MST is interested in building a “green” friendly facility, which might provide some cost savings. Plans to develop the property would include a two-phased construction plan. Phase 1 would support current operating needs with a slight growth; Phase 2 would be a full build-out supporting up to 500 employees. Mr. Harvath explained that MST is planning on preparing an RFP to have a firm complete the design, engineering and environmental reviews and conduct other permitting processes. The goal is to have the new facility meet Leadership in Energy and Environment Design (LEED) criteria.

Director Wilmot noted that MST’s current land utilization plan indicates a land/asset value of about $23 million. Director Mancini inquired about what was going to be done with the Orderly building on Durham Street. Mr. Harvath stated that it might end up as housing or apartments. Mr. Sedoryk indicated that MST would still need to determine the best use/plan for existing facilities.

7. Adjourn

Director Mancini adjourned the meeting at 9:43 a.m.

SUBMITTED BY: _____________________
Carl Wulf
Human Resources Committee
April 30, 2007
Minutes

Present: Chairman Tom Mancini
        Director Mike Cunningham
        Director Vicki Stilwell
        Carl Sedoryk, General Manager/CEO
        David Laredo, General Counsel
        Lyn Owens, Director of Human Resources

Absent: None

1. Call to order

   Chairman Mancini called the meeting to order at 8:33 a.m.

2. Public Comment

   There were no public comments on matters not on the agenda.

3. Review & Discuss Format and Content of GM/CEO Performance Evaluation

   Lyn Owens reviewed performance review formats provided by our consultant, Will Scott, two other transit agencies and one non-profit organization. The merits of each were discussed.

   Mike Cunningham recommended that we utilize the format provided by the consultant but add a 1 through 5 score, add bullets for comments and provide a section for Opportunities For Improvement.

   Also discussed was consolidating some of the Performance Goals that were listed on the original draft and add professional development, professional abilities and future key organizational objectives to the final document.

   In total, the performance document will include agency performance goals, accomplishments vs goals for the fiscal year; professional aptitude; opportunities for improvement and new key objectives.
Human Resources Committee Minutes
April 30, 2007
2

**Action Plan:** It was decided that Lyn Owens and Carl Sedoryk will rework the format adding the recommendations into the document and submit a revised DRAFT via e-mail to the Committee. The committee will review the draft and comment prior to the Human Resources Committee on May 14, 2007. The final document will be presented at the next Human Resources Committee meeting on May 14, 2007 at 9:00 am.

4. **Discuss topics for future Human Resources Committee meetings.**

   The following topics were of interest to the Committee:
   - Risk Management and Security issues
   - Safety and Training
   - Worker’s compensation updates
   - Labor Relations and Negotiations

   For the Committee Meeting on May 14, 2007, a special topic “Community Housing Program” will be brought before the committee.

   Dave Laredo gave the committee an overview of what to expect regarding the introduction of labor relations to the board. This will include a discussion of the potential issues to be raised during negotiations and the forms used to track the progress of the negotiations. Dave explained to the committee the role of each of the members of the Local and the International representatives.

   Personnel Committee voted to change the committee name to the Human Resources Committee.

5. **Adjourn**

   Chairman Mancini adjourned the meeting at 9:23 a.m.
Finance Committee

Minutes
May 3, 2007

Present: Director Fernando Armenta, County of Monterey
Director Kristin Clark, City of Del Rey Oaks
Director Michael Cunningham, City of Carmel-By-The-Sea
Carl Sedoryk, General Manager/CEO
David Sobotka, Controller

Called to order 9:11 a.m.

Director Armenta chaired the meeting.

No Public Comment on matters on the agenda.

Review proposed Fiscal Year 2008 Budget and make recommendations.

The Committee reviewed the proposed budget for FY 2008, which had been referred to the Committee by the Board at the April 9, 2007 board meeting. Comments are summarized below:

**Bus Operations.** Mr. Sedoryk indicated that the increase of funding of $295,780 was a result of reviewing the smaller grant funds to determine more accurate numbers. The funds will be used to make the second phase adjustments from FY 2006 Salary Survey and to fund fuel costs, which have been increasing significantly lately.

The Committee recommended that the funding and expense increases be implemented.

**Bus Capital.** The Committee made no recommendation for change.

**RIDES Operations.** The Committee made no recommendation for change.

**RIDES Capital.** The Committee made no recommendation for change.
Review proposed Community Housing Trust proposal and make recommendations.

Mr. Sedoryk presented key points for a home purchase, down payment assistance fund proposed for participation by the Special Districts in Monterey County. MST was asked to contribute $50,000 each year for five years to fund the Trust. MST would be guaranteed participation for one prospective employee over a 10 year period.

The Committee chose not to recommend the Program but to have the information presented to your Board for informational purposes. The Committee felt that the funds should be generated from a Land Use jurisdiction not Transit or Special Districts. It was not believed to be a good return on investment or benefit if only for one employee in several hundred.

Mr. Armenta announced that a meeting was scheduled for 1:00 p.m., May 18th between MST Finance Committee members and representatives from the County of Monterey staff and Board of Supervisors to discuss County of Monterey Local Transportation Fund allocations to MST.

Meeting Adjourned at 10:18 a.m.
To: Board of Directors

From: H. Harvath, Director of Administration

Subject: Transit Fare Structure Analysis

RECOMMENDATION:

1. Receive final report on the MST Transit Fare Structure Analysis.

2. Provide direction to staff regarding the possible implementation of a new fare/zone structure.

FISCAL IMPACT:

None.

POLICY IMPLICATIONS:

Your Board sets MST’s fares and transfer policies. Staff is seeking feedback from your Board on proposals to restructure MST’s fare and zone structures.

DISCUSSION:

MST engaged Connetics, Inc., to analyze its current fare/zone structure, which is comprised of six zones and five overlap zones. Currently, MST fares are calculated according to how many zones a customer travels in on their trip. On a one-way trip, $2 ($1 for discount) is charged for each zone. An additional 25-cent (10-cent discount) transfer is required if more than one bus is utilized to complete the trip. This confusing fare and zone structure could be seen as a barrier to increasing ridership. In addition, reduced pricing for shorter trips could also attract new customers to MST buses. Connetics has presented options for restructuring MST’s fares and zones that would:

- Price fare by the type of service
- Rebalance fare products based on actual and perceived value
- Introduce discounted multiples on tickets and day passes
- Introduce rolling 7-day and 30-day passes
- Eliminate paid transfers
- Eliminate the zone fare collection process
- Changes child validation for free fare from age-based to height-based
- Expands college, employer and social service.

The complete final report with an executive summary on this project is included in Attachment 1. Staff is seeking input from your Board on the results of the study and direction as to which, if any, of the proposed new fare structures should be implemented.

Prepared by: ______________________  Reviewed by: ______________________
               Hunter Harvath                  Carl Sedoryk
Monterey-Salinas Transit
Fare Structure Analysis Report

March 30, 2007

prepared by
Connetics Transportation Group

Preparation of this report was financed, in part, by a Section 5303 grant from the U.S. Department of Transportation, Federal Transit Administration, and the Association of Monterey Bay Area Governments, per the Safe Accountable Flexible Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU). Acceptance of this report by Monterey-Salinas Transit in no way reflects the views of, or is a funding commitment by, the grantor agencies.
Executive Summary

Monterey-Salinas Transit has a proven track record of providing quality, efficient local and intercity bus services to the over 400,000 residents of and visitors to Monterey County. In the current fiscal year, it is on pace to move over 5 million transit riders across its system.

Yet providing this service and maintaining cost-efficiency has required base fares that are tied for highest in California, making the system less-accessible to low-income residents and short-trip riders. Additionally, a cumbersome zonal fare structure greatly increases travel time and inconvenience for MST’s riders.

For these reasons, MST seeks to discover a new fare structure that will remedy these deficiencies while still maintaining a farebox recovery rate within the current range of 25% to 30%. This new structure would be designed to:

● increase ridership;
● provide greater trip-length equity;
● provide greater socioeconomic equity;
● improve passenger loading and fare collection;
● ease customer understanding and usage; and
● reduce driver-passenger conflict

Analysis of MST’s historical ridership and revenue was conducted to understand the type of fare structure that could most readily meet these goals. Through this review, it was observed that MST has a highly unique customer base that grows steadily despite large fare increases, belying most agencies’ experiences where fare increases translate into ridership losses.

While this result is an enviable position for a transit agency, further review confirms the belief that the high base fare is indeed an obstacle to many riders. MST riders pay a disproportionately large number of cash fares, an indicator that day and month pass products are out of reach to many of them. Also, the majority of MST riders currently make two or less round trips per week. Coupling these findings shows that there is great potential for MST to further expand ridership by offering fare products that are more financially accessible to the low-income population and encourage frequent ridership.

Other key relationships were gleaned from analysis of MST riders’ origins and destinations. Essentially, MST operates 3 equal-sized transit systems: a local system consisting of riders traveling exclusively within the Peninsula; a local system consisting of riders traveling exclusively within Salinas; and a regional system consisting of riders traveling point to point between the cities and towns of Monterey County and southern Santa Cruz County.
This information combined with the observation that almost 9 out of 10 trips made require only the single-zone fare indicates that MST could essentially forgo its zonal fare system and replace it with pricing that instead reflects the variations in service offerings (local vs. regional).

MST can reach its stated goals by implementing a fare structure that does the following:

- Prices fare by type of service;
- Rebalances fare products based on actual and perceived value;
- Introduces discounted multiples on tickets and day passes;
- Introduces rolling 7-day and 30-day passes;
- Eliminates paid transfers;
- Eliminates the zone fare collection process;
- Changes child validation for free fare from age-based to height-based; and
- Expands college, employer, and social service programs.

In the near term, it is recommended that MST implement a flat fare structure that charges a standard fare trip on all local-only routes, and a premium fare on all regional routes. No transfers would be allowed, and a one-price day pass would allow riders to use the entire system except the current 50-series routes. 7-day passes and 10-trip discount passes would also be offered. It is projected that this structure would allow MST to reduce the base fare from its current $2.00 to $1.50 and still maintain a farebox recovery rate of 25% to 30%.

Also, this alternative would require minimal capital investment. It could utilize existing fareboxes and be executed simply through modifications to the appearance of buses, bus stops, route numbers and route maps along with investment in operator and rider education and marketing.

In the longer term, MST would greatly benefit from making a capital investment into fareboxes and kiosks that support smart-card technology. It would allow the agency to implement a true time, distance, or time and distance based fare structure that would have none of the hassles of the current system. Forecasts for a possible time-based fare structure indicate that such a system could achieve a farebox recovery rate of 25% to 30% and meet the agency’s trip-length and socioeconomic goals with a base fare of $1.75.

By implementing the fare structure recommendations contained in this report, MST stands to increase ridership, achieve greater equity, and improve its customers’ experience without sacrificing needed fare revenue. Attaining these goals not only benefits the agency and its passengers, but the community as a whole.
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1.0 Introduction

Monterey-Salinas Transit is an efficient, effective provider of public transit service to the residents and visitors of Monterey County and southern Santa Cruz County. For its service population of over 400,000, MST’s 33 fixed routes serve many varied needs:

- local service throughout the Monterey Peninsula and Salinas Valley;
- intercity service from Watsonville south to Carmel and King City;
- regional service from Monterey to San Jose; and
- seasonal service to Big Sur and along the Peninsula waterfronts.

Over the last ten years, the agency has seen ridership increase over 25% despite two fare increases during that time, and is on pace to increase ridership another 6% to over five million annual trips by the end of this fiscal year. Recently completed Comprehensive Operational Analyses of both the Salinas and Peninsula regions have resulted in more efficient and responsive service.

Financially, MST has maintained a farebox recovery ratio (FRR) of over 25% on its fixed route service despite an operating cost per hour that has risen more than 8% annually over the last five years. But this has been accomplished by maintaining a base fare that at $2.00 is tied for most expensive in the state of California.

While Monterey County citizens boast one of the highest per capita median incomes in the country, the median income of the typical transit rider – commonly employed in the agricultural or service industries – remains low. This leads to a disparity in the system’s social equity, as lower income riders who most need the service transit provides are less able to afford its price. Further, the high cost to ride discourages shorter trips that allow citizens to access shopping and other needed services.

In addition, providing the wide range of local and intercity services that MST offers has led to a zone-based fare system that is both confusing and time-intensive. The service area is divided into six primary zones. Travel between each of these is charged at $2.00 per zone. Overlapping these primary zones are five transitional “diamond” zones that are charged a single zone fare for travel to and from any adjacent primary zone. Collecting these zonal fares requires the bus operator to pull the bus off the road and manually check the tickets of all riders to collect additional payment from multi-zone riders.

This report seeks to address these disparities and inefficiencies in service through a detailed analysis of the current fare structure and operating environment, and recommendations toward a future strategy and structure that will address the following goals:
● increased ridership;
● greater trip-length equity;
● greater socioeconomic equity;
● improved passenger loading and fare collection;
● easier customer understanding and usage; and
● reduced driver-passenger conflict

These goals should be achieved while maintaining an annual FRR within the current range of 25% to 30%.
2.0 MST Historical Data Analysis

Numerous data sources were utilized to understand MST’s ridership and revenue trends and characteristics over the last ten years in general and within the last three years in specific. These include:

- MST Salinas Area Service Analysis, April 2005;
- MST Survey Research Final Reports, December 2005;
- MST Peninsula Area Service Study, August 2006;
- MST Business Plan and Short Range Transit Plan, June 2005;
- FY2006 MST Comprehensive Annual Financial Report, June 2006; and
- MST Operations Summary Reports, March 2004 – November 2006

2.1 Ridership and Revenue Trends

MST has experienced robust ridership and revenue growth over the last ten years. Annual unlinked trips numbered just under four million in FY1997 but are projected to increase to over five million in the current fiscal year, a jump of over 25%. This trend has even outpaced population growth for the service area, which has risen 15% over the same time (Figure 2-1).

![Figure 2-1. Annual Ridership and Population Trends](image)

Trips on MST RIDES comprise only 1-2% of MST’s total system ridership, thus total ridership essentially mirrors fixed route ridership. This ridership increases strongly from FY97-FY01, then levels off following a base fare increase from $1.50 to $1.75 in FY2001 which coincided with 9/11 and the subsequent decline
in tourism and travel nationwide. Since FY2004, ridership has been increasing again, even with a second base fare increase in FY2006 from $1.75 to $2.00.

MST’s ridership growth despite fare increases on the order of 15% is both remarkable and unusual. A typical transit agency would expect a loss of ridership of about 5-6% in the first year following such an increase, and a total loss of around 10% in system ridership. MST’s relatively flat ridership following a fare increase suggests a passenger base that is relatively inelastic to transit fare changes and is inclined to strong growth in normal (non-fare increase) years.

Figure 2-2 demonstrates how strong ridership growth amidst fare increases has allowed MST to generate higher fare revenue and partly staunch the effects of rapidly increasing operating costs that have caused the system’s fare recovery ratio to drop from a high of about 40% in FY1997 to a low of about 25% in FY2005.

Figure 2-2. Annual Fare Revenue and Recovery Trends

A further look at the relationship between ridership, fares, and revenue before and after the last fare increase for fixed route service demonstrates similar themes. Following the most recent increase, annual unlinked trips actually increased (Figure 2-3). This response is largely atypical to transit trends. Also important to note is that the amount of fare revenue generated is highly correlated to the average fare paid by the transit rider. Even in years unaffected by the fare increase, the average fare paid is a strong indicator of the revenue that will be received.
The MST RIDES experience has been quantitatively different but supports the same understandings. Following a fare increase in recertification process in FY2004 that dramatically decreased the number of eligible RIDES customers, annual unlinked trips decreased significantly. But the resulting boost in average fare resulted in RIDES fare revenue increasing accordingly (Figure 2-4).
Fixed route operating data over the last three years were analyzed in closer detail to recognize riders' responses to changes in operating conditions. Figure 2-5 illustrates ridership, revenue hours, and passengers per revenue-hour by month.

Figure 2-5. Fixed Route Ridership and Revenue Hours by Month

Most noticeable is the highly seasonal nature of MST’s ridership. All parameters rise heading into the summer high season for tourism and agriculture, then dip into the winter months. This is consistent with the greater service offerings provided by MST in the summer months. Note that the FY2006 fare increase has no perceivable effect on these patterns.
Trendline analysis was conducted to determine the strength of correlation between revenue hours and ridership. As expected, analysis showed that when seasonal routes are included, ridership is highly correlated to revenue hours (Figure 2-6), meaning a change in revenue hours is a strong predictor of a change in ridership.

**Figure 2-6. Rider Response to Revenue Hours (includes Seasonal Routes)**

This is graphically determined by the close proximity of data points to the trendline, and mathematically determined through an R-squared value approaching 1 ($R^2=0.76$). \[R\text{-squared, the coefficient of determination, measures the proportion of variability in ridership that can be attributed to changes in revenue hours].\]

Of greater interest was analyzing rider response to revenue hours when the seasonal routes were excluded from analysis. While the correlation weakens from Figure 2-6, it remains moderately strong, with $R^2=0.50$ (Figure 2-7). This indicates that an increase or decrease in revenue hours of service can be a good indicator of a similar change in ridership.

This result coupled with riders’ general inelasticity to fare increases indicate that passengers are far more sensitive to the amount of service being provided than to the cost of that service. In other words, MST could reasonably expect that increases in service (revenue hours) would translate into similar increases in ridership. This finding validates recent survey data, where respondents listed more service as their top incentive to riding more often.
To gain a fuller understanding of MST’s offerings, performance measures were also analyzed by type of service (Figure 2-8), using standard MST route designations:

- Primary Routes (1, 9, 10, 41, 42);
- Neighborhood Routes (2, 16, 17, 45);
- Local Routes (4, 5, 11, 43, 44, 46, 49);
- Regional Routes (20, 21, 23, 24, 27, 28, 29, 48, 53, 54, 55);
- DART; and
- Seasonal Routes (22, 36, 37, 38, 39, MST Trolley, and supplemental service)
All service types appear fully mature, exhibiting steady characteristics over the observed three-year period. By their design, the primary routes carry the highest passenger loads, between 30 and 40 passengers per hour. Local routes have improved of late, achieving loads over 25 per hour. Regional and neighborhood routes operate at lower productivities, and DART exhibits notably low productivity, averaging less than 5 riders per hour. This is on the low side for even the type of demand-responsive service DART provides.

Riders and revenue hours were also stratified by service type to further discern the qualities of MST’s varied services. Figure 2-9 depicts the proportion of unlinked trips by service type in the last calendar year. About half of all trips occur on Primary Routes, with another quarter happening on a Regional Route.

**Figure 2-9. 2006 Passenger Trips by Service Type**

Breaking down the revenue hours in the same way shows that Primary Routes account for one third of annual revenue hours, Regional Routes another third, and other services the remainder (Figure 2-10). Thus, Primary Routes carry half of the system’s riders with only one third of the system’s resources, while Regional Routes carry only one quarter of riders but require a full third of resources. Despite this inequity, survey statistics indicate that Regional Route trips still pay a third of all fare revenue received due to the zonal surcharges incurred.
Other services types perform moderately to poorly in this analysis: Local Routes and Seasonal Routes break even (proportionate fraction of passenger trips and revenue hours) while Neighborhood Routes and DART service both require a greater percentage of revenue hours than passenger trips carried.

2.2 Rider Survey Characteristics

Results from three rider surveys conducted across 2005 and 2006 were used to understand several characteristics of MST riders, including their fare choices, origins and destinations, trip purposes, and trip frequency. Figure 2-11 shows that about half of MST riders use transit between one and five times per week, and only 20% use it more than ten times per week.
This roughly corresponds to trip purpose responses, where about half of trips are made for work or school and half for other, more discretionary travel like shopping or other services (Figure 2-12).

**Figure 2-12. 2005 Survey Trips by Purpose**

These data suggest there may be opportunities to capture additional ridership through more economical fare choices that reward higher trip frequencies and are attractive to discretionary travelers (who tend to take shorter, more price-sensitive trips).

Survey results regarding transfer activity varied in some degrees, but the systemwide survey from Fall 2005 suggests at least half of all linked trips involve at least one transfer, with half of those taking two or more (Figure 2-13). This is a fairly strong transfer pattern, indicative of a more transit-dependent population and/or a route structure that forces transferring. Operational changes including route modifications from the COAs and the elimination of a free transfer have likely reduced the transfer rate seen in 2005.

**Figure 2-13. 2005 Survey Transfers per Linked Trip**
A few of the questions in the 2005 rider survey related directly to fares and provide some insight into how patrons are using the various fare classes available to them. Almost two-thirds of survey respondents reported using cash to pay for their fares instead of a pass (Figure 2-14).

Figure 2-14. 2005 Survey Trips by Fare Media

Compared to most systems this is a fairly high percentage of cash users, which often have only a third or less of riders paying cash. MST’s experience seems mostly tied to its higher fare structure, which prevent most lower income riders from purchasing the more expensive pass products. It is also partly a function of no intermediate discounted fare products, such as discounted multiples on day passes, or 7-day passes.

Two-thirds of survey respondents also reported paying the regular fare versus the discounted fare available to student, senior, and disabled riders. This is a reasonable breakdown given the community’s demographics.

Figure 2-15. 2005 Survey Trips by Fare Category
Another fare-related survey question asked, “If fares were raised, would you ride more or less often?” About one third replied they would ride less often if fares increased (Figure 2-16), while the rest indicated no change (it is assumed the 10% who would ride more often after a fare increase were insincere or confused).

**Figure 2-16. 2005 Survey Response:**
If fares were raised, would you ride more or less often?

While questions of this nature are not the most accurate predictors of behavior, the responses given support historical data that indicates MST is largely immune from the ridership losses normally experienced following a fare increase.

Stated origin and destination from the 2006 survey offered the opportunity to construct an approximate origin-destination matrix of MST trips (Figure 2-17). Like most sample data, its accuracy is limited by the size of the sample and unavailable weighting factors, but it represents the best snapshot MST has of from and to where its riders are traveling.

**Figure 2-17. 2006 Survey Origins and Destination by Zone**

<table>
<thead>
<tr>
<th>South County</th>
<th>Peninsula</th>
<th>Salinas</th>
<th>North County</th>
<th>Carmel High</th>
<th>Chualar</th>
<th>Laguna Seca</th>
<th>Marina/ Castroville</th>
<th>Prunedale</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>2%</td>
<td>0%</td>
<td>1%</td>
<td>0%</td>
<td>-</td>
<td>-</td>
<td>0%</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>0%</td>
<td>33%</td>
<td>4%</td>
<td>0%</td>
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<td>-</td>
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<td>5%</td>
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<td>42%</td>
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<tr>
<td>0%</td>
<td>4%</td>
<td>32%</td>
<td>1%</td>
<td>-</td>
<td>-</td>
<td>0%</td>
<td>2%</td>
<td>0%</td>
<td>39%</td>
</tr>
<tr>
<td>-</td>
<td>0%</td>
<td>1%</td>
<td>1%</td>
<td>-</td>
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<td>0%</td>
<td>2%</td>
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<td>3%</td>
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<td>0%</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>0%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>2%</td>
<td>44%</td>
<td>40%</td>
<td>2%</td>
<td>-</td>
<td>0%</td>
<td>11%</td>
<td>0%</td>
<td>100%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Intrazone</th>
<th>71%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transzone</td>
<td>17%</td>
</tr>
<tr>
<td>Interzone</td>
<td>12%</td>
</tr>
</tbody>
</table>
Some intriguing patterns emerge from the data. First, 93% of trips occur in a span from the Peninsula north through Marina/Castroville and east to Salinas. Second, about 88% of all trips occur either totally within one zone (gray cells) or within a primary zone and its adjacent diamond zone (yellow cells). This means that only 12% of all trips taken involve a two or more zone fare, and only half of the trips taken on Regional Routes are more than one zone.

Third, the data indicates one of the primary operational challenges facing MST – it is serving three equal but distinct needs. A third of trips are solely comprised of local Peninsula area travel, another third involved solely in local Salinas travel, and the last third made up of intercity travel.

Finally, survey data was stratified by both trip purpose and time of day (Figure 2-18). Responses reveal a strong morning commute pattern with more discretionary travel dominating the midday and afternoon periods. Travel is nearly evenly split between traditional peak and offpeak periods.

<table>
<thead>
<tr>
<th></th>
<th>Work</th>
<th>School</th>
<th>Other</th>
<th>Percent of Daily Trips</th>
</tr>
</thead>
<tbody>
<tr>
<td>Morning</td>
<td>55%</td>
<td>18%</td>
<td>26%</td>
<td>28%</td>
</tr>
<tr>
<td>Midday</td>
<td>28%</td>
<td>13%</td>
<td>58%</td>
<td>47%</td>
</tr>
<tr>
<td>Afternoon</td>
<td>33%</td>
<td>9%</td>
<td>58%</td>
<td>23%</td>
</tr>
<tr>
<td>Evening</td>
<td>45%</td>
<td>6%</td>
<td>48%</td>
<td>3%</td>
</tr>
</tbody>
</table>

MST riders’ responses to fare and service changes – both as demonstrated in historical data and stated in survey responses – will be instrumental in forecasting future ridership and revenue, and in informing the strategies that will prove most successful in the MST environment.

### 2.3 Existing Fare Structure

MST’s existing fare structure is primarily zonal-based (Table 2-1). It costs $2.00 to take a single trip within any of six primary zones or an adjacent diamond zone. Travel into a second primary zone costs another $2.00, and into a third is another $2.00, and so on. Transfers are offered for $0.25 and are valid for up to one hour past the time the issuing route will reach its terminus. Twenty-two routes operate within a single zone, nine routes operate between two zones, one route operates between three zones, and one route operates between four zones.
Buses operating across more than one zone pull over at zone boundaries to verify proper payment from all riders for multi-zone travel.

### Table 2-1. MST Existing Fixed Route Fare Structure

<table>
<thead>
<tr>
<th></th>
<th>Cash (per zone)</th>
<th>20 tickets</th>
<th>Daypass (one zone)</th>
<th>Daypass (all zones)</th>
<th>Monthly Pass (one zone)</th>
<th>Monthly Pass (all zones)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regular</td>
<td>$2.00</td>
<td>$40.00</td>
<td>$4.50</td>
<td>$9.00</td>
<td>$62.00</td>
<td>$124.00</td>
</tr>
<tr>
<td>Discount</td>
<td>$1.00</td>
<td>$20.00</td>
<td>$2.25</td>
<td>$4.50</td>
<td>$31.00</td>
<td>$62.00</td>
</tr>
</tbody>
</table>

**Additional features:**
- Discount fares available to students 5-18, seniors 65+, and disabled individuals
- Children 4 and under are free (up to 3 per paying adult)
- Transfers are $0.25 (Regular) or $0.10 (Discount) and are good for at least one hour
- There are 6 primary zones and 5 transitional zones (diamond zones)
- Driver stops vehicle at zone boundary to collect/verify fares
- Group discount and Commuter Check programs are available

Day passes and monthly passes are offered in both single zone and all-zone formats. Single zone day passes are priced at 2.5 times the cash fare and monthly passes are priced at 31 times the cash fare. All-zone passes are twice the cost of the corresponding single zone pass. Single zone fare tickets are available in twenty packs for full price.

All discount riders pay 50% off the full fare price. Discount fares are available to students 5-18, seniors 65 and over, and disabled persons. Up to 3 children 4 and under may ride free with a paying adult.

The existing fare structure presents several hurdles to MST riders. First and most daunting is the high base fare price of $2.00 for one zone of travel, tied for highest in the state of California. Next, the system includes both transfers and day passes, which presents a bit of overlapping options to the transferring rider (at current pricing, not allowing transfers and forcing the day pass purchase will be equally effective as providing transfers at $0.25).

Of course, these are just choices limited to a single zone. Passengers riding from one zone to another (typically two zones given the route structure and ridership statistics) pay fares starting at $4.00 and must endure the protracted zonal fare collection procedure. All-zone day passes and monthly passes become cost-prohibitive for the majority of transit-dependent riders, and a lack of intermediate fare products or volume discounts prevent most riders from prepaying to ride, one of the great incentives to increasing trip frequencies and retaining transit customers.
Ridership and revenue under the existing fare structure were projected for a five-year period using a customized fare revenue model. This projection served as a baseline for comparison of the alternatives presented in the following section. The revenue model was calibrated to existing MST data for FY2007 and forecast using a set of general assumptions, including:

- **Ridership was assumed to grow at 3.2% annually** in years without a fare increase (based on average annual ridership growth with fare increases over the last eight years and last three years)

- **Ridership was assumed to experience a three-year effect with** $3 = -0.45$ following a fare change (this mimics the MST experience following its last two fare increases)

- **Operating costs were assumed to increase at 8.2% annually** (based on average annual cost/hour increases over the last five years)

- Fare increases over time were only implemented to maintain a farebox recovery ratio within the MST target of 25-30%

Using these assumptions, the calibrated model produced the revenue and ridership projections presented in Table 2-2. Note that a fare increase to $2.25 was necessary in the last forecast year to maintain FRR > 25%. Appendix A includes a detailed breakdown of projected revenue by fare category.

**Table 2-2. Existing Structure Projected Ridership and Revenue (in millions)**

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
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<td>Base Fare</td>
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<td>$2.00</td>
<td>$2.00</td>
<td>$2.25</td>
</tr>
<tr>
<td>Average Fare</td>
<td>$1.23</td>
<td>$1.23</td>
<td>$1.23</td>
<td>$1.23</td>
<td>$1.23</td>
<td>$1.39</td>
</tr>
<tr>
<td>Ridership</td>
<td>5.09</td>
<td>5.21</td>
<td>5.38</td>
<td>5.55</td>
<td>5.73</td>
<td>5.71</td>
</tr>
<tr>
<td></td>
<td>2.5%</td>
<td>3.2%</td>
<td>3.2%</td>
<td>3.2%</td>
<td>-0.3%</td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>$6.26</td>
<td>$6.41</td>
<td>$6.62</td>
<td>$6.83</td>
<td>$7.05</td>
<td>$7.94</td>
</tr>
<tr>
<td></td>
<td>2.5%</td>
<td>3.2%</td>
<td>3.2%</td>
<td>3.2%</td>
<td>12.6%</td>
<td></td>
</tr>
<tr>
<td>Operating Costs</td>
<td>$20.2</td>
<td>$21.9</td>
<td>$23.7</td>
<td>$25.6</td>
<td>$27.7</td>
<td>$30.0</td>
</tr>
<tr>
<td></td>
<td>8.2%</td>
<td>8.2%</td>
<td>8.2%</td>
<td>8.2%</td>
<td>8.2%</td>
<td></td>
</tr>
<tr>
<td>FRR</td>
<td>30.9%</td>
<td>29.3%</td>
<td>27.9%</td>
<td>26.7%</td>
<td>25.4%</td>
<td>26.5%</td>
</tr>
</tbody>
</table>
3.0 Fare Structure Alternatives

Fare strategies for bus service have historically been rooted and remain most commonly based on paying one flat fare per trip. While distance-based fares remain for a few bus systems like MST, the difficulty in implementing them weighed against the equity they seek to provide has led many agencies to consider other options. Gaining popularity with many agencies has been timed passes, of both the day pass variety, and more recently – hour and minute increment passes.

In addition to these bases, many transit systems utilize one or more differentials in applying their fares. Common among these are service differentials, such as charging a premium price for express service; time-of-day differentials, such as a surcharge for peak period trips; and volume differentials, such as discounts on multi-ticket packs or a favorable cost per trip price on monthly passes.

Table 3-1 presents a graphical overview of generalized fare strategies for consideration. The gray areas categorize MST’s existing structure within these bounds. Primarily a zonal fare ticket, MST also offers timed passes (day passes) and volume differentials through the purchase of monthly passes and all-zone passes.

<table>
<thead>
<tr>
<th>Fare Basis</th>
<th>Fare Differential</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trip</td>
<td>None</td>
</tr>
<tr>
<td></td>
<td>Flat fare ticket</td>
</tr>
<tr>
<td>Distance</td>
<td>Service</td>
</tr>
<tr>
<td></td>
<td>Flat fare;</td>
</tr>
<tr>
<td></td>
<td>Service premiums</td>
</tr>
<tr>
<td>Time</td>
<td>Time-of-Day</td>
</tr>
<tr>
<td></td>
<td>Flat fare;</td>
</tr>
<tr>
<td></td>
<td>Service premiums</td>
</tr>
<tr>
<td></td>
<td>Peak premium</td>
</tr>
<tr>
<td>Time</td>
<td>Volume</td>
</tr>
<tr>
<td></td>
<td>Flat fare;</td>
</tr>
<tr>
<td></td>
<td>Multi-ticket</td>
</tr>
<tr>
<td></td>
<td>discounts</td>
</tr>
<tr>
<td></td>
<td>Zonal fare;</td>
</tr>
<tr>
<td></td>
<td>Service premiums</td>
</tr>
<tr>
<td></td>
<td>Peak premium</td>
</tr>
<tr>
<td></td>
<td>Multi-zone</td>
</tr>
<tr>
<td></td>
<td>discounts</td>
</tr>
<tr>
<td></td>
<td>Timed pass;</td>
</tr>
<tr>
<td></td>
<td>Service premiums</td>
</tr>
<tr>
<td></td>
<td>Peak premium</td>
</tr>
<tr>
<td></td>
<td>Duration discounts</td>
</tr>
</tbody>
</table>

The alternatives considered will all contain similar overarching philosophies for addressing MST’s fare analysis goals, but will approach the challenges using a wide range of strategies.

3.1 General Recommendations

The fare alternatives presented below all address MST’s fare structure goals of increased ridership, improved trip-length and socioeconomic equity, maintaining
FRR, and streamlined customer and operator experience through six key recommendations:

- **Price fare by type of service.** MST operates distinct services that address both local mobility and intercity connectivity. Distinctly pricing and stratifying these services will help to create equity for both.

- **Rebalance fare products based on actual and perceived value.** Improving the fare product mix so that short trips can be made economically while longer trips are still priced fairly, while maintaining a strong average fare, is intrinsic to each alternative.

- **Introduce discounted multiples on tickets and day passes.** Discounted multiples do three things well: encourage higher trip frequencies, shift customers away from cumbersome cash fares, and benefit the transit-dependent population.

- **Introduce rolling 7-day and 30-day passes.** Rolling passes provide greater flexibility to the customer while reducing end-of-the-month rushes at ticketing offices. Offering shorter duration passes help attract and retain low income riders who cannot afford passes one month at a time.

- **Eliminate paid transfers.** Transfers are the single largest source of customer-operator conflict and transit fraud, which is why many agencies have sought to eliminate them completely in favor of timed options like the day pass.

- **Eliminate the zone fare collection process.** In its current state the zone fare collection process is a burden to both customers and operators. Most of the alternatives propose to eliminate it entirely.

In addition to these major recommendations, two other ancillary suggestions should be considered part of any alternative. While these are important considerations, their implementation is immaterial to the basic fare alternatives presented and they will not be addressed in a greater way than they are stated here:

- **Change child validation for free fare from age-based to height-based.** Age-based validation is nearly impossible to verify objectively. Replacing it with a height mark in the range of 43 to 46 inches on the farebox or in the front of the bus is encouraged.

- **Expand college, employer, and social service programs.** Building strong local partnerships through which group discounts, prepaid group fares, and other unique arrangements can be offered builds a ridership base and benefits the entire community.

The relative ability of each of these recommendations to influence the goals of this analysis is characterized in Table 3-2. Solid circles indicate a likely positive effect, empty circles indicate a possible negative effect, and half-filled circles indicate an effect could be positive or negative depending on the manner of implementation.
Each goal receives positive effects from at least two of the recommendations and no more than one negative effect, while maintaining FRR is a variant that will be controlled by the actual price points within each alternative.

Executing these recommendations occurs in a different way for each alternative (Table 3-3).

### Table 3-2. Goal Realization by Recommendation

<table>
<thead>
<tr>
<th>Service pricing</th>
<th>Increase ridership</th>
<th>Trip-length Equity</th>
<th>Social Equity</th>
<th>Maintain FRR</th>
<th>Customer Ease</th>
<th>Operator Ease</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zone fare collection</td>
<td>○</td>
<td>●</td>
<td>○</td>
<td>●</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Rebalance fares</td>
<td>○</td>
<td>●</td>
<td>○</td>
<td>●</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Discounted multiples</td>
<td>●</td>
<td>●</td>
<td>○</td>
<td>●</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Rolling passes</td>
<td>●</td>
<td>●</td>
<td>○</td>
<td>●</td>
<td>●</td>
<td>○</td>
</tr>
<tr>
<td>Eliminate transfer fee</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>●</td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td>Zone fare collection</td>
<td>○</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| Height-based child | ●                  | ○                  | ●            | ○            | ●             | ○             |

### Table 3-3. Alternative Fare Strategies

<table>
<thead>
<tr>
<th>Fare Differential</th>
<th>None</th>
<th>Service</th>
<th>Time-of-Day</th>
<th>Volume</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trip Basis</td>
<td></td>
<td></td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Distance</td>
<td>2</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Time</td>
<td>1</td>
<td>3</td>
<td></td>
<td>1</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3</td>
</tr>
</tbody>
</table>

CONNETICS
TRANSPORTATION GROUP
Alternative 1 (and 1A) adopts a traditional trip-based approach to pricing service; Alternative 2 retains a zonal-based approach, but without transfers; while Alternative 3 shifts to a timed-pass approach to transit pricing. All alternatives use volume differentials in the form of rolling passes and discounted multiples to increase ridership and socioeconomic equity.

All alternatives are able to meet fare revenue goals while lowering the initial base fare for service. As with the existing forecasts detailed above, all alternative methods require a fare increase in 2012 in order to maintain FRR > 25%. Detailed breakdowns of all alternatives by fare category are presented in Appendix A.

3.2 Alternative 1

The first alternative uses a standard trip-based fare, but applies both a service differential and time-of-day differential to meet equity goals (Table 3-4).

<table>
<thead>
<tr>
<th></th>
<th>Standard Route (peak/offpeak)</th>
<th>Premium Route (peak/offpeak)</th>
<th>Daypass</th>
<th>7-Day Pass</th>
<th>30-Day Pass</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regular</td>
<td>$1.75/$1.25</td>
<td>$2.75/$2.25</td>
<td>$5.00</td>
<td>$18</td>
<td>$62</td>
</tr>
<tr>
<td>Discount</td>
<td>$0.85/$0.60</td>
<td>$1.35/$1.10</td>
<td>$2.50</td>
<td>$9</td>
<td>$31</td>
</tr>
</tbody>
</table>

Additional features:
- Retain existing zone structure for 50-series only ($2.75/first zone, then $2/zone)
- Premium routes include 20-series
- No transfers
- Introduces rolling 7-day and 30-day passes
- 10% discount on 10-packs of standard tickets, premium tickets, and daypasses
- Children under 46 inches tall ride free (up to three per paying adult)

The service differential is addressed by demarcating routes as either “Standard” or “Premium.” For analysis purposes, Premium Routes include the nine routes that currently serve up to two zones (the “20-series”), but in practice MST could assign whichever routes logically fit into this category. The two routes that currently serve more than two zones (the “50-series”) are suggested to retain zonal fares as they offer true distance-based point to point service. The time-of-day differential is applied to encourage more discretionary midday travel while maintaining a higher fare during the commuter peak periods.

This alternative has several advantages over the existing structure. First, there are no zonal or transfer hassles – customers simply pay as they ride. Previous transfer trips will be inclined to use the slightly increased day pass, or shift to one
of the longer pass options. Second, most single trips have a reduced fare, especially in the midday where a low standard route fare encourages discretionary travel.

Disadvantages of this alternative are mainly that the twin differentials on service and time-of-day create several price points that do not add to customer or operator ease. This alternative also does not completely solve trip-length equity concerns.

Forecasts for Alternative 1 indicate that fares can be priced just below the current base fare while still maintaining similar revenue and FRR to existing forecasts (Table 3-5). This is accomplished in part by the greater ridership that would result from what would be perceived as a sizable fare decrease by most riders. Retaining revenue is also assisted by strategically pricing the fare products to maximize the average fare to base fare ratio.

<table>
<thead>
<tr>
<th>Table 3-5. Alternative 1 Ridership and Revenue Projections</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td>Base Fare</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Average Fare</td>
</tr>
<tr>
<td>Ridership</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Revenue</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Operating Costs</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>FRR</td>
</tr>
</tbody>
</table>

3.3 Alternative 1A

Alternative 1A contains the same basic elements as Alternative 1, but eliminates the time-of-day differential in favor of the simplicity offered by one fare for each service type (Table 3-6). Although the single fare has the disadvantage of not attracting more offpeak discretionary travel while upholding a higher peak period base fare, it presents an option that is easier to understand by both customer and operator.
Table 3-6. Alternative 1A Fare Structure

<table>
<thead>
<tr>
<th></th>
<th>Standard Route</th>
<th>Premium Route</th>
<th>Daypass</th>
<th>7-Day Pass</th>
<th>30-Day Pass</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regular</td>
<td>$1.50</td>
<td>$2.50</td>
<td>$5.00</td>
<td>$18</td>
<td>$62</td>
</tr>
<tr>
<td>Discount</td>
<td>$0.75</td>
<td>$1.25</td>
<td>$2.50</td>
<td>$9</td>
<td>$31</td>
</tr>
</tbody>
</table>

Additional features:
- Removes peak differential of Alternative 1 in favor of simpler fare structure
- Retain existing zone structure for 50-series only ($2.50/first zone, then $2/zone)
- Premium routes include 20-series
- No transfers
- Introduces rolling 7-day and 30-day passes
- 10% discount on 10-packs of standard tickets, premium tickets, and daypasses
- Children under 46 inches tall ride free (up to three per paying adult)

Alternative 1A produces revenue forecasts slightly higher than in Alternative 1 (Table 3-7).

Table 3-7. Alternative 1A Ridership and Revenue Projections

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base Fare</td>
<td>$2.00</td>
<td>$1.50</td>
<td>$1.50</td>
<td>$1.50</td>
<td>$1.50</td>
<td>$1.75</td>
</tr>
<tr>
<td>Average Fare</td>
<td>$1.23</td>
<td>$1.12</td>
<td>$1.12</td>
<td>$1.12</td>
<td>$1.12</td>
<td>$1.26</td>
</tr>
<tr>
<td>Ridership</td>
<td>5.09</td>
<td>5.62</td>
<td>6.02</td>
<td>6.29</td>
<td>6.50</td>
<td>6.45</td>
</tr>
<tr>
<td></td>
<td>10.4%</td>
<td>7.2%</td>
<td>4.5%</td>
<td>3.2%</td>
<td>-0.7%</td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>$6.26</td>
<td>$6.28</td>
<td>$6.73</td>
<td>$7.04</td>
<td>$7.26</td>
<td>$8.09</td>
</tr>
<tr>
<td></td>
<td>0.4%</td>
<td>7.2%</td>
<td>4.5%</td>
<td>3.2%</td>
<td>11.4%</td>
<td></td>
</tr>
<tr>
<td>Operating Costs</td>
<td>$20.2</td>
<td>$21.9</td>
<td>$23.7</td>
<td>$25.6</td>
<td>$27.7</td>
<td>$30.0</td>
</tr>
<tr>
<td></td>
<td>8.2%</td>
<td>8.2%</td>
<td>8.2%</td>
<td>8.2%</td>
<td>8.2%</td>
<td>8.2%</td>
</tr>
<tr>
<td>FRR</td>
<td>30.9%</td>
<td>28.7%</td>
<td>28.4%</td>
<td>27.5%</td>
<td>26.2%</td>
<td>27.0%</td>
</tr>
</tbody>
</table>
3.4 Alternative 2

Alternative 2 represents a zone system identical to the existing structure with one major exception: transfers are not permitted. Former transferring riders are forced to either pay an additional full fare or convert to a day pass. The additional revenue this provides allows the base cash fare to be reduced to $1.75 and still maintain FRR (Table 3-8).

Table 3-8. Alternative 2 Fare Structure

<table>
<thead>
<tr>
<th></th>
<th>Cash (per zone)</th>
<th>Daypass (one zone)</th>
<th>Daypass (all zones)</th>
<th>Monthly Pass (one zone)</th>
<th>Monthly Pass (all zones)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regular</td>
<td>$1.75</td>
<td>$4.50</td>
<td>$9.00</td>
<td>$54</td>
<td>$108</td>
</tr>
<tr>
<td>Discount</td>
<td>$0.85</td>
<td>$2.25</td>
<td>$4.50</td>
<td>$27</td>
<td>$54</td>
</tr>
</tbody>
</table>

Additional features:
• Retains existing fare & zone structure except transfers are eliminated
• Equilibrates Fare per Zone to maintain existing fare revenue projections

Advantages of this structure are that it requires minimal customer education since it retains the zone structure, and achieves the moderate trip-length equity that is inherent to a zonal system. Further, reducing the fare without unduly burdening the transfer population (by offering an affordable day pass) is a strong goal.

Likewise, the disadvantages of Alternative 2 will be what it does not solve from the existing structure: zone fare collection issues that are unwieldy and time-consuming, and a fare mix that places many products outside the reach of the low-income rider.

Table 3-9 presents the estimated annual ridership and revenue under this alternative. As with the prior alternatives, a lower base fare allows for greater ridership than in the existing forecasts.
3.5 Alternative 3

The last alternative analyzed represents the most radical shift in structure from existing by replacing all trip fares – zonal or otherwise – with a series of timed passes (Table 3-10).

### Table 3-10. Alternative 3 Fare Structure

<table>
<thead>
<tr>
<th></th>
<th>30-min Pass*</th>
<th>60-min Pass</th>
<th>4-hr Pass</th>
<th>Daypass</th>
<th>7-Day Pass</th>
<th>30-Day Pass</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regular</td>
<td>$1.75</td>
<td>$2.75</td>
<td>$3.75</td>
<td>$5.50</td>
<td>$20</td>
<td>$70</td>
</tr>
<tr>
<td>Discount</td>
<td>$0.85</td>
<td>$1.35</td>
<td>$1.85</td>
<td>$2.75</td>
<td>$10</td>
<td>$35</td>
</tr>
</tbody>
</table>

Additional features:

- Retain existing zone structure for 50-series only ($2.75/first zone, then $2/zone)
- *30-min pass not valid on 20-series
- Introduces rolling 7-day and 30-day passes
- 10% discount on 10-packs of all hour- and daypasses
- Children under 46 inches tall ride free (up to three per paying adult)

Instead of paying per unlinked trip, riders pay for a certain amount of time in which they can board as many times as they need to complete their travel. The
pass is validated upon first use. The amount of time for which each pass is valid would be solidified in operations and matched to an average time to complete a one way trip. Introducing a mid-length 4-hour pass encourages trip-chaining and discretionary travel that would otherwise occur by automobile or not at all.

A small measure of service differential is maintained by not allowing the 30-minute pass to be used on the “20-series” routes. Essentially, intercity routes must begin at the second timed-pass point to compel a higher payment for the longer-haul service. As in Alternatives 1 and 1A, the two regional “50-series” routes are assumed to maintain their zonal nature.

Alternative 3’s strongest attribute is its trip equity. Riders pay for time on the system, the same way that agencies cost services. Riders are no longer penalized for needing multiple transfers to complete a trip, or for adopting non-standard trip-making patterns. Additionally, this alternative eliminates the zonal and transfer fares and thus eases customer and operator use.

Working against this alternative is the initial adjustment that both customers and operators would need to make to a new philosophy in transit travel, especially for riders who would need to insure their timed pass could cover them making a planned connection. On a more practical level, the timed-pass strategy would result in slower-boarding with the current fareboxes, since every passenger would require a receipt indicating the amount of time they had left to travel.

Table 3-11 presents the projected ridership and revenue under this alternative.

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Base Fare</strong></td>
<td>$2.00</td>
<td>$1.75</td>
<td>$1.75</td>
<td>$1.75</td>
<td>$1.75</td>
<td>$2.00</td>
</tr>
<tr>
<td><strong>Average Fare</strong></td>
<td>$1.23</td>
<td>$1.17</td>
<td>$1.17</td>
<td>$1.17</td>
<td>$1.17</td>
<td>$1.29</td>
</tr>
<tr>
<td><strong>Ridership</strong></td>
<td>5.09</td>
<td>5.41</td>
<td>5.69</td>
<td>5.91</td>
<td>6.10</td>
<td>6.09</td>
</tr>
<tr>
<td></td>
<td>6.4%</td>
<td>5.2%</td>
<td>3.9%</td>
<td>3.2%</td>
<td>-0.2%</td>
<td></td>
</tr>
<tr>
<td><strong>Revenue</strong></td>
<td>$6.26</td>
<td>$6.31</td>
<td>$6.64</td>
<td>$6.90</td>
<td>$7.12</td>
<td>$7.85</td>
</tr>
<tr>
<td></td>
<td>0.9%</td>
<td>5.2%</td>
<td>3.9%</td>
<td>3.2%</td>
<td>10.3%</td>
<td></td>
</tr>
<tr>
<td><strong>Operating Costs</strong></td>
<td>$20.2</td>
<td>$21.9</td>
<td>$23.7</td>
<td>$25.6</td>
<td>$27.7</td>
<td>$30.0</td>
</tr>
<tr>
<td></td>
<td>8.2%</td>
<td>8.2%</td>
<td>8.2%</td>
<td>8.2%</td>
<td>8.2%</td>
<td>8.2%</td>
</tr>
<tr>
<td><strong>FRR</strong></td>
<td>30.9%</td>
<td>28.8%</td>
<td>28.0%</td>
<td>26.9%</td>
<td>25.7%</td>
<td>26.2%</td>
</tr>
</tbody>
</table>
4.0 Fare Structure Comparison

The menu of alternatives presented allows MST to identify a suitable course for its system that meets the goals it has established with the aesthetics that will most suit its organization and service area.

4.1 Feature Comparison

Table 4-1 compares the main attributes of each option. Alternatives 1, 1A, and 3 all provide for some level of service differentiation by route to replace the untenable zone system of the Existing structure or Alternative 2. Alternative 1 carries the differentiation a step further by including time-of-day variance as well. All new scenarios eliminate the existing paid transfer. Every alternative including Existing contains a day pass and 30-day (or month) pass; Alternatives 1, 1A, and 3 additionally introduce a 7-day pass.

Table 4-1. Summary of Alternative Features

<table>
<thead>
<tr>
<th></th>
<th>Existing Structure</th>
<th>Alt 1 Trip-Based</th>
<th>Alt 1A Trip-Based</th>
<th>Alt 2 Zone-Based</th>
<th>Alt 3 Time-Based</th>
</tr>
</thead>
<tbody>
<tr>
<td>Standard vs. Premium</td>
<td>✗</td>
<td>✗</td>
<td>✗</td>
<td>✗</td>
<td>✗</td>
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<tr>
<td>Peak vs. Off-peak</td>
<td>✗</td>
<td></td>
<td></td>
<td></td>
<td>✗</td>
</tr>
<tr>
<td>Paid Transfers</td>
<td>✗</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Day Pass</td>
<td>✗</td>
<td>✗</td>
<td>✗</td>
<td>✗</td>
<td>✗</td>
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<tr>
<td>7-day Pass</td>
<td>✗</td>
<td>✗</td>
<td>✗</td>
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<td>✗</td>
</tr>
<tr>
<td>30-day Pass</td>
<td>✗</td>
<td>✗</td>
<td>✗</td>
<td>✗</td>
<td>✗</td>
</tr>
<tr>
<td>Zones</td>
<td>✗</td>
<td></td>
<td></td>
<td>✗</td>
<td></td>
</tr>
</tbody>
</table>

Every new alternative achieves the study goals in varying degrees. Table 4-2 provides a measure of how successful each is. Based on these primary criteria, Alternatives 1A and 3 provide MST the best opportunity of reaching all of its goals. The Existing structure and Alternative 2 do not provide adequate benefits in ridership or equity, while Alternative 1 provides similar benefits as 1A but without the customer and operator ease.

Alternative 3 is graded both negative and positive in the efficiency categories. The negative mark is for implementing this alternative with the current fareboxes (which require a manually-generated pass for each rider), while the positive mark
is for implementing with magnetic or smart card readers (which can generate and read timed passes automatically).

### Table 4-2. Goal Realization by Alternative

<table>
<thead>
<tr>
<th></th>
<th>Existing Structure</th>
<th>Alt 1 Trip-Based</th>
<th>Alt 1A Trip-Based</th>
<th>Alt 2 Zone-Based</th>
<th>Alt 3 Time-Based</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase ridership</td>
<td>○</td>
<td>●</td>
<td>●</td>
<td>○</td>
<td>●</td>
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<td>Trip-length Equity</td>
<td>○</td>
<td>●</td>
<td>●</td>
<td>○</td>
<td>●</td>
</tr>
<tr>
<td>Social Equity</td>
<td>○</td>
<td>●</td>
<td>●</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Maintain FRR</td>
<td>○</td>
<td>●</td>
<td>●</td>
<td>○</td>
<td>●</td>
</tr>
<tr>
<td>Customer Ease</td>
<td>○</td>
<td>○</td>
<td>●</td>
<td>○</td>
<td>○ ●</td>
</tr>
<tr>
<td>Operator Ease</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○ ●</td>
</tr>
</tbody>
</table>

4.2 Results Comparison

Results for two key quantitative measures – annual ridership and annual FRR – were compared for alternatives in each forecast year (Figures 4-1 and 4-2).

**Figure 4-1. Projected Annual Ridership by Alternative**
In the Existing scenario, ridership is estimated to increase about 10% over the next five years. New alternatives are projected to do better than this, thanks to lower base fares that should encourage more riders. By 2012, Alternatives 1 and 1A are forecast to attract 13% more ridership than the Existing scenario, while Alternatives 2 and 3 are forecast to attract 5-7% more ridership.

As stated previously, FRR is allowed to fluctuate in the out years provided that it remains between 25-30%. In all alternatives, operating costs rise faster than fare revenue, triggering a fare increase in 2012 to maintain FRR > 25%. While the study alternatives report lower FRR than the Existing structure in 2008, they all hold on to more revenue by 2009 than the Existing structure (thanks to increased ridership), and all but Alternative 3 remains above the projected Existing FRR in 2012.

It should be noted that the differences in FRR are all fairly minimal (they range from 26.2% to 27.0% in 2012). This is by design, as price points were intentionally set to maintain a similar FRR profile for each alternative. Doing this allows the alternatives’ other pros and cons to be evaluated in an objective manner.

Table 4-3 highlights the key financial statistics in the last forecast year, 2012. While all alternatives perform well, Alternatives 1 and 1A succeed most. They offer the lowest base fare, the highest ridership, and the highest fare revenue and FRR. Appendix B contains alternative comparison statistics for each year of the five-year forecast.
Table 4-3. Alternative Comparison for FY2012

<table>
<thead>
<tr>
<th></th>
<th>Existing Structure</th>
<th>Alt 1 Trip-Based</th>
<th>Alt 1A Trip-Based</th>
<th>Alt 2 Zone-Based</th>
<th>Alt 3 Time-Based</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Base Fare</strong></td>
<td>$2.25</td>
<td>$1.75</td>
<td>$1.75</td>
<td>$2.00</td>
<td>$2.00</td>
</tr>
<tr>
<td><strong>Average Fare</strong></td>
<td>$1.39</td>
<td>$1.24</td>
<td>$1.26</td>
<td>$1.33</td>
<td>$1.29</td>
</tr>
<tr>
<td><strong>Ridership</strong></td>
<td>5.71</td>
<td>6.44</td>
<td>6.44</td>
<td>6.01</td>
<td>6.09</td>
</tr>
<tr>
<td><strong>Fare Revenue</strong></td>
<td>$7.94</td>
<td>$8.00</td>
<td>$8.09</td>
<td>$7.97</td>
<td>$7.85</td>
</tr>
<tr>
<td><strong>Operating Costs</strong></td>
<td>$30.0</td>
<td>$30.0</td>
<td>$30.0</td>
<td>$30.0</td>
<td>$30.0</td>
</tr>
<tr>
<td><strong>FRR</strong></td>
<td>26.5%</td>
<td>26.7%</td>
<td>27.0%</td>
<td>26.6%</td>
<td>26.2%</td>
</tr>
</tbody>
</table>

Quantitative criteria cannot adequately address the equity goals desired by a new fare structure; however, these objectives should be adequately considered alongside this financial data in the final determination of alternative viability.
5.0 Conclusions & Recommendations

Monterey-Salinas Transit has the opportunity to dramatically alter its fare structure in a way that increases ridership, trip-length equity, and socioeconomic equity, and improves customer and operator efficiencies, all while maintain similar farebox recovery as its existing structure. Further, it can implement a structure that will position the agency and its riders for technology advances that will bring still greater efficiencies and equities in later years.

5.1 Short-Term Recommendations

In the near term, MST can best achieve its goals by employing the fare structure presented in Alternative 1A. This alternative offers the strongest ridership and revenue potential of all the alternatives and eliminates the zonal fare system and transfers that serve as the most cumbersome aspects of the current system.

While it does not offer the degree of equity that a distance- or time-based alternative could provide, it can afford a reduced base fare price of $1.50 that will benefit low-income and short-trip riders alike. And a rich mix of other fare products will help to attract more high frequency riders to the system and boost pass usage, an important pre-step to acquainting riders to future fare media advances. Even more important, the alternative can be easily realized using the same fareboxes currently in place.

The key element to consider regarding implementation is in relation to the differentiation of services that classifies as “Standard” versus “Premium.” While the 20-series routes were considered Premium service for this analysis, in practice MST will likely want to make adjustments to the classification, either by adding or removing routes from the designation, or running both Premium (Limited) and Standard (Local) versions of the 20-series routes, or even offering service amenities to Premium service, like newer vehicles, enhanced shelters, or signal priority. Should the service qualifying as Premium change dramatically from this analysis, it is advised that fare scenarios be recalculated to insure fare revenue targets can be maintained.

It is also suggested that delineations are made in the appearance of buses, bus stops, route numbers and route maps used for Premium service, and that serious consideration be given to operator and rider education and marketing to introduce the new structure.

5.2 Long-Term Recommendations

In the mid to long term, MST can best achieve its goals by employing the fare structure presented in Alternative 3. This alternative offers the same or better ridership and revenue potential as the existing system, but does so without
unwieldy zonal fares and transfers and with greater trip-length and socioeconomic equity than the other alternatives.

Its recommendation for a long-term solution is a reflection of the farebox requirements that would allow such a structure to be most successful. In the automated world of a magnetic card read/write farebox or a smart card reader, time based fares could be maximized to their fullest potential. With the current fareboxes, a time-intensive manual process would be required to produced validated timed-passes (a brief comparison of the features and costs of different fare media options is available in Appendix C).

The time-based fare structure could be an end in itself or give way to a smart card-GPS distance and time based fare structure that charged for transit in much the same way that a taxi charges, achieving a great level of trip equity. Of course, it is imperative that a conversion to a time-based structure involve a heavy amount of operator and rider education and marketing in order to explicate the new offering.
## Appendix A: Fare Alternative 5-Year Forecasts

### Existing Structure

<table>
<thead>
<tr>
<th>Fare Option</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Base Fare</strong></td>
<td>Existing</td>
<td>Existing</td>
<td>Existing</td>
<td>Existing</td>
<td>Existing</td>
<td>Existing</td>
</tr>
<tr>
<td>REG</td>
<td>$2.00</td>
<td>$2.00</td>
<td>$2.00</td>
<td>$2.00</td>
<td>$2.00</td>
<td>$2.25</td>
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<td><strong>Trip</strong></td>
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<tr>
<td>1-zone</td>
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<td>$2,930,420</td>
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<td>$3,120,967</td>
<td>$3,220,838</td>
<td>$3,613,189</td>
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<tr>
<td>2-zone</td>
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<td>$985,737</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>4-zone</td>
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<td>$36,143</td>
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<td><strong>Multiples</strong></td>
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<tr>
<td><strong>S&amp;D</strong></td>
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<td></td>
</tr>
<tr>
<td><strong>Trip</strong></td>
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<tr>
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</tr>
</tbody>
</table>

| **Annual Fare Revenue** | $6,256,288 | $6,414,983 | $6,620,262 | $6,832,111 | $7,050,738 | $7,941,508 |
| **Annual Ridership** | 5,085,278 | 5,214,270 | 5,381,126 | 5,553,322 | 5,731,029 | 5,714,810 |
| **Average Fare** | $1.23 | $1.23 | $1.23 | $1.23 | $1.23 | $1.39 |
| **Annual Operating Costs** | $20,236,000 | $21,895,352 | $23,690,771 | $25,633,414 | $27,735,354 | $30,009,653 |
| **FRR** | 30.9% | 29.3% | 27.9% | 26.7% | 25.4% | 26.5% |
### Annual Fare Revenue

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>REG</td>
<td>$6,256,288</td>
<td>$6,179,149</td>
<td>$6,624,385</td>
<td>$6,924,810</td>
<td>$7,146,404</td>
<td>$7,997,895</td>
</tr>
<tr>
<td>S&amp;D</td>
<td>$6,119,149</td>
<td>$6,624,385</td>
<td>$6,924,810</td>
<td>$7,146,404</td>
<td>$7,997,895</td>
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<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Average Fare</td>
<td>$1.23</td>
<td>$1.10</td>
<td>$1.10</td>
<td>$1.10</td>
<td>$1.10</td>
<td>$1.24</td>
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<tr>
<td>Annual Ridership</td>
<td>5,085,278</td>
<td>5,616,586</td>
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<td>6,447,230</td>
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</table>

### 4-zone

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<tr>
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<tbody>
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</tr>
<tr>
<td>MULTIPLES</td>
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</table>

### March 30, 2007
### Appendix A: (cont’d)

#### Alternative 1A

<table>
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<tr>
<th>Fare Option</th>
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<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
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</tr>
<tr>
<td>Trip</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1-zone</td>
<td>$2,857,926</td>
<td>- $</td>
<td>- $</td>
<td>- $</td>
<td>- $</td>
<td>- $</td>
</tr>
<tr>
<td>2-zone</td>
<td>$874,668</td>
<td>- $</td>
<td>- $</td>
<td>- $</td>
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<td>- $</td>
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<tr>
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<td>$81,364</td>
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<tr>
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<td>- $</td>
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<td>$422,226</td>
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<td>- $</td>
<td>- $</td>
<td>- $</td>
<td>- $</td>
<td>- $</td>
</tr>
<tr>
<td>Day Pass</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1-zone</td>
<td>$640,745</td>
<td>- $</td>
<td>- $</td>
<td>- $</td>
<td>- $</td>
<td>- $</td>
</tr>
<tr>
<td>2-zone</td>
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<tr>
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<td>- $</td>
<td>- $</td>
<td>- $</td>
<td>- $</td>
</tr>
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<td>Std Route</td>
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<tr>
<td>Prem Route</td>
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### Appendix A: (cont’d)

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## Appendix A: (cont’d)

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<th>2011</th>
<th>2012</th>
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<td>$1.23</td>
<td>$1.17</td>
<td>$1.17</td>
<td>$1.17</td>
<td>$1.17</td>
<td>$1.29</td>
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## Appendix B: Fare Alternative 5-Year Comparisons

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<th>Existing Structure</th>
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</tr>
<tr>
<td>Base Fare</td>
<td>$ 2.00</td>
<td>$ 1.50</td>
<td>$ 1.50</td>
<td>$ 1.75</td>
<td>$ 1.75</td>
</tr>
<tr>
<td>Average Fare</td>
<td>$ 1.23</td>
<td>$ 1.10</td>
<td>$ 1.12</td>
<td>$ 1.18</td>
<td>$ 1.17</td>
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<tr>
<td>Ridership</td>
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<td>5,616,586</td>
<td>5,616,586</td>
<td>5,391,390</td>
<td>5,412,897</td>
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<tr>
<td>Fare Revenue</td>
<td>$ 6,414,983</td>
<td>$ 6,179,149</td>
<td>$ 6,281,371</td>
<td>$ 6,386,202</td>
<td>$ 6,314,040</td>
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<td>$ 21,895,352</td>
<td>$ 21,895,352</td>
<td>$ 21,895,352</td>
<td>$ 21,895,352</td>
<td>$ 21,895,352</td>
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<td>28.2%</td>
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<td>$ 1.50</td>
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<tr>
<td>Average Fare</td>
<td>$ 1.23</td>
<td>$ 1.10</td>
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<td>6,021,286</td>
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<tr>
<td>Fare Revenue</td>
<td>$ 6,620,262</td>
<td>$ 6,624,385</td>
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<td>8.2%</td>
<td>8.2%</td>
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<tr>
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<td>27.9%</td>
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<td>28.3%</td>
<td>28.0%</td>
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<td>$ 1.50</td>
<td>$ 1.50</td>
<td>$ 1.75</td>
<td>$ 1.75</td>
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<tr>
<td>Average Fare</td>
<td>$ 1.23</td>
<td>$ 1.10</td>
<td>$ 1.12</td>
<td>$ 1.18</td>
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<tr>
<td>Ridership</td>
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<td>6,294,360</td>
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<td>3.6%</td>
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<tr>
<td>FRR</td>
<td>26.7%</td>
<td>27.0%</td>
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<td>27.1%</td>
<td>26.9%</td>
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<tr>
<td><strong>FY 2011</strong></td>
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<tr>
<td>Base Fare</td>
<td>$ 2.00</td>
<td>$ 1.50</td>
<td>$ 1.50</td>
<td>$ 1.75</td>
<td>$ 1.75</td>
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<tr>
<td>Average Fare</td>
<td>$ 1.23</td>
<td>$ 1.10</td>
<td>$ 1.12</td>
<td>$ 1.18</td>
<td>$ 1.17</td>
</tr>
<tr>
<td>Ridership</td>
<td>5,731,029</td>
<td>6,495,780</td>
<td>6,495,780</td>
<td>6,059,593</td>
<td>6,104,027</td>
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<tr>
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<td>3.2%</td>
<td>3.2%</td>
<td>3.2%</td>
<td>3.2%</td>
</tr>
<tr>
<td>Fare Revenue</td>
<td>$ 7,050,738</td>
<td>$ 7,146,404</td>
<td>$ 7,264,628</td>
<td>$ 7,177,702</td>
<td>$ 7,120,230</td>
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<td>3.2%</td>
<td>3.2%</td>
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</tr>
<tr>
<td>Operating Costs</td>
<td>$ 27,735,354</td>
<td>$ 27,735,354</td>
<td>$ 27,735,354</td>
<td>$ 27,735,354</td>
<td>$ 27,735,354</td>
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<tr>
<td>% change</td>
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<td>8.2%</td>
<td>8.2%</td>
<td>8.2%</td>
<td>8.2%</td>
</tr>
<tr>
<td>FRR</td>
<td>25.4%</td>
<td>25.8%</td>
<td>26.2%</td>
<td>25.9%</td>
<td>25.7%</td>
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<td><strong>FY 2012</strong></td>
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<td>Base Fare</td>
<td>$ 2.25</td>
<td>$ 1.50</td>
<td>$ 1.75</td>
<td>$ 2.00</td>
<td>$ 2.00</td>
</tr>
<tr>
<td>Average Fare</td>
<td>$ 1.39</td>
<td>$ 1.24</td>
<td>$ 1.26</td>
<td>$ 1.33</td>
<td>$ 1.29</td>
</tr>
<tr>
<td>Ridership</td>
<td>5,714,810</td>
<td>6,447,230</td>
<td>6,447,230</td>
<td>6,012,294</td>
<td>6,092,827</td>
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<tr>
<td>% change</td>
<td>-0.3%</td>
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<td>-0.7%</td>
<td>-0.8%</td>
<td>-0.2%</td>
</tr>
<tr>
<td>Fare Revenue</td>
<td>$ 7,941,508</td>
<td>$ 7,997,896</td>
<td>$ 8,092,992</td>
<td>$ 7,974,001</td>
<td>$ 7,850,903</td>
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<tr>
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<td>11.4%</td>
<td>11.1%</td>
<td>10.3%</td>
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<tr>
<td>Operating Costs</td>
<td>$ 30,009,653</td>
<td>$ 30,009,653</td>
<td>$ 30,009,653</td>
<td>$ 30,009,653</td>
<td>$ 30,009,653</td>
</tr>
<tr>
<td>% change</td>
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<td>8.2%</td>
<td>8.2%</td>
<td>8.2%</td>
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</table>
Appendix C: Fare Media Comparisons

Feature Comparison

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<thead>
<tr>
<th>Feature</th>
<th>Paper Media</th>
<th>Magnetic Strip</th>
<th>Smart Card</th>
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<tr>
<td>Cost of Card</td>
<td>●</td>
<td>○</td>
<td>○</td>
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<tr>
<td>Data Capacity</td>
<td>○</td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td>Ease of Vending</td>
<td>●</td>
<td>●</td>
<td>○</td>
</tr>
<tr>
<td>Security</td>
<td>○</td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td>Convenience/Choices</td>
<td>○</td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td>Multi-agency/Regional Use</td>
<td>○</td>
<td>○</td>
<td>●</td>
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<tr>
<td>Integration with Other Media Systems</td>
<td>○</td>
<td>●</td>
<td>●</td>
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<tr>
<td>Maintenance of Reader</td>
<td>●</td>
<td></td>
<td>●</td>
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</table>

Cost Comparison

<table>
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<tr>
<th></th>
<th>Magnetic Strip¹</th>
<th>Smart Card²</th>
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<tbody>
<tr>
<td>One Time</td>
<td>$1.2 to $1.9 million</td>
<td>$0.8 to $1.7 million</td>
</tr>
<tr>
<td>Ongoing</td>
<td>$0.3 to $0.5 million</td>
<td>$0.2 to $0.5 million</td>
</tr>
<tr>
<td>First Year³</td>
<td>$1.5 to $2.5 million</td>
<td>$1.1 to $2.2 million</td>
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NOTES:
1. TCRP Report 94, cost of system for small bus agency (100 vehicles).
2. TCRP Report 94, cost of system for small bus agency (100 vehicles) in regional fare program.
3. Ventura County Transportation Commission implemented an electronic fare payment system on 109 buses operated by the county transit systems. The system includes smart card readers on buses, APCs, and a GPS system. The total cost for Ventura County was approximately $1.7M
To: Board of Directors

From: D. Sobotka, Controller

Subject: Approve FY 2008 Operating and Capital budgets and authorize staff to file necessary grant applications.

RECOMMENDATION:

As recommended by the Finance Committee:

1. Approve the FY 2008 budget. (Attachment 1)
2. Authorize staff to file the appropriate state and local grant applications to execute the budget.
3. Approve Resolution 2007-24 (Attachment 4) authorizing filing federal grant applications.
4. Approve FY 2008 Goals and Objectives (Attachment 5).

FISCAL IMPACT:

The FY 2008 budget is $29,018,805, which is a 4.4 percent decrease from FY 2007. Two service centers comprise the budget, MST Fixed-Route (BUS) and MST ADA Paratransit (RIDES).

<table>
<thead>
<tr>
<th>Fixed Route BUS</th>
<th>FY 2007</th>
<th>FY 2008</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating</td>
<td>$22,122,688</td>
<td>$23,894,942</td>
<td>8.0%</td>
</tr>
<tr>
<td>Capital</td>
<td>$6,277,659</td>
<td>$3,114,364</td>
<td>(50.4%)</td>
</tr>
<tr>
<td>Total</td>
<td>$28,400,347</td>
<td>$27,009,306</td>
<td>(4.9%)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>MST RIDES</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating</td>
<td>$1,952,226</td>
<td>$1,839,549</td>
<td>(5.8%)</td>
</tr>
<tr>
<td>Capital</td>
<td>-0-</td>
<td>$169,950</td>
<td>100.0%</td>
</tr>
<tr>
<td>Total</td>
<td>$1,952,226</td>
<td>$2,009,499</td>
<td>2.9%</td>
</tr>
</tbody>
</table>

| Total           | $30,352,573 | $29,018,805 | (4.4%)   |

The entire MST budget, including each of these sub-budgets, is balanced. That is, revenues match expenses. The budget is in Attachment 1 and the Resolution is Attachment 4.
POLICY IMPLICATIONS:

Approval of this budget confirms your Board’s intentions as indicated below:

**MST Fixed-Route (BUS).** The proposed budget contemplates no fare increase and requires maintaining current levels of service. Service to South Monterey County cities will continue, as well as service to the AMTRAK Station in San Jose.

**MST ADA Paratransit (RIDES).** The proposed budget maintains the level of service to meet ADA requirements including service to South Monterey County. In order to ensure a minimum state mandated farebox recovery ratio be maintained, the rate will be combined with Fixed-Route service.

DISCUSSION:

The FY 2008 Budget is a balanced budget and decreases total operating and capital expenses by 4.4% from the last fiscal year budget. The FY 2008 budget contemplates a reduction in directly operated service of 1.9% and decreasing staffing levels by 2 full time equivalents.

The draft budget was presented to your Board at the April 9, 2007 meeting, and you referred it to the Finance Committee for review and for recommendations. Subsequent to the meeting, additional Federal and local transportation funds were available for FY 2008. This change has been incorporated in the BUS Operating Budget as shown in the third column below. The Finance Committee met on May 3, 2007 and recommends the final proposed budget displayed in the table below.

<table>
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<th>Initial Budget</th>
<th>Changes By Finance Committee</th>
<th>Final Proposed Budget</th>
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<td>MST BUS</td>
<td>$23,599,162</td>
<td>$ 295,780</td>
<td>$23,894,942</td>
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<tr>
<td>MST RIDES</td>
<td>3,114,364</td>
<td>-0</td>
<td>3,114,364</td>
</tr>
<tr>
<td>Total</td>
<td>26,713,526</td>
<td>295,780</td>
<td>27,009,306</td>
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</table>

<table>
<thead>
<tr>
<th>Capital</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>MST BUS</td>
<td>1,839,549</td>
<td>-0</td>
<td>1,839,549</td>
</tr>
<tr>
<td>MST RIDES</td>
<td>169,950</td>
<td>-0</td>
<td>169,950</td>
</tr>
<tr>
<td>Total</td>
<td>2,009,499</td>
<td>-0</td>
<td>2,009,499</td>
</tr>
</tbody>
</table>

| Total      | $28,723,025    | $ 295,780                     | $29,018,805           |

The components of the $295,780 increase in BUS Operating expenses are listed in Attachment 2.

The Committee recommends no changes to the BUS Capital budget and RIDES Operating and Capital budgets as shown in Attachment 1.
Approval of this budget will allow us to continue to maintain efficient levels of service and maintain service reliability throughout the MST BUS and MST RIDES systems, and achieve MST FY 2008 objectives as outlined in Attachment 5. New objectives to be accomplished include improving service design and infrastructure and conserving natural resources. Approval of this budget authorizes the filing of the appropriate grant applications as well as Board and Staff travel.

Attachments:
1. Proposed FY 2007 budget
2. Changes recommended by Finance Committee
3. Proposed FY 2007 staffing
4. Resolution 2007-24
5. Proposed FY 2007 Goals and Objectives
Monterey-Salinas Transit

FY 2008 BUDGET

July 1, 2007 – June 30, 2008

Board of Directors

Fernando Armenta, Chair, County of Monterey
Tom Mancini, Vice-Chair, City of Seaside
Kristin Clark, City of Del Rey Oaks
Michael Cunningham, City of Carmel-By-The-Sea
Libby Downey, City of Monterey
Sergio Sanchez, City of Salinas
Lisa Senkir, City of Gonzales (Ex-Officio)
Vicki Stilwell, City of Pacific Grove
Gary Wilmot, City of Marina

MST Staff

Carl G. Sedoryk, General Manager/CEO
Dave Sobotka, Controller
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SUMMARY

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<th>Page No.</th>
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<tr>
<td>Section 2. Fixed Route BUS Performance Measures</td>
<td>7</td>
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<td>Section 3. MST RIDES Performance Measures</td>
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Part A. FIXED ROUTE BUS

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Part B. MST RIDES

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<tr>
<td>Section 2. Capital Budget</td>
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FY 2008
BUDGET SUMMARY
Summary

General Overview

Keeping in mind the primary mission, key business drivers and objectives for FY 2008, management has approached this budget cycle with the intention of providing Your Board with a quality-driven, programmatic budget. As a reminder these criteria are listed below for your reference.

MISSION STATEMENT

Our mission is leading, advocating and delivering quality public transportation.

KEY BUSINESS DRIVERS

Key Business Driver #1 - Operate safely, efficiently and effectively

Key Business Driver #2 – Increase customer satisfaction

Key Business Driver #3 - Strengthen employee development and satisfaction

Key Business Driver #4 - Enhance support by MST members and other stakeholders

FY 2008 STRATEGIC GOALS, OBJECTIVES AND ACTION PLANS

The FY 2008 Strategic Goals, Objectives and Action Plans are listed on Attachment 5 of this agenda item.

General Budget Structure

The MST budget is divided into two service centers: Fixed Route BUS provides for operation of buses on fixed routes. MST RIDES provides for paratransit operation of small buses and vans, and complies with the Americans with Disabilities Act. Each service center budget is balanced, that is, revenues match expenses.

Each service center has an operating budget and a capital budget: The operating budget covers day-to-day expenses associated with operating transit services. It is funded with passenger fares, federal grants, local transportation funds (LTF) and advertising revenue.
The capital budget provides for purchase of accountable, non-consumable property. This primarily includes vehicle payments, facilities improvements, and equipment. It is funded with federal and state (STAF) funds.

MST is not permitted to have a “contingency fund” or to carryover unused funds. There is no local tax dedicated for transit.

**FY 2008 Budget Characteristics**

The FY 2008 budget is balanced. That is, revenues equal expenses.

The FY 2008 budget maintains service levels for Fixed Route BUS Service as revised in January 2007. The budget includes maintaining service to South Monterey County on a continuing basis, for both Fixed Route BUS and MST RIDES.

The table below shows the two service centers with their operating and capital budgets for FY 2008 and FY 2007. The proposed FY 2008 budget is $29,018,805, which is 4.4 percent less than the FY 2007 budget.

<table>
<thead>
<tr>
<th></th>
<th>FY 2007</th>
<th>FY 2008</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fixed Route BUS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating</td>
<td>$22,122,688</td>
<td>$23,894,942</td>
<td>8.0%</td>
</tr>
<tr>
<td>Capital</td>
<td>6,277,659</td>
<td>3,114,364</td>
<td>(50.4%)</td>
</tr>
<tr>
<td>Total</td>
<td>$28,400,347</td>
<td>$27,009,306</td>
<td>(4.9%)</td>
</tr>
</tbody>
</table>

| **MST RIDES**          |               |               |           |
| Operating              | $1,952,226    | $1,839,549    | (5.8%)    |
| Capital                | -0-           | 169,950       | 100.0%    |
| Total                  | $1,952,226    | $2,009,499    | 2.9%      |

| Total                  | $30,352,573   | $29,018,805   | (4.4%)    |

On the following pages are the Operating Budget Recap of Revenue and Expense by Account with comparison to FY 2007 at page 6, Performance Measures for BUS at page 7 and RIDES at page 9.
### Section 1. Operating Budget Recap

**MONTEREY-SALINAS TRANSIT**  
**FISCAL YEARS 2007 AND 2008**  
**OPERATING BUDGET RECAP**

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<th>REVENUES</th>
<th>EXPENSES</th>
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<td><strong>Object</strong></td>
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<td>$5,487,022</td>
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<tr>
<td>402 Special Transit Fares</td>
<td>311,921</td>
<td>311,921</td>
</tr>
<tr>
<td>405 Charter Service Revenues</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>406 Associated Transit Revenues</td>
<td>316,600</td>
<td>316,600</td>
</tr>
<tr>
<td>407 Non-Transportation Revenues</td>
<td>80,000</td>
<td>140,000</td>
</tr>
<tr>
<td>409 Local Cash Grants (LTF)</td>
<td>9,062,850</td>
<td>10,486,809</td>
</tr>
<tr>
<td>411 Other Local Revenues</td>
<td>226,089</td>
<td>305,000</td>
</tr>
<tr>
<td>413 Federal Cash Grants</td>
<td>6,638,206</td>
<td>6,847,590</td>
</tr>
<tr>
<td><strong>TOTAL REVENUES</strong></td>
<td><strong>$22,122,688</strong></td>
<td><strong>$23,894,942</strong></td>
</tr>
<tr>
<td>501 Labor</td>
<td>$8,961,877</td>
<td>$9,039,168</td>
</tr>
<tr>
<td>502 Fringe Benefits</td>
<td>6,643,421</td>
<td>6,749,328</td>
</tr>
<tr>
<td>503 Services</td>
<td>1,077,870</td>
<td>1,508,335</td>
</tr>
<tr>
<td>504 Materials &amp; Supplies</td>
<td>2,789,280</td>
<td>3,411,336</td>
</tr>
<tr>
<td>505 Utilities</td>
<td>233,106</td>
<td>220,750</td>
</tr>
<tr>
<td>506 Casualty &amp; Liability</td>
<td>472,108</td>
<td>472,108</td>
</tr>
<tr>
<td>507 Taxes</td>
<td>174,845</td>
<td>214,985</td>
</tr>
<tr>
<td>508 Purchased Transportation</td>
<td>1,528,833</td>
<td>2,027,585</td>
</tr>
<tr>
<td>509 Miscellaneous</td>
<td>224,948</td>
<td>234,947</td>
</tr>
<tr>
<td>512 Leases &amp; Agreements</td>
<td>16,400</td>
<td>16,400</td>
</tr>
<tr>
<td><strong>TOTAL EXPENSES</strong></td>
<td><strong>$22,122,688</strong></td>
<td><strong>$23,894,942</strong></td>
</tr>
<tr>
<td>513 Depreciation (Memo)</td>
<td>4,469,952</td>
<td>4,872,248</td>
</tr>
<tr>
<td><strong>NM = Not Meaningful</strong></td>
<td><strong>$26,598,055</strong></td>
<td><strong>$28,767,190</strong></td>
</tr>
</tbody>
</table>

NM = Not Meaningful
### Section 2. Fixed Route BUS Performance Measures

<table>
<thead>
<tr>
<th></th>
<th>ACTUAL FY 2006</th>
<th>BUDGET FY 2007</th>
<th>PROPOSED FY 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>BASIC MEASURES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>INPUT</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expenses</td>
<td>$19,401,817</td>
<td>$22,122,688</td>
<td>$23,894,942</td>
</tr>
<tr>
<td>Employees (Full time Equivalents)</td>
<td>213</td>
<td>223</td>
<td>219</td>
</tr>
<tr>
<td><strong>OUTPUT</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vehicle Revenue Hours</td>
<td>197,865</td>
<td>189,852</td>
<td>189,852</td>
</tr>
<tr>
<td>Vehicle Revenue Miles</td>
<td>2,887,400</td>
<td>2,847,780</td>
<td>3,185,768</td>
</tr>
<tr>
<td><strong>END PRODUCT (Service to the public)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Passengers</td>
<td>4,792,300</td>
<td>4,790,145</td>
<td>4,790,145</td>
</tr>
<tr>
<td>Passenger Revenue</td>
<td>$5,660,573</td>
<td>$5,487,022</td>
<td>$5,487,022</td>
</tr>
<tr>
<td><strong>IMPACT</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Provide mobility for social good</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reduce traffic, air pollution, and energy consumption</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>PERFORMANCE INDICATORS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>SERVICE EFFICIENCY (Input vs Output)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expenses/ Vehicle Revenue Hour</td>
<td>$98.06</td>
<td>$116.53</td>
<td>$125.86</td>
</tr>
<tr>
<td>Expenses/Mile</td>
<td>$6.73</td>
<td>$7.77</td>
<td>$7.50</td>
</tr>
<tr>
<td>Vehicle Revenue Hours/Employee</td>
<td>931</td>
<td>847</td>
<td>866</td>
</tr>
<tr>
<td><strong>SERVICE EFFECTIVENESS (Output vs End Product)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Passengers/Mile</td>
<td>1.66</td>
<td>1.58</td>
<td>1.50</td>
</tr>
<tr>
<td>Passengers/Vehicle Revenue Hour</td>
<td>24.2</td>
<td>26.9</td>
<td>26.9</td>
</tr>
<tr>
<td>Revenue/ Vehicle Revenue Hour</td>
<td>$28.61</td>
<td>$30.54</td>
<td>$30.54</td>
</tr>
<tr>
<td>Revenue /Mile</td>
<td>$1.96</td>
<td>$1.93</td>
<td>$1.93</td>
</tr>
<tr>
<td><strong>COST EFFECTIVENESS (Input vs End Product)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expenses/Passenger</td>
<td>$4.05</td>
<td>$4.62</td>
<td>$4.99</td>
</tr>
<tr>
<td>Passenger Rev/Expense (Farebox Recovery)</td>
<td>29.18%</td>
<td>24.80%</td>
<td>24.27%</td>
</tr>
</tbody>
</table>
Section 3. MST RIDES Performance Measures

<table>
<thead>
<tr>
<th>BASIC MEASURES</th>
<th>ACTUAL FY 2006</th>
<th>BUDGET FY 2007</th>
<th>PROPOSED FY 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>INPUT</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expenses</td>
<td>$1,884,811</td>
<td>$1,952,226</td>
<td>$1,839,549</td>
</tr>
<tr>
<td>Employees</td>
<td>23</td>
<td>24</td>
<td>24</td>
</tr>
<tr>
<td>OUTPUT</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vehicle Service Hours</td>
<td>36,352</td>
<td>31,292</td>
<td>31,292</td>
</tr>
<tr>
<td>Vehicle Service Miles</td>
<td>620,573</td>
<td>644,304</td>
<td>644,304</td>
</tr>
<tr>
<td>END PRODUCT (Service to the public)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Passengers</td>
<td>66,538</td>
<td>65,420</td>
<td>65,420</td>
</tr>
<tr>
<td>Passenger Revenue</td>
<td>$174,087</td>
<td>$178,094</td>
<td>$178,094</td>
</tr>
<tr>
<td>IMPACT</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Provide mobility for social good</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Reduce traffic, air pollution,</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>and energy consumption</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

PERFORMANCE INDICATORS

SERVICE EFFICIENCY (Input vs Output)

<table>
<thead>
<tr>
<th></th>
<th>ACTUAL FY 2006</th>
<th>BUDGET FY 2007</th>
<th>PROPOSED FY 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expenses/Vehicle Service Hour</td>
<td>$51.85</td>
<td>$62.39</td>
<td>$58.79</td>
</tr>
<tr>
<td>Expenses/Vehicle Service Mile</td>
<td>$3.04</td>
<td>$3.03</td>
<td>$2.86</td>
</tr>
<tr>
<td>Vehicle Service Hours/Employee</td>
<td>1,594</td>
<td>1,304</td>
<td>1,304</td>
</tr>
</tbody>
</table>

SERVICE EFFECTIVENESS (Output vs End Product)

<table>
<thead>
<tr>
<th></th>
<th>ACTUAL FY 2006</th>
<th>BUDGET FY 2007</th>
<th>PROPOSED FY 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Passengers/Mile</td>
<td>0.11</td>
<td>0.10</td>
<td>0.10</td>
</tr>
<tr>
<td>Passengers/Vehicle Service Hour</td>
<td>1.83</td>
<td>2.09</td>
<td>2.09</td>
</tr>
<tr>
<td>Revenue/Vehicle Service Hour</td>
<td>$4.79</td>
<td>$5.69</td>
<td>$5.69</td>
</tr>
<tr>
<td>Revenue /Mile</td>
<td>$0.28</td>
<td>$0.28</td>
<td>$0.28</td>
</tr>
</tbody>
</table>

COST EFFECTIVENESS (Input vs End Product)

<table>
<thead>
<tr>
<th></th>
<th>ACTUAL FY 2006</th>
<th>BUDGET FY 2007</th>
<th>PROPOSED FY 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expenses/Passenger</td>
<td>$28.33</td>
<td>$29.84</td>
<td>$28.12</td>
</tr>
<tr>
<td>Passenger Rev/Expense (Farebox Recovery)</td>
<td>9.24%</td>
<td>9.12%</td>
<td>9.68%</td>
</tr>
</tbody>
</table>
FY 2008 Budget

FIXED ROUTE BUS
FY 2008 BUDGET
Part A. Fixed Route BUS Operating Budget

REVENUES

<table>
<thead>
<tr>
<th>ACCT NO.</th>
<th>Actual FY 2006</th>
<th>Budget FY 2007</th>
<th>Proposed FY 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>401</td>
<td>$5,348,894</td>
<td>$5,487,022</td>
<td>$5,487,022</td>
</tr>
</tbody>
</table>

Farebox receipts, pass and ticket sales are included in this account. No increase in number of passengers is expected in FY 2008.

| 402      | 311,679        | 311,921        | 311,921         |

This category includes all special transit services for The WAVE, the Edgewater Shopping Area, Laguna Seca and the County Fair. South Monterey County is funded by LTF in 2007 and 2008.

| 405      | -0-            | -0-            | -0-             |

No charter revenues are anticipated because of restrictive federal regulations.

| 406      | 209,707        | 316,600        | 316,600         |

This account is used to gather miscellaneous sources of revenue, of which the primary source is from displaying advertising materials on buses, which is expected to reach $240,000 in FY 2007 and FY 2008.

| 407      | 100,380        | 80,000         | 140,000         |

Interest Income from funds invested is recorded in this account. Interest rates started to rebound in FY 2007 and improved in FY 2008.

| 409      | 7,713,094      | 9,288,939      | 10,791,809      |

Local Transportation Funds (LTF) are allocated to Monterey County based on population levels. These funds are then allocated to transportation activities, including transit. Also included are funds from the Monterey Bay Unified Air Pollution Control District (MBUAPCD) and Amtrak.
FY 2007 BUDGET
Part A. Fixed Route BUS Operating Budget (Continued)

REVENUES (Contd.)

<table>
<thead>
<tr>
<th>ACCT NO.</th>
<th>Actual FY 2005</th>
<th>Budget FY 2006</th>
<th>Proposed FY 2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>411 State Cash Grants</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

MST uses State Transit Assistance Funds (STAF) funding for Capital, and not for Operating expenses.

| 413 Federal Cash Grants | 5,718,063 | 6,638,206 | 6,847,590 |

This account includes general operating assistance from the Federal Transit Administration (FTA Section 5307). Service planning assistance (FTA Section 5303 and 5313(b)), Rural and Intercity funds (FTA Section 5311 and 5311(f)) and JARC Funds are also included in FY 2007.

| TOTAL REVENUES | $ 19,401,817 | $ 22,122,688 | $ 23,894,942 |
FY 2008 BUDGET
Part A. Fixed Route BUS Operating Budget (Continued)

VEHICLE OPERATIONS FUNCTION

This function includes operating buses, and scheduling the buses and drivers.

<table>
<thead>
<tr>
<th>ACCT NO.</th>
<th>Actual FY 2006</th>
<th>Budget FY 2007</th>
<th>Proposed FY 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>501</td>
<td>5,561,879</td>
<td>6,150,888</td>
<td>5,841,814</td>
</tr>
</tbody>
</table>

Bus Operators and Operations Staff comprise this expense category, which includes 133 coach operators, and 21 dispatchers, schedulers, safety inspectors, and field supervisors/ instructors. This year's budget proposes a decrease of three coach operators.

| 502 Fringe Benefits | 3,935,397 | 4,879,080 | 4,805,109 |

Life & Health Insurance, PERS Retirement Benefits, Personal Leave, and Workers Compensation Insurance are the major contributors to this expense category. The increase from FY 2006 is largely due to PERS retirement costs, which increased from 5.4% to 7.7% in FY2007, as well as additional reserves for workers compensation insurance.

| 503 Services | 94,491 | 102,378 | 204,500 |

Security service at all locations represents the major cost accounting for this expense. New service is added for the Marina Transit Exchange in FY 2008.

| 504 Materials and Supplies | 1,629,396 | 1,996,817 | 2,634,327 |

Fuels, Lubricants and Tires are the major components of this expense category. Costs for CNG fuels and diesel have increased during the last year, and prices are expected to continue to rise. Pricing is the main reason for the increase of 22.5 percent in FY 2007 and 31.9 percent in FY 2008.

| 507 Taxes | 108,434 | 125,533 | 165,785 |

The increase in taxes on fuel, tires and supplies in FY 2007 and FY 2008 is primarily due to the increased fuel costs.
FY 2008 BUDGET
Part A. Fixed Route BUS Operating Budget (Continued)

VEHICLE OPERATIONS FUNCTION (Contd.)

<table>
<thead>
<tr>
<th>ACCT NO.</th>
<th>Actual FY 2006</th>
<th>Budget FY 2007</th>
<th>Proposed FY 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>512</td>
<td>4,866</td>
<td>7,500</td>
<td>7,500</td>
</tr>
</tbody>
</table>

MST’s radio antenna site and coach operator restroom leases are included here. The decrease in FY 2007 is due to reduced costs on the lease of high-speed data transmission lines for the AVL system.

TOTAL OPERATIONS EXPENSE $11,334,463 $13,262,197 $13,659,035
FY 2008 BUDGET
Part A. Fixed Route BUS Operating Budget (Continued)

VEHICLE MAINTENANCE FUNCTION

The Vehicle Maintenance function includes preventive and corrective maintenance on revenue and support vehicles, as well as updating vehicle records, and servicing and fueling of vehicles.

<table>
<thead>
<tr>
<th>ACCT NO.</th>
<th>Actual FY 2006</th>
<th>Budget FY 2007</th>
<th>Proposed FY 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>501</td>
<td>$1,341,215</td>
<td>$1,395,921</td>
<td>$1,598,345</td>
</tr>
</tbody>
</table>

This category includes 19 mechanics and assistants, 8 utility service workers, 5 parts inventory staff, and 5 shift supervisors and support staff. Adding a two mechanics to reduce overtime in FY 2008.

| 502      | Fringe Benefits  | 880,448       | 975,231         | 1,104,018     |

Life & Health Insurance, PERS Retirement Benefits, Personal Leave, and Workers Compensation Insurance are the major contributors to this category. The 13.2 percent increase is due to increased staff.

| 503      | Services       | 93,803        | 104,853         | 204,141      |

Fuel/Run-off Water Analysis, Temporary Help and Outside Labor for repairs, laundry, towing and hazardous waste disposal are included in this category. The 94.7 percent increase in FY 2008 is for increased hazardous waste removal costs and CNG station repairs.

| 504      | Materials and Supplies | 505,288 | 465,213 | 465,459 |

Vehicle Maintenance Parts makes up the largest component of this category. Fuels, lubricants and bus cleaning & painting supplies are the other major item. There is no increase from FY 2007 due largely to lower maintenance costs for new buses.

| 506      | Casualty and Liability Costs | 123,530 | 45,000  | 45,000  |

Physical damage repair costs are reported in this Department’s account. No increase is expected from insurers.
FY 2008 BUDGET
Part A. Fixed Route BUS Operating Budget (Continued)

VEHICLE MAINTENANCE FUNCTION (Contd.)

<table>
<thead>
<tr>
<th>ACCT NO.</th>
<th>Actual FY 2006</th>
<th>Budget FY 2007</th>
<th>Proposed FY 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>507 Taxes</td>
<td>20,889</td>
<td>40,311</td>
<td>40,200</td>
</tr>
</tbody>
</table>

No increase between FY 2007 and FY 2008 is due to no increase in vehicle maintenance parts in the Materials and Supplies expense category.

| 512 Leases and Rentals | -0- | 2,000 | 2,000 |

This category of expense is for rental of shop and maintenance equipment.

**TOTAL VEHICLE MAINTENANCE EXPENSE**

|                | $ 2,965,173 | $ 3,028,530 | $ 3,459,163 |
FY 2008 BUDGET
Part A. Fixed Route BUS Operating Budget (Continued)

FACILITIES MAINTENANCE FUNCTION

This function includes maintenance of grounds, buildings, and bus stops.

<table>
<thead>
<tr>
<th>ACCT NO.</th>
<th>Actual FY 2006</th>
<th>Budget FY 2007</th>
<th>Proposed FY 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>501</td>
<td>$ 223,517</td>
<td>$ 252,112</td>
<td>$ 277,099</td>
</tr>
</tbody>
</table>

Three utility service workers, a custodian, a supervisor, and a Facilities/Capital Projects Manager comprise this function.

502 Fringe Benefits

Life & Health Insurance, PERS Retirement Benefits, Personal Leave, and Workers Compensation Insurance remain the major contributors to this expense category, which is an increase of 3.1 percent.

<table>
<thead>
<tr>
<th>ACCT NO.</th>
<th>Actual FY 2006</th>
<th>Budget FY 2007</th>
<th>Proposed FY 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>502</td>
<td>121,112</td>
<td>134,626</td>
<td>138,820</td>
</tr>
</tbody>
</table>

Outside Labor is used in order to meet the specialized requirements of our plant and equipment and keep our staff levels low. Services are provided for all building and equipment maintenance and repairs, including shelters, transit centers, grounds, fuel islands, hazardous waste disposal & cleanup, bus washers, and storage tanks. Office, telephone and computer equipment are also maintained from this account. Computer software maintenance contracts and general cost increases account for the 22.9 percent increase in FY 2008.

503 Services

<table>
<thead>
<tr>
<th>ACCT NO.</th>
<th>Actual FY 2006</th>
<th>Budget FY 2007</th>
<th>Proposed FY 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>503</td>
<td>313,277</td>
<td>394,839</td>
<td>485,394</td>
</tr>
</tbody>
</table>

Primarily cleaning supplies for buildings, transit centers, shelter and bus stops are represented by this expense category. The 16.2 percent decrease is due to the CNG fueling station maintenance taken over by the City of Monterey in FY 2008.

504 Materials and Supplies

<table>
<thead>
<tr>
<th>ACCT NO.</th>
<th>Actual FY 2006</th>
<th>Budget FY 2007</th>
<th>Proposed FY 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>504</td>
<td>80,325</td>
<td>97,050</td>
<td>81,350</td>
</tr>
</tbody>
</table>

512 Leases and Rentals

<table>
<thead>
<tr>
<th>ACCT NO.</th>
<th>Actual FY 2006</th>
<th>Budget FY 2007</th>
<th>Proposed FY 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>512</td>
<td>-0-</td>
<td>1,500</td>
<td>1,500</td>
</tr>
</tbody>
</table>

This category of expense is for rental of maintenance equipment.

TOTAL FACILITIES MAINTENANCE EXPENSE

<table>
<thead>
<tr>
<th></th>
<th>Actual FY 2006</th>
<th>Budget FY 2007</th>
<th>Proposed FY 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL</td>
<td>$ 738,231</td>
<td>$ 880,127</td>
<td>$ 984,162</td>
</tr>
</tbody>
</table>
FY 2008 BUDGET
Part A. Fixed Route BUS Operating Budget (Continued)

GENERAL ADMINISTRATION FUNCTION

The General Administration function includes, transit planning, customer services, marketing, finance and accounting, computer systems, personnel administration, and legal services.

<table>
<thead>
<tr>
<th>ACCT NO.</th>
<th>Actual FY 2006</th>
<th>Budget FY 2007</th>
<th>Proposed FY 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>501 Salaries and Wages</td>
<td>$1,059,019</td>
<td>$1,162,956</td>
<td>$1,321,910</td>
</tr>
</tbody>
</table>

This account represents the costs for 23.5 employees that perform the Administrative Function. These functions include transit planning, customer services, marketing, finance and accounting, computer systems, and personnel administration. The 13.7 percent increase is due to the addition of a marketing assistant and a mobility manager and second-phase of salary adjustments.

| 502 Fringe Benefits | 619,608 | 654,484 | 701,383 |

Life & Health Insurance, PERS Retirement Benefits, Personal Leave, and Workers Compensation Insurance are the major expenses to this category. The 7.2 percent increase is primarily due to the added position benefits.

| 503 Services | 347,512 | 475,800 | 614,300 |

Professional services, contract negotiations, marketing services and advertising are the four major expenditure areas in this category. Additional Consulting expenses for a passenger survey, union contract negotiations and an ergonomic project represent the 29.1 percent increase in FY 2008.

| 504 Materials and Supplies | 227,628 | 230,200 | 230,200 |

Printed material such as passes, tickets, and Riders’ Guides as well as office and public information and bus advertising costs are expended from this category. No increase is expected in FY 2008.
FY 2008 BUDGET  
Part A. Fixed Route BUS Operating Budget (Continued)

GENERAL ADMINISTRATION FUNCTION (Contd.)

<table>
<thead>
<tr>
<th>ACCT NO.</th>
<th>Actual FY 2006</th>
<th>Budget FY 2007</th>
<th>Proposed FY 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>505</td>
<td>211,684</td>
<td>233,106</td>
<td>220,750</td>
</tr>
</tbody>
</table>

Telephone, power, gas and alarm services are included in these expense accounts. The 5.3 percent decrease is expected from decreases for energy costs due to more efficient facility use.

| 506       | 565,398        | 427,108        | 427,108          |

Property Damage and Liability Insurance costs are represented in this account category. No increase is reflected in FY 2008 to recognize continued stabile costs from insurance carriers and recoveries initiated by staff.

| 507       | 9,663          | 9,000          | 9,000            |

Excise taxes are included as the primary expenditure in this category.

| 508       | 1,067,116      | 1,528,833      | 2,027,585        |

Purchased transportation contracts for DART shuttle service, lines 1, 2, 4, 6, 7, 8, 22, 24-Grapevine Express, 27 and 48 continue under the MV contract and the Marina DART is added in FY 2008. All of these factor into the 32.6% increase in this expense category.

| 509       | 251,976        | 224,948        | 234,947          |

Training & Travel, Ad Media, Bad Debts, Publications and Dues & Permits represent the expenditure types included in this category.

The Board travel in this account covers the following: American Public Transit Association (APTA), California Transit Association (CTA) and travel to Washington, DC and Sacramento to meet with legislators and other officials. The budget provides one meeting for six board members; two meetings for two board members; and two meetings for three board members.
FY 2008 BUDGET
Part A. Fixed Route BUS Operating Budget (Continued)

GENERAL ADMINISTRATION FUNCTION (Contd.)

<table>
<thead>
<tr>
<th>ACCT NO.</th>
<th>Actual FY 2006</th>
<th>Budget FY 2007</th>
<th>Proposed FY 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>512</td>
<td>4,347</td>
<td>5,400</td>
<td>5,400</td>
</tr>
</tbody>
</table>

The postage meter lease is paid from this category.

<table>
<thead>
<tr>
<th>TOTAL GENERAL ADMINISTRATIVE EXPENSE</th>
<th>$ 4,363,951</th>
<th>$ 4,951,835</th>
<th>$ 5,792,583</th>
</tr>
</thead>
</table>
## FY 2008 BUDGET
### Part A. Fixed Route BUS Capital Budget

<table>
<thead>
<tr>
<th>Priority NO.</th>
<th>Description</th>
<th>Federal Share</th>
<th>Local Share</th>
<th>Total Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Bus Lease Payment Fund</td>
<td>$ 200,640</td>
<td>$2,429,874</td>
<td>$ 2,630,514</td>
</tr>
<tr>
<td></td>
<td>Funding to continue financing payments with Federal Earmark and STAF Funds.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Replace 12 Service vehicles</td>
<td>396,000</td>
<td>396,000</td>
<td></td>
</tr>
<tr>
<td></td>
<td>A sedan, three (3) trucks and seven (7) RUs will be purchased with STA and Local Transportation Funds.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Repair/Upgrade Bus Washers</td>
<td>150,000</td>
<td>150,000</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Funding to repair and upgrade the bus washers at TDA and CJW with State Transit Assistance Funds.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Replace TDA Main Copy Machine</td>
<td>25,000</td>
<td>25,000</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Replace primary copy machine at TDA division with Local Transportation Funds.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Replace Portable Hoist at TDA</td>
<td>48,000</td>
<td>48,000</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Replace portable hoist at TDA division with Local Transportation Funds.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Miscellaneous Computer Equipment</td>
<td>14,850</td>
<td>14,850</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Replace computer equipment for Operations and Maintenance Departments at TDA division with Local Transportation Funds.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**TOTAL BUS CAPITAL**

<table>
<thead>
<tr>
<th></th>
<th>$ 200,640</th>
<th>$ 2,913,724</th>
<th>$ 3,114,364</th>
</tr>
</thead>
</table>
FY 2008 BUDGET
MST RIDES
FY 2008 BUDGET
MST RIDES
Part B. Operating Budget
REVENUES

<table>
<thead>
<tr>
<th>ACCT NO.</th>
<th>Actual FY 2006</th>
<th>Budget FY 2007</th>
<th>Proposed FY 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>401</td>
<td>$156,394</td>
<td>$177,894</td>
<td>$177,894</td>
</tr>
<tr>
<td>Passenger Revenues</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Farebox receipts, ticket sales passenger payments to taxis are included in this account. Passenger count has stabilized as the requalification process has been completed. No increase in passengers is anticipated for FY 2008.

| 402      | -0-            | 200            | 200              |
| Special Transit Fares                     |                |                |                  |

Contracted service to South County will come from STAF funds paid by the cities utilizing the ADA services in the transit corridor.

| 407      | 86             | 800            | 800              |
| Non-Transit Revenues                       |                |                |                  |

Interest Income from capital escrow funds are recorded in this account.

| 409      | 1,212,850      | 90,463         | 0                |
| Local Cash Grants (LTF)                     |                |                |                  |

Local Transportation Funds for Monterey County are allocated to MST RIDES based on available funds. Funds were transferred to Fixed-Route BUS in FY 2008, and were replaced by STAF funding.

| 411      | -0-            | 1,400,981      | 1,378,767        |
| State Grants                                   |                |                |                  |

RIDES qualifies for STAF funding for Operating Expenses in FY 2008. This level may change each year depending upon qualification. Capital spending is always the alternative.

| 413      | 259,000        | 281,887        | 281,887          |
| Federal Cash Grants                            |                |                |                  |

Federal operating funds are expected to remain flat in FY 2008 due to used up Federal Job Access Reverse Commute funds.

| TOTAL REVENUES | $1,628,330 | $1,952,226 | $1,839,549 |
### FY 2008 BUDGET

#### MST RIDES

**Part B. Operating Budget (Continued)**

#### EXPENSES

<table>
<thead>
<tr>
<th>ACCT NO.</th>
<th>VEHICLE OPERATIONS FUNCTION</th>
<th>Actual FY 2006</th>
<th>Budget FY 2007</th>
<th>Proposed FY 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>501</td>
<td>Salaries and Wages</td>
<td>$65,037</td>
<td>$71,473</td>
<td>$68,614</td>
</tr>
</tbody>
</table>

Operations Staff of one-half full-time equivalents will continue to manage the contract for purchased transportation plus one full-time equivalent clerical person.

<table>
<thead>
<tr>
<th>ACCT NO.</th>
<th>VEHICLE MAINTENANCE FUNCTION</th>
<th>Actual FY 2006</th>
<th>Budget FY 2007</th>
<th>Proposed FY 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>503</td>
<td>Services</td>
<td>-000</td>
<td>3,500</td>
<td>3,500</td>
</tr>
</tbody>
</table>

Vehicle maintenance services are expenses included in this category.

<table>
<thead>
<tr>
<th>ACCT NO.</th>
<th>VEHICLE MAINTENANCE FUNCTION</th>
<th>Actual FY 2006</th>
<th>Budget FY 2007</th>
<th>Proposed FY 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>504</td>
<td>Materials and Supplies</td>
<td>-000</td>
<td>18,000</td>
<td>20,000</td>
</tr>
</tbody>
</table>

Vehicle maintenance parts are included in this category.

The following table provides a breakdown of expenses for the MST RIDES operating budget for FY 2008:

**TOTAL OPERATIONS EXPENSE**

<table>
<thead>
<tr>
<th></th>
<th>Actual FY 2006</th>
<th>Budget FY 2007</th>
<th>Proposed FY 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$97,052</td>
<td>$104,279</td>
<td>$105,076</td>
</tr>
</tbody>
</table>

**TOTAL VEHICLE MAINTENANCE EXPENSE**

<table>
<thead>
<tr>
<th></th>
<th>Actual FY 2006</th>
<th>Budget FY 2007</th>
<th>Proposed FY 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$0</td>
<td>$21,500</td>
<td>$23,500</td>
</tr>
</tbody>
</table>
FY 2008 BUDGET
MST RIDES
Part B. Operating Budget (Continued)
EXPENSES

<table>
<thead>
<tr>
<th>ACCT NO.</th>
<th>Actual FY 2006</th>
<th>Budget FY 2007</th>
<th>Proposed FY 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>FACILITIES MAINTENANCE FUNCTION</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>503 Services</td>
<td>$28,069</td>
<td>$56,600</td>
<td>$50,400</td>
</tr>
</tbody>
</table>

MIS Support & Software and Radio Maintenance are in this account category. New lease costs for Trapeze Dispatching Software is included in FY 2006, and Mobile Digital Terminal lease costs were added in FY 2007.

| GENERAL ADMINISTRATION FUNCTION |
| 501 Salaries and Wages | -0- | 17,820 | 19,422 |

Administrative Staff of one-half full-time equivalent is used to provide clerical and accounting support for the RIDES administrative function.

| 502 Fringe Benefits | -0- | 7,177 | 9,796 |

PERS, Health and Life Insurance, Medicare, Unemployment, and Workers Compensation Insurance are the major contributors to this expense category.

| 503 Services | -0- | 35,000 | 35,000 |

Services for counsel, biennial maintenance audits, and MV Transportation computer support are provided in this account.

| 504 Materials and Supplies | 820 | 8,200 | 10,200 |

Printing and administrative services are reflected in this account.

| 508 Purchased Transportation | 1,499,328 | 1,697,650 | 1,580,656 |

Purchase transportation for RIDES is managed by a single vendor contract. Decreased costs are expected to include more efficient service.
FY 2008 BUDGET
MST RIDES
Part B. Operating Budget (Continued)

GENERAL ADMINISTRATION FUNCTION (Contd.)

<table>
<thead>
<tr>
<th>ACCT NO.</th>
<th>Actual FY 2006</th>
<th>Budget FY 2007</th>
<th>Proposed FY 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>509</td>
<td>1,445</td>
<td>4,000</td>
<td>5,500</td>
</tr>
</tbody>
</table>

Training is the primary expenditure in this category.

TOTAL GENERAL ADMINISTRATIVE EXPENSE

<table>
<thead>
<tr>
<th></th>
<th>FY 2006</th>
<th>FY 2007</th>
<th>FY 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 1,501,593</td>
<td>$ 1,769,847</td>
<td>$ 1,660,574</td>
<td></td>
</tr>
</tbody>
</table>
## FY 2008 BUDGET
### Part B. RIDES Capital Budget

<table>
<thead>
<tr>
<th>Priority NO.</th>
<th>Description</th>
<th>Federal Share</th>
<th>Local Share</th>
<th>Total Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Replacement Buses</td>
<td>$134,400</td>
<td>$33,600</td>
<td>$168,000</td>
</tr>
<tr>
<td></td>
<td>Funding for three (3) Mini-buses with Federal Section 5310 and STAF Funds.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Decals for Buses</td>
<td></td>
<td>1,950</td>
<td>1,950</td>
</tr>
<tr>
<td></td>
<td>Decals installed on three (3) Mini-buses with STAF Funds.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL BUS CAPITAL</td>
<td></td>
<td>$134,400</td>
<td>$35,550</td>
<td>$169,950</td>
</tr>
</tbody>
</table>
RESOLUTION AUTHORIZING THE FILING OF AN APPLICATION WITH THE
DEPARTMENT OF TRANSPORTATION, UNITED STATES OF AMERICA, FOR A
GRANT UNDER THE URBAN MASS TRANSPORTATION ACT OF 1964, AS
AMENDED,
FOR FINANCIAL ASSISTANCE FY 2008

WHEREAS, the Secretary of Transportation is authorized to make grants for
mass transportation program of projects and budget;

WHEREAS, the contract for financial assistance will impose certain obligations
upon the applicant, including the provisions by it of the local share of project costs in the
program;

WHEREAS, it is required by the U.S. Department of Transportation in accord
with the provisions of the Title VI of the Civil Rights Act of 1964, as amended, the
applicant give an assurance that it will comply with Title VI of the Civil Rights Act of
1964 and the U.S. Department of Transportation requirements thereunder; and

WHEREAS, it is the goal of the applicant that minority business be utilized to the
fullest extent possible in connection with this project, and that definitive procedures shall
be established and administered to ensure that minority business shall have the
maximum opportunity to compete for contracts when procuring construction contracts,
supplies, equipment contracts, or consultant and other services.

NOW, THEREFORE BE IT RESOLVED by the Board of Directors of Monterey-
Salinas Transit:

1. That Carl Sedoryk, General Manager / CEO, is authorized to execute and
file an application on behalf of Monterey-Salinas Transit with the U.S.
Department of Transportation, to aid in the financing of planning, capital
and operating projects pursuant to Section 5208(f), 5307, 5309, 5310, and
5311 of the Urban Mass Transportation Act of 1964, as amended, and
CMAQ.

2. That Carl Sedoryk, General Manager / CEO, is authorized to execute and
file with such application an assurance or any other document required by
the U. S. Department of Transportation effectuating the purposes of Title
VI of the Civil Rights Act of 1964.
3. That Carl Sedoryk, General Manager / CEO, is authorized to furnish such additional information as the U.S. Department of Transportation may require in connection with the application for the program of projects and budget.

4. That Carl Sedoryk, General Manager / CEO, is authorized to set forth and execute affirmative minority business policies in connection with the program of projects and budget procurement needs.

5. That Carl Sedoryk, General Manager / CEO, is hereby authorized to execute the grant agreements on behalf of Monterey-Salinas Transit with the U.S. Department of Transportation for aid in the financing of the planning, capital and operating program of projects and budget.

PASSED AND ADOPTED BY THE BOARD OF DIRECTORS OF MONTEREY-SALINAS TRANSIT this 14th day of May 2007 by following vote:

AYES: Armenta, Clark, Cunningham, Downey, Mancini, Russell, Stilwell, Wilmot

NOES: None

ABSENT: None

Fernando Armenta
Chairman

Carl Sedoryk
Secretary
FY 2008
DRAFT GOALS, OBJECTIVES, AND ACTION PLANS

The following are the six strategic goals that Monterey Salinas Transit will pursue over the next three - five years. Beneath each goal are specific objectives to be met during the FY 2008 to support these goals along with tactics to be used to achieve each objective.

1. Improve Service Design and Infrastructure:

Objective: Develop and implement changes to MST’s existing services and infrastructure to accommodate future growth, while attracting new riders by utilizing effective marketing techniques and by applying greater focus in meeting individual community needs.

Action Plan: Implement new services including Marina DART, Gonzales DART and streamlined South County services. Fine-tune Peninsula Service change in response to customer requests Expanding MST Trolley service beyond traditional season and service area will also considered. Targeted marketing and promotional efforts designed towards major employers, schools, seniors, hospitality industry, and non-traditional riders will also assist in growing ridership. Begin design of FJL Monterey Bay Operations facility. Move Monterey transfer location from Simoneau Plaza to better location for customers and operations. Develop comprehensive regional Bus Rapid Transit plan and apply for funding for Lighthouse Avenue BRT plan as appropriate.

2. Develop Stable Long Term FundingSources:

Objectives: Through education – encourage policy makers 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.

Pursue public / private partnerships, fare-pricing strategies, and revenue generation from the use of MST assets as means to generate the funds required to construct needed capital facilities, purchase vehicles, sustain both current and future transit services, and reduce the overall subsidy per passenger.

Action Plan: Adopt and execute state and federal legislative programs. Participate in community outreach and provide public information regarding measures to provide dedicated funding for improved public transportation. Implement public/public partnerships for development of new services to CHOMP, and Salinas Valley Memorial Hospitals. Begin development of housing, retail and professional components of Marina Transit Exchange. Seek public and
private funding partners for development of FJL Monterey Bay Operations Center. Identify means to develop MST properties in a manner that promotes increased transit use, provides stable long-term funding for MST, and is consistent with local jurisdiction land use guidelines.

3. Enhance Information Technology

Objective: Continue to explore and implement new technologies that enhance the overall customer experience, reduce costs, attract new customers, retain existing customers, and improve the image of MST in the community.

Action Plan: Complete implementation of Dispatch and Attendance tracking software to reduce costs. Implement real-time passenger information signage at major MST transfer locations. Improve MST Online to allow customers better access to online information about MST including automated trip planning and online pass sales. Begin implementation of WiFi technology on regional routes. Complete study of smart card technology and plan for implementation of regional smart card system.

4. Improve Service Quality

Objective: Continue MST commitment to Service Quality through implementation of the MST Business Model and focus on Key Business Drivers including safety, efficiency, effectiveness, customer satisfaction, employee satisfaction, and stakeholder satisfaction

Action Plan: Conduct business within approved budget and performance indicators. To meet and exceed safety performance indicators staff will provide continuation of programs that reward safe behavior, additional training for coach operators to diffuse difficult situations, and installation of safety and security cameras at MST facilities and on board MST buses. Effectiveness indicators will be met and exceeded through “fine-tuning” of the Peninsula Services, and addition of new/improved services in South County generating a 2% growth in ridership. Efficiency performance indicators will be met and exceeded through efficiencies gained by the implementation of Hastus Daily Dispatch and Attendance software system, Maximus Fleet Focus Maintenance and Materials Management system, and Serenic Navigator Financial and Human Resources Systems. Encourage transit friendly land-use planning through further dissemination of Designing For Transit manual. Improve communication with all employees and ATU leadership. Complete negotiations of ATU labor agreement. Continue to recognize and celebrate individual and group achievements in support of MST objectives, goals and mission.
5. **Leverage Alternative Fuels:**

Objective: Implement an economically sound and environmentally friendly fuel strategy, with a renewable alternative fuel component, which meets or exceeds California Air Resources Board (CARB) emission standards and maximizes fuel efficiency.

Action Plan: Participate in National, State and regional transit conferences, meetings and groups (APTA, CTA, RTA, alternative fuel forums, user groups etc) that identify and outline changes to Federal and CARB emission requirements. Maintain dialogue with CARB staff regarding emission requirements and emission reduction strategies. Consider cost efficient alternative fuel(s) with minimum/no extra infrastructure costs. Determine cost of using recommended alternative fuel and determine what percentage the alternative fuel should be used in the fleet. Fuel tanks tested for compliance with biodiesel/other product. Conduct ongoing testing of tanks and monitor engine/filter components.

6. **Improve Board Structure and Process:**

Objective: Redirect the MST Board’s structure, processes, and oversight to provide greater emphasis to long-term strategic and policy focus in support of the MST Business Model.

Action Plan: Work with Board to implement a structure that allows for appropriate oversight while focusing Board on long-term strategic and policy issues. Encourage Board to attend industry conferences to enhance the ongoing development of the Board.

*Adopted May 2007*
To: Board of Directors

From: C. Sedoryk, General Manager/CEO

Subject: FY 2008 – 2010 Strategic Plan

**RECOMMENDATION:**

Adopt FY 2008 – 2010 Strategic Goals and provide direction to staff.

**FISCAL IMPACT:**

None.

**POLICY IMPLICATIONS:**

Strategic goals adopted by your Board will drive MST staff activities for the next several years. The attached document summarizes the strategic goals discussed at the Board Strategic Planning workshop on March 22, 2007 and provides further edits based on direction provided at your meeting of April 9, 2007

**DISCUSSION:**

At your meeting of November 13, 2006, your Board directed staff to hire a consultant to facilitate board discussion and decision-making regarding MST strategic goals and objectives and developing performance goals for the General Manager/CEO. On March 22, 2007 a Board Strategic Planning Workshop was held. A draft plan was presented to your Board on April 9, 2007 and direction and suggestions for edits were provided to staff. Based on the input received to date, your Board has identified five strategic priorities that include:

1. Improve service design and infrastructure
2. Develop stable, long term revenue sources
3. Enhance information technology
4. Improve Service Quality
5. Conserve Natural Resources

With Board input staff has updated the attached plan to include a narrative explaining the importance of public transit to our community, MST priorities, objectives and outcomes desired, indicators of success, and a menu of tactics that staff will employ towards the completion of the strategic priorities.

Your Board may choose to approve this document as presented or recommend further changes to the plan.

PREPARED BY: Carl G. Sedoryk
Prologue: Monterey/Salinas, 2020

The CEO of Monterey-Salinas Transit (MST) began his commute onto Hwy. 218 by merging into the seemingly unending line of traffic and sighed in remembering that this once three-minute commute to work now took nearly one-half hour to travel the one-mile distance. Inching along and wondering, “How did it ever get this bad?” he started a trip down memory lane.

It hadn’t always been this way. MST had once enjoyed growing ridership and broad community support, but this was no longer the case. Focusing solely on system efficiency and effectiveness measures, the agency lost sight of the bigger picture. Continuing its traditional “hub and spoke” style operation, the system found itself attracting a lower percentage of the county’s residents as growth occurred in areas beyond the reach of the system.

Unable to educate and inform influential members of the community and the public at large about the value of transit, a local sales tax measure that would have provided local operating funds for MST was defeated at the ballot box in November 2008. This was soon followed in 2009 by the near-collapse of the National Highway Trust Fund that provided federal funds for highway and transit programs. As Congress debated how to solve the crisis of funding highway and mass transit programs, federal operating funds were delayed and MST was faced with a familiar problem…having to do less with less. By cutting all but the most productive routes and focusing on providing only the most basic of customer amenities, MST was able to maintain key operating performance indicators of farebox recovery ratio and passengers per hour. However, the reduced services forced more students and workers onto already crowded streets and roads. Increasing amounts of elderly and persons with disabilities were unable to access the shrinking transit route network.

By 2012, the clogged streets and roads became too much for tourists who started to find more attractive destinations. Sponsors of events at Laguna Seca and Pebble Beach moved their events to areas that could better support their logistical needs. The loss of tourism created an economic downturn causing even less local sales tax dollars for transit at a time when the cost of diesel fuel topped $6.00 per gallon and MST’s aging fleet was increasingly expensive to maintain. Traffic congestion also adversely affected local agribusiness, delaying their ability to bring crops to market. By 2015 the lack of public support for transit resulted in new public officials being appointed to the MST Board promising to “clean-house.” Many key staff members left the agency to work in a better environment. Meanwhile, in 2020 MST remained landlocked with no ability to replace or expand its fleet or develop new facilities, thereby providing only the most basic of services.

The CEO sighed again as the drivers in the line of cars behind him grew impatient and blew their horns, beep…beep…beep…”
Prologue: Monterey/Salinas, 2020 (cont.)

“Beep…beep…beep…” MST’s CEO was awakened from a disturbing dream by the beeping alarm on his PDA on his return trip from the 2020 American Public Transportation Association annual conference in San Francisco. The alarm alerted him that the MST Bus Rapid Transit (BRT) service from Salinas to Monterey scheduled to meet the Salinas Caltrain service would be on time. Shaking off the strange dream, the CEO looked at the APTA Transit Excellence Award given to MST and remembered how things started going so well.

New service designs that stressed more express BRT service through major transit corridors combined with local services and neighborhood circulators made transit a viable and preferred alternative to private automobiles. New technologies that allowed passengers to purchase passes, plan trips and “see” real-time bus information on-line, along with stored value Smart cards and improved customer amenities attracted non-traditional customers and increased ridership and revenues.

In 2008, as demands for increased transit access from the community was heard, MST found it easier to find support for local sales tax measures. Passage of this sales tax provided critical local operating funds for a variety of transit projects. MST developed public/public and public/private partnerships to raise additional local revenues to build the long planned Frank J. Lichtanski Monterey Bay Operations Center. By 2009, MST achieved a 60% farebox recovery ratio with ample revenue streams being generated by the mixed-use development in Marina and other properties. As a result MST was able to survive the near bankruptcy of the Federal Highway Trust Fund and state raids on transit funds without impacting the quality of services it provided. In 2012, MST continued to conserve scarce natural resources and was able to reduce its operating costs even while fossil fuel costs skyrocketed. This was accomplished by utilizing a combination of biofuel and electric hybrid technologies, and constructing facilities that were energy efficient.

With less traffic congestion, both hospitality and agriculture industries thrived as tourists found it easier to gain access to the beauty offered by Monterey Bay, and farmers found that their crops could get to market with greater efficiency. These positive changes fueled the local economy and increased revenues for transit. By 2015, MST had completed the mixed-use development of its 60 acres of property and was able to offer workforce housing to its employees, allowing it to attract and retain the very best employees and generate additional revenues. By 2020, MST’s success made it a recognized national leader in innovative public transit and the organization received the APTA Transit Excellence Award.

The CEO reflected on the opening line of his acceptance speech for the MST award. . . “Excellence doesn’t just happen, it must be planned for…”

It all began with a strategic plan.
About The Plan

This plan represents a first-time effort of the MST Board of Directors and staff to work together to develop a collective long-term vision and identify strategic priorities to focus MST resources and energies.

MST services focus on moving people from where they are to where they need and choose to be. The MST Board of Directors focuses on a similar concept but on a different scale – developing policy to move the Joint Powers Agency to where it needs to be to effectively serve our communities and constituencies.

While the preceding prologue is fictional, it has a basis in fact. A review of MST strengths, weaknesses, opportunities and threats (SWOT) revealed several important facts. The availability of federal and state sources of operating funds continues to shrink. Traffic congestion and demand for increased access for public transportation in Monterey County continue to increase. The cost of housing and living in the region has made recruitment of professional and skilled mechanics problematic. Finally, the lack of adequate facilities continues to limit the ability of MST to grow its service to meet community needs.

The SWOT analysis also revealed that MST’s strong image in the community, growing ridership, as well as its employees and management team continues to be strong. MST’s land holdings provide opportunities for revenue growth and increased physical capacity.

Upon completion of the SWOT analysis, a list major challenges and future priorities were identified. After discussion and debate five Strategic Priorities were ultimately identified:

- Improve Service Design and Infrastructure
- Develop Stable Long Term Revenues
- Enhance Information Technology
- Improve Service Quality
- Conserve Natural Resources.

For each priority, desired outcomes and objectives were formulated. Indicators of success have been defined to track relative progress towards the desired outcomes and objectives. Discrete actions to be taken towards the accomplishment of the strategic priorities are defined in the Menu Of Tactics.
Monterey-Salinas Transit Mission:

Leading, advocating and delivering quality public transportation.

Our Vision:

A fully funded public transit system providing high quality and valued services to the communities and constituencies we serve.

We Believe In…

- Using Good Judgment
- Achieving Win/Win Outcomes
- Teamwork
- Trust, Cooperation, and Loyalty
- Constant Measurable Improvement
- Recognizing Results
Five Strategic Priorities

The following are the strategic priorities and goal statements that MST will pursue over the next three years.

1. Improve Service Design and Infrastructure:

   Develop and implement changes to MST’s existing services and infrastructure to accommodate future growth, while attracting new riders by utilizing effective marketing techniques and by applying greater focus in meeting individual community needs.

2. Develop Stable Long Term Revenue Sources:

   Pursue public/private and public/public partnerships, fare-pricing strategies, and revenue generation from the use of MST assets as means to generate the revenue required to construct needed capital facilities, purchase vehicles, and sustain both current and future transit services.

   Through education and advocacy, encourage policy makers and the general public to enact legislation at local, state and federal levels to provide sustained revenue sources that will support the future growth of Monterey County’s public transportation system.

3. Enhance Information Technology:

   Continue to explore and implement new technologies that enhance the overall customer experience, reduce costs, attract new customers, retain existing customers, and improve the image of MST in the community.

4. Improve Service Quality:

   Continue MST’s commitment to Service Quality through implementation of the MST Business Model and focus on Key Business Drivers, including safety, efficiency, effectiveness, customer satisfaction, employee satisfaction and stakeholder satisfaction.

5. Conserve Natural Resources:

   Implement economically sound and environmentally friendly resource conservation policies that reduce both our dependence on scarce natural resources and the potential for negative impacts on our environment.
FY 2008
PRIORITIES, OBJECTIVES AND ACTION PLANS

The following are the five strategic priorities that MST will pursue over the next three years. Beneath each goal are specific objectives to be met during FY 2008 to support these goals, along with tactics to be used to achieve each objective.

1. Improve Service Design and Infrastructure:

Objectives/Outcomes: Develop and implement changes to MST’s existing services, infrastructure and facilities to accommodate future growth. Focus will be on attracting new riders by utilizing effective marketing techniques and by better meeting individual community needs.

Indicators Of Success:

- Annual ridership growth of two percent.
- Increased customer and stakeholder satisfaction.

Menu of Tactics:

a. Implement new services, including Marina DART, Gonzales DART and streamlined South County services.

b. Fine-tune Peninsula services in response to customer requests. Expanding MST Trolley service beyond the traditional season and service area will also be considered.

c. Targeted marketing and promotional efforts designed towards major employers, schools, senior groups, hospitality industry, and non-traditional riders will also assist in growing ridership.

d. Begin design of FJL Monterey Bay Operations Facility.

e. Move the Monterey transfer location from Simoneau Plaza to a better location for customers and operations.

f. Develop a comprehensive regional BRT plan and apply for funding for the Lighthouse Avenue BRT service, as appropriate.

g. Identify funding for additional shelters and on-street passenger amenities.

h. Conduct public hearings on a revised fare structure that is easy to use and administer, attracts additional ridership, and increases fare revenues.
2. **Develop Stable Long Term Revenue Sources:**

Objectives/Outcomes: Pursue public/private and public/public partnerships, fare-pricing strategies, and revenue generation from the use of MST assets as means to generate the funds required to construct needed capital facilities, purchase vehicles, sustain both current and future transit services, and reduce the overall subsidy per passenger.

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.

Indicators of Success:

- Reduced subsidy per passenger.
- Public/private funding agreements executed.
- Increased local funding support through developer fees, sales tax and other initiatives.

Menu of Tactics:

a. Adopt and execute annual state and federal legislative programs.

b. Participate in community outreach and provide public information regarding measures to provide dedicated funding for improved public transportation.

c. Implement public/public partnerships for development of new services to CHOMP (spell out) and Salinas Valley Memorial Hospitals.

d. Begin development of housing, retail and professional components of the Marina Transit Exchange.

e. Seek public and private funding partners for development of the FJL Monterey Bay Operations Center.

f. Identify means to develop MST properties in a manner that promotes increased transit use, provide stable long-term funding for MST, and is consistent with local jurisdiction land use guidelines.

g. Participate in public outreach and education for the 2008 Transportation Agency of Monterey County sales tax initiative.
3. **Enhance Information Technology:**

Objective/Outcomes: Continue to explore and implement new technologies that enhance the overall customer experience, reduce costs, attract new customers, retain existing customers, and improve the image of MST in the community.

Indicators Of Success:

- Convenient public access to MST public information via the internet, PDA, cell phone and other similar technologies.
- Convenient public access to the internet from MST buses and facilities.
- Increased usage of internet sales of MST products and services.

Menu of Tactics:

a. Complete implementation of the Hastus Daily Dispatch and Attendance software system, Maximus Fleet Focus Maintenance and Materials Management system, and Microsoft Navision Financial and Human Resources Systems.

b. Implement real-time passenger information signage at major MST transfer locations.

c. Improve *MST Online* to allow customers better access to online information about MST, including automated trip planning and online pass sales.

d. Begin implementation of WiFi technology on regional routes.

e. Complete a study of Smart card technology and plan for implementation of a regional Smart card system.
4. **Improve Service Quality:**

Objective/Outcomes: Continue MST’s commitment to Service Quality through implementation of the MST Business Model and focus on Key Business Drivers, including safety, efficiency, effectiveness, customer satisfaction, employee satisfaction and stakeholder satisfaction.

Indicators Of Success:

- Conduct business within approved budget and performance indicators including safety, efficiency, effectiveness, on-time performance, employee satisfaction, and stakeholder satisfaction as defined in the MST Business Model.

Menu of Tactics:

a. Continuation of programs that reward safe behavior.

b. Provide additional training for coach operators to diffuse difficult situations.

c. Install safety and security cameras at MST facilities and on board MST buses.

d. “Fine tune” existing service to improve convenience and on-time performance.

e. Implement new and improved services in South County.

f. Encourage transit friendly land-use planning through further dissemination of the *Designing For Transit* manual.

g. Improve communication with all employees and the ATU leadership.

h. Complete negotiations of the ATU labor agreement.

i. Recognize and celebrate individual and group achievements in support of MST’s objectives, goals and mission.

j. Conduct attitude and opinion surveys to gauge satisfaction of riders, non-riders, employees and stakeholders.

k. Monitor operating, maintenance and financial performance statistics on a monthly basis and implement programs to support continuous improvement.

l. Ensure that a proper staff structure is in place to meet strategic goals and objectives.
5. **Conserve Natural Resources:**

Objective: Implement economically sound and environmentally friendly resource conservation policies that reduce both our dependence on scarce natural resources and the potential for negative environmental impact.

Indicators Of Success:

- Compliance with EPA and California Air Resources Board mandates.
- Reduced consumption and related costs of utilities including water, natural gas, and electricity.
- Reduced consumption of fossil fuels.

Menu of Tactics:

a. Participate in national, state and regional transit conferences, meetings and groups (APTA, CTA, RTA, alternative fuel forums, user groups, etc.) that identify and outline changes to federal and California Air Resources Board (CARB) emission requirements.

b. Maintain a dialogue with CARB staff regarding emission requirements and emission reduction strategies.

c. Prepare an analysis of alternative fuel(s) and outline the benefits and costs of alternatives that are readily available to MST.

d. Determine the cost of using recommended alternative fuel(s) and determine what percentage the alternative fuel(s) should be used in the fleet.

e. Test existing fuel tanks for compliance with biodiesel or other products.

f. Conduct an ongoing testing of tanks and monitor engine/filter components.

g. Adopt Leadership in Energy and Environmental Design (LEED) principles as appropriate for final design of the Marina Central Village mixed use development and the FJL Monterey Bay Operations Center.

h. Identify opportunities for energy, water, gas and other resource conservation programs.

i. Monitor the effectiveness of the recent conversion to lower consumption lighting at MST’s operating facility and implement conversions on the remaining MST properties.
Acknowledgements:

MST thanks and acknowledges the American Public Transportation Association and California Transit Association for their excellent strategic plans, from which several of this document’s elements were derived. We also acknowledge the following for their participation in the development of this document:

Monterey Salinas Transit Boardmembers and Alternates

Chair, Fernando Armenta, County of Monterey
Vice Chair, Tom Mancini, City of Seaside
Kristin Clark, City of Del Rey Oaks
Michael Cunningham, City of Carmel-by-the-Sea
Sergio Sanchez, City of Salinas
Rob Russell, City of Salinas, Alternate
Libby Downey, City of Monterey
Vicki Stilwell, City of Pacific Grove
Gary Wilmot, City of Marina

Monterey Salinas Transit Staff and Associates

Carl Sedoryk, General Manager/CEO
Michael Hernandez, Chief Operating Officer
Hunter Harvath, Director of Administration
Lyn Owens, Director of Human Resources
Mark Eccles, Director of Information Technology
Dave Sobtoka, Controller
David Laredo, MST General Counsel
Heidi Quinn, Legal Counsel
Will Scott, Facilitator, Professional Transit Management
## APPENDIX A

<table>
<thead>
<tr>
<th>Strengths</th>
<th>Weaknesses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staff; employees, Management team</td>
<td>Funding/revenue sources</td>
</tr>
<tr>
<td>Fiscally responsible</td>
<td>Public transit industry weak</td>
</tr>
<tr>
<td>Legislative representatives/govern-</td>
<td>Extended service area</td>
</tr>
<tr>
<td>mental relations (FTA, Caltrans)</td>
<td></td>
</tr>
<tr>
<td>New fleet;</td>
<td>Labor relations</td>
</tr>
<tr>
<td>Employee relations</td>
<td>Low urban density</td>
</tr>
<tr>
<td>Raw land potential</td>
<td>Mixed fuel fleet</td>
</tr>
<tr>
<td>Growing ridership base</td>
<td>Lack of physical capacity</td>
</tr>
<tr>
<td>Community image</td>
<td>Core service cuts</td>
</tr>
<tr>
<td>Brand Identity</td>
<td>Aging population—requiring door-to-door service</td>
</tr>
<tr>
<td>Service planning</td>
<td>Charter limitations</td>
</tr>
<tr>
<td>Land ownership</td>
<td>Recruitment of professional management, skilled trades</td>
</tr>
<tr>
<td>Implemented advanced technology</td>
<td>Mixed fuel fleet</td>
</tr>
<tr>
<td></td>
<td>Non-participation of South County cities</td>
</tr>
</tbody>
</table>

### Opportunities

- Development of MST properties
- State bond dollars (Prop 1A – 1E)
- Public/private partnerships
- Change habits—new customer types
- Congestion
- Bus rapid transit (BRT)
- Specialized paratransit—DART, elderly
- Technology
- Global warming
- Dedicated Transit tax
- Extended service area
- Untapped customer base
- Public/private partnerships
- Expanded service hours
- New transit stations
- Large land owning
- New JPA members e.g., South County, Hollister
- Mixed use development

### Threats

- Safety/security
- Fuel cost
- Congestion
- CARB/EPA unfunded mandates
- Demographics: aging
- Medi-Cal trips shift to RIDES
- Safety/security
- Increased costs
- High cost of living
- Roadway congestion
- Former Ford Ord development
- State/Federal raids of transit funds
- Monterey Branch Line—light rail option
- Degradation of labor relations
- Bus stop liability – *Bonanno vs. CCCTA*
To: Board of Directors

From: C. Sedoryk, General Manager/CEO

Subject: Monthly Report

Attached are the most recent monthly statistics and the reports from the Administration and Operations/Maintenance Departments.

Monthly statistics show that boardings increased by 4.7% over the same month last year, and that year to date boardings have increased 4.4%. Higher boardings and a reduction of complaints from the previous month indicate that our customers are adjusting to the service improvements made as a result of the Peninsula Area Service Study implemented on January 27th.

During March 11 –13, Hunter Harvath and myself, accompanied by Board Chair Armenta, and Board members Clark and Downey attended the American Public Transportation Association (APTA) Legislative Conference in Washington DC. The APTA Conference provided sessions on what to expect with transportation funding with the new Congress, and what to expect as the SAFE-TEA LU transportation reauthorization bill is set to expire in 2009. Presentations were received from a wide variety of members of Congress, Congressional aides, and Federal Transit Administration staff.

A meeting was also held with APTA to staff to discuss MST participation in a Quality Peer Review program sponsored by APTA.

During the visit Hunter and I met with Dwayne Weeks, Senior Community Planner/Team Leader with the Federal Transit Administration to discuss potential MST projects that may be funded from the new Very Small Starts Program. MST Board members joined staff in discussions related to FY 2008 Transportation Appropriations bills with Edward Allen, Professional Staff to Congresswoman Zoe Lofgren; Ryan Hunt, Professional Staff to Senator Dianne Feinstein; Jennie Quick, Professional Staff to Senator Barbara Boxer; and Congressman Sam Farr.
On March 21st, Board member Downey accompanied Hunter Harvath and me in Sacramento as part of a California Transit Association Lobby Day. We heard a presentation from CTA Executive Director Josh Shaw about the potential impacts on transit of the Governor’s FY 2008 budget proposal. We met with representatives of State Senators Abel Maldonado, Jeff Denham and Joe Simitian, and Assembly members John Laird, and Anna Caballero. In each meeting we discussed the negative impact that the Governor’s proposal would have on transit in general, and how it would specifically impact Monterey-Salinas Transit.

Attachment #1 – Fixed Route Bus – Monthly Boardings
Attachment #2 – Fixed Route Bus – Comparative Statistics
Attachment #3 – MST RIDES Monthly Boardings
Attachment #4 – MST RIDES Comparative Statistics
Attachment #5 – Operations Department Report March 2007
Attachment #6 – Facilities & Maintenance Department Report March 2007
Attachment #7 – Administration Department Report March 2007

PREPARED BY: Carl G. Sedoryk
FIXED ROUTE BUS OPERATIONS:

System Wide Service:

Preliminary boarding statistics indicate that ridership increased by 4.71% in March 2007, (390,824), as compared to March 2006 (373,250). Year-to-date; system wide boardings have increased by 4.37% over the same period in 2006.

March productivity fell slightly from 21.9 passengers per hour last year, to 21.7 passengers per hour for March of 2007.

Seasonal Service:
None

Supplemental Service:
None

System Wide Statistics:

- Ridership: 390,824
- Vehicle Revenue Hours: 17,981.21
- Vehicle Revenue Miles: 287,123
- System Productivity: 21.7 Passengers Per Vehicle Revenue Hour
- Scheduled One-Way Trips: 25,818

On-Time Compliance: Of 89,871 total time-point crossings sampled for the month of March, the TransitMaster™ system recorded 15,187 delayed arrivals to MST’s published time-points system-wide. This denotes that 83.10% of all scheduled arrivals at published time-points were on time.

Buses arriving later than 5 minutes beyond the published schedule are considered late. The on-time compliance chart (attached) reflects system wide “on-time performance” as a percentage to the total number of sampled time-point crossings.

Trips With 10 or More Standees: There were 34 reported overcrowded trips for the month of March. (See Operations Summary report for further information)

Cancelled Trips: There were a total of 23 cancelled trips for the month of March for both directly operated and contracted services representing less then one tenth of one percent of all scheduled trips for the month. Cancelled trips for March were attributed to the following:
<table>
<thead>
<tr>
<th>Reason</th>
<th>Cancelled Trips</th>
<th>% Of All Missed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mechanical</td>
<td>5</td>
<td>21.74%</td>
</tr>
<tr>
<td>Traffic</td>
<td>18</td>
<td>78.26%</td>
</tr>
</tbody>
</table>

**Documented Occurrences:** Coach Operators are required to complete an occurrence report for any unusual incident that may occur during their work day. The information provided within these reports is used to identify trends, which often may drive changes in policy or standard operating procedures. The following is a comparative summary of reported incidents for the month(s) of March 2006 and 2007:

<table>
<thead>
<tr>
<th>Occurrence Type</th>
<th>Mar-06</th>
<th>Mar-07</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accident: Coach Involved</td>
<td>5</td>
<td>3</td>
</tr>
<tr>
<td>Medical Emergency</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>Object Thrown @ Coach</td>
<td>0</td>
<td>5</td>
</tr>
<tr>
<td>Passenger Conflict</td>
<td>3</td>
<td>6</td>
</tr>
<tr>
<td>Passenger Fall</td>
<td>7</td>
<td>3</td>
</tr>
<tr>
<td>Passenger Injury</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Unreported Vehicle Damage</td>
<td>0</td>
<td>1</td>
</tr>
</tbody>
</table>

**CONTRACTED SERVICES:**

**MST RIDES Program:**

- Preliminary boarding statistics for the MST RIDES program reflect that for the month of March there were 6,186 passenger boardings. This represents a 1.68% increase in passenger trips from March of 2006. Year-to-date; boardings for the MST RIDES program have decreased by **2.22%** over the same period in 2006.

- For the month of March, 86.32% of all scheduled trips for the MST RIDES Program arrived on time, decreasing from 87.98% in March of last year.

- March productivity decreased from 1.85 passengers per hour last year, to 1.84 passengers per hour for March of 2007.

- MV responded to four (4) road calls to repair MST RIDES vehicles in the field.

**Other:**

- MV was involved in one (1) preventable minor non-injury accident involving an MST owned fixed-route vehicle.

- MV was assessed $17,026.08 in liquidated damages for failure to meet passenger per hour productivity standards for the October-December quarter of 2006.
COMMUNICATIONS CENTER:

In March, the Communications Department summoned public safety agencies on six (6) separate occasions to MST’s transit vehicles and facilities:

<table>
<thead>
<tr>
<th>Agency Type</th>
<th>Incident Type</th>
<th>Number Of Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Police</td>
<td>Passenger Incident</td>
<td>4</td>
</tr>
<tr>
<td>Emergency Medical Services</td>
<td>Medical Emergency</td>
<td>2</td>
</tr>
</tbody>
</table>

During the week of March 5th, all Communications personnel received over 40 hours of training on the new Daily Driver Assignment Management (DDAM) system. The DDAM application will run in parallel with the existing system commencing on May 26, 2007, with final implementation in late June or early July.

Robert Weber

**MST FIXED ROUTE**

**ON-TIME COMPLIANCE FY 2007**

<table>
<thead>
<tr>
<th>MONTH</th>
<th>FY06 ON-TIME PERFORMANCE</th>
<th>FY06 TIME POINT COUNT</th>
<th>FY06 DELAYED ARRIVALS</th>
<th>FY07 ON-TIME PERFORMANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>July</td>
<td>74.38%</td>
<td>87,405</td>
<td>13,494</td>
<td>84.56%</td>
</tr>
<tr>
<td>August</td>
<td>74.16%</td>
<td>89,442</td>
<td>16,890</td>
<td>81.12%</td>
</tr>
<tr>
<td>September</td>
<td>74.95%</td>
<td>84,134</td>
<td>15,816</td>
<td>81.20%</td>
</tr>
<tr>
<td>October</td>
<td>76.71%</td>
<td>86,471</td>
<td>13,643</td>
<td>84.22%</td>
</tr>
<tr>
<td>November</td>
<td>77.21%</td>
<td>80,559</td>
<td>13,083</td>
<td>83.76%</td>
</tr>
<tr>
<td>December</td>
<td>81.52%</td>
<td>87,779</td>
<td>11,492</td>
<td>86.91%</td>
</tr>
<tr>
<td>January</td>
<td>81.97%</td>
<td>86,608</td>
<td>11,780</td>
<td>86.40%</td>
</tr>
<tr>
<td>February</td>
<td>76.63%</td>
<td>76,459</td>
<td>12,381</td>
<td>83.81%</td>
</tr>
<tr>
<td><strong>March</strong></td>
<td><strong>89.06%</strong></td>
<td><strong>89,871</strong></td>
<td><strong>15,187</strong></td>
<td><strong>83.10%</strong></td>
</tr>
<tr>
<td>April</td>
<td>86.82%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>May</td>
<td>83.42%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>June</td>
<td>85.54%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* - On time= Arrival within 5 minutes of the published schedule

**TOTAL**

<table>
<thead>
<tr>
<th></th>
<th>768,728</th>
<th>123,766</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monthly Average</td>
<td>78.51%</td>
<td>13,752</td>
</tr>
</tbody>
</table>

---

**On-Time Compliance**

- Goal 87%

![Graph showing on-time compliance for each month with a goal line at 87%](image-url)
Monterey-Salinas Transit

Operations Summary Report

Fixed Route and DART Service

July 2006 – March 2007
Fixed Route & DART Monthly Operations Summary Report
March 2007

<table>
<thead>
<tr>
<th>Service Delivered</th>
<th>Service Quality</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ridership</td>
<td>390,824</td>
</tr>
<tr>
<td>Passengers / Vehicle Revenue Hour</td>
<td>21.73</td>
</tr>
<tr>
<td>One-way Trips Scheduled</td>
<td>25,818</td>
</tr>
<tr>
<td>Cancelled Trips</td>
<td>23</td>
</tr>
<tr>
<td>On-time Time Points</td>
<td>74,685</td>
</tr>
<tr>
<td>Delayed Time Points</td>
<td>15,186</td>
</tr>
<tr>
<td>Schedule Adherence</td>
<td>83.10%</td>
</tr>
<tr>
<td>Overcrowded Trips</td>
<td>84</td>
</tr>
</tbody>
</table>

**System Wide Service:**

Direct comparisons between March 2006 and March 2007 show a 4.7% increase in boardings and a 5.4% increase in revenue hours, with productivity (measured in passengers per revenue hour) dropping slightly from 21.87 passengers per hour last March to 21.73 passengers per hour for March 2007.

Notable ridership increases occurred on lines 41 and 42, with increases of 13.7% and 14.0% respectively, compared to March 2006. Since neither of these lines incurred any significant increase in revenue hours productivity also increased by similar percentages. It is also notable that, in combination, these two lines by themselves account for 25.6% of the boardings for March 2007.

Other notable increases occurred on line 2 (ridership increase of 100.5%, productivity increase of 40.7%) and line 45 (ridership increase of 79.5%, productivity increase of 32.6%). Ridership on line 11 increased by 279.8% primarily due to the large increase in service provided on the line (revenue hours increased by 694%).

**Seasonal Service:**

Line 22-Big Sur, currently operating weekends only, had 296 boardings, resulting in 5.8 passengers per revenue hour. This route did not operate last March.

**Supplemental Service:**

None.

No supplemental service was operated this month.
Cancelled Trips by Month - FY 07 YTD

Cancelled Trips by Reason - FY 07 YTD
<table>
<thead>
<tr>
<th>Route Description</th>
<th>Passengers</th>
</tr>
</thead>
<tbody>
<tr>
<td>41 East Alisal - Northridge</td>
<td>57,274</td>
</tr>
<tr>
<td>20 Monterey-Salinas</td>
<td>54,413</td>
</tr>
<tr>
<td>42 East Alisal - Westridge</td>
<td>42,609</td>
</tr>
<tr>
<td>10 Fremont-Ord Grove</td>
<td>40,386</td>
</tr>
<tr>
<td>9 Fremont-Hilby</td>
<td>33,650</td>
</tr>
<tr>
<td>29 Watsonville-Salinas</td>
<td>18,701</td>
</tr>
<tr>
<td>2 Pacific Grove</td>
<td>15,426</td>
</tr>
<tr>
<td>11 Carmel-Edgewater</td>
<td>13,346</td>
</tr>
<tr>
<td>23 Salinas-King City</td>
<td>12,700</td>
</tr>
<tr>
<td>28 Watsonville-Salinas</td>
<td>11,137</td>
</tr>
<tr>
<td>43 Memorial Hospital</td>
<td>11,010</td>
</tr>
<tr>
<td>1 Asilomar</td>
<td>10,812</td>
</tr>
<tr>
<td>5 Carmel Rancho</td>
<td>10,738</td>
</tr>
<tr>
<td>45 East Market-Creekbridge</td>
<td>10,515</td>
</tr>
<tr>
<td>44 Westridge</td>
<td>9,336</td>
</tr>
<tr>
<td>16 Edgewater-Marina</td>
<td>9,229</td>
</tr>
<tr>
<td>49 Northridge</td>
<td>6,822</td>
</tr>
<tr>
<td>24 Carmel Valley-Carmel Rancho</td>
<td>6,183</td>
</tr>
<tr>
<td>46 Natividad</td>
<td>3,263</td>
</tr>
<tr>
<td>Monterey Peninsula DART</td>
<td>3,098</td>
</tr>
<tr>
<td>4 Carmel Rancho</td>
<td>2,616</td>
</tr>
<tr>
<td>48 East Salinas - Airport Business Center</td>
<td>1,816</td>
</tr>
<tr>
<td>55 San Jose - Monterey Express</td>
<td>1,643</td>
</tr>
<tr>
<td>21 Monterey-Salinas</td>
<td>1,520</td>
</tr>
<tr>
<td>27 Watsonville-Monterey</td>
<td>1,380</td>
</tr>
<tr>
<td>6 Edgewater - Ryan Ranch</td>
<td>483</td>
</tr>
<tr>
<td>53 South County Express</td>
<td>422</td>
</tr>
<tr>
<td>22 Big Sur</td>
<td>296</td>
</tr>
</tbody>
</table>
Productivity by Line - March 2007
Passengers Per Hour

10 Fremont-Ord Grove: 35.27
43 Memorial Hospital: 34.33
41 East Alisal - Northridge: 34.19
9 Fremont-Hilby: 33.62
42 East Alisal - Westridge: 31.41
20 Monterey-Salinas: 30.65
5 Carmel Rancho: 29.78
44 Westridge: 26.41
45 East Market-Creekbridge: 24.08
2 Pacific Grove: 21.95
11 Carmel-Edgewater: 21.40
29 Watsonville-Salinas: 19.50
46 Natividad: 17.86
23 Salinas-King City: 16.44
49 Northridge: 15.39
28 Watsonville-Salinas: 15.03
1 Asilomar: 14.61
16 Edgewater-Marina: 9.47
6 Edgewater - Ryan Ranch: 9.15
21 Monterey-Salinas: 8.76
24 Carmel Valley-Carmel Rancho: 8.29
48 East Salinas - Airport Business Center: 7.20
4 Carmel Rancho: 6.63
22 Big Sur: 5.80
27 Watsonville-Monterey: 4.49
Monterey Peninsula DART: 3.70
55 San Jose - Monterey Express: 3.46
53 South County Express: 3.18
Schedule Adherence by Line - March 2007
Percent On-time Timepoints

- 4 Carmel Rancho: 94.6%
- 16 Edgewater-Marina: 93.5%
- 9 Fremont-Hilby: 90.8%
- 55 San Jose - Monterey Express: 90.6%
- 23 Salinas-King City: 90.6%
- 20 Monterey-Salinas: 90.2%
- 1 Asilomar: 88.7%
- 10 Fremont-Ord Grove: 88.3%
- 11 Carmel-Edgewater: 85.9%
- 5 Carmel Rancho: 85.5%
- 21 Monterey-Salinas: 85.0%
- 2 Pacific Grove: 84.9%
- 41 East Alisal - Northridge: 83.0%
- 28 Watsonville-Salinas: 82.5%
- 27 Watsonville-Monterey: 82.2%
- 42 East Alisal - Westridge: 81.4%
- 53 South County Express: 79.5%
- 29 Watsonville-Salinas: 78.4%
- 44 Westridge: 77.5%
- 6 Edgewater - Ryan Ranch: 77.0%
- 43 Memorial Hospital: 74.1%
- 45 East Market-Creekbridge: 73.9%
- 22 Big Sur: 70.9%
- 48 East Salinas - Airport Business Center: 66.3%
- 24 Carmel Valley-Carmel Rancho: 64.3%
- 46 Natividad: 61.7%
- 49 Northridge: 55.6%

87% adherence standard
### March 2007

Systemwide Ridership: 390,824  
Systemwide Revenue Hours: 17,987.22  
Systemwide Revenue Miles: 287,123.7

#### Primary Routes

<table>
<thead>
<tr>
<th>Line</th>
<th>Ridership</th>
<th>VRHrs</th>
<th>VRMi</th>
<th>Pax/Hr</th>
<th>% Riders</th>
<th>% Hrs</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Asilomar</td>
<td>10,812</td>
<td>740:03</td>
<td>7,576.9</td>
<td>14.61</td>
<td>2.8%</td>
<td>4.1%</td>
</tr>
<tr>
<td>9 Fremont-Hilby</td>
<td>33,650</td>
<td>1000:53</td>
<td>9,870.7</td>
<td>33.62</td>
<td>8.6%</td>
<td>5.6%</td>
</tr>
<tr>
<td>10 Fremont-Ord Grove</td>
<td>40,386</td>
<td>1144:54</td>
<td>11,894.3</td>
<td>35.27</td>
<td>10.3%</td>
<td>6.4%</td>
</tr>
<tr>
<td>41 East Alisal - Northridge</td>
<td>57,274</td>
<td>1675:16</td>
<td>18,195.9</td>
<td>34.19</td>
<td>14.7%</td>
<td>9.3%</td>
</tr>
<tr>
<td>42 East Alisal - Westridge</td>
<td>42,609</td>
<td>1356:31</td>
<td>14,158.2</td>
<td>31.41</td>
<td>10.9%</td>
<td>7.5%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>184,731</td>
<td>5917:37</td>
<td>61,696.0</td>
<td>31.22</td>
<td>47.3%</td>
<td>32.9%</td>
</tr>
</tbody>
</table>

#### Neighborhood Routes

<table>
<thead>
<tr>
<th>Line</th>
<th>Ridership</th>
<th>VRHrs</th>
<th>VRMi</th>
<th>Pax/Hr</th>
<th>% Riders</th>
<th>% Hrs</th>
</tr>
</thead>
<tbody>
<tr>
<td>2 Pacific Grove</td>
<td>15,426</td>
<td>702:45</td>
<td>7,927.9</td>
<td>21.95</td>
<td>3.9%</td>
<td>3.9%</td>
</tr>
<tr>
<td>16 Edgewater-Marina</td>
<td>9,229</td>
<td>974:45</td>
<td>19,550.8</td>
<td>9.47</td>
<td>2.4%</td>
<td>5.4%</td>
</tr>
<tr>
<td>45 East Market-Creekbridge</td>
<td>10,515</td>
<td>436:45</td>
<td>5,897.2</td>
<td>24.08</td>
<td>2.7%</td>
<td>2.4%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>35,170</td>
<td>2114:15</td>
<td>33,375.9</td>
<td>16.63</td>
<td>9.0%</td>
<td>11.8%</td>
</tr>
</tbody>
</table>

#### Local Routes

<table>
<thead>
<tr>
<th>Line</th>
<th>Ridership</th>
<th>VRHrs</th>
<th>VRMi</th>
<th>Pax/Hr</th>
<th>% Riders</th>
<th>% Hrs</th>
</tr>
</thead>
<tbody>
<tr>
<td>4 Carmel Rancho</td>
<td>2,616</td>
<td>394:33</td>
<td>4,650.4</td>
<td>6.63</td>
<td>0.7%</td>
<td>2.2%</td>
</tr>
<tr>
<td>5 Carmel Rancho</td>
<td>10,738</td>
<td>360:38</td>
<td>4,787.4</td>
<td>29.78</td>
<td>2.7%</td>
<td>2.0%</td>
</tr>
<tr>
<td>6 Edgewater - Ryan Ranch</td>
<td>483</td>
<td>52:48</td>
<td>1,161.6</td>
<td>9.15</td>
<td>0.1%</td>
<td>0.3%</td>
</tr>
<tr>
<td>11 Carmel-Edgewater</td>
<td>13,346</td>
<td>623:32</td>
<td>10,645.8</td>
<td>21.40</td>
<td>3.4%</td>
<td>3.5%</td>
</tr>
<tr>
<td>43 Memorial Hospital</td>
<td>11,010</td>
<td>320:45</td>
<td>3,729.9</td>
<td>34.33</td>
<td>2.8%</td>
<td>1.8%</td>
</tr>
<tr>
<td>44 Westridge</td>
<td>9,336</td>
<td>353:30</td>
<td>3,764.5</td>
<td>26.41</td>
<td>2.4%</td>
<td>2.0%</td>
</tr>
<tr>
<td>46 Natividad</td>
<td>3,263</td>
<td>182:42</td>
<td>1,729.6</td>
<td>17.86</td>
<td>0.8%</td>
<td>1.0%</td>
</tr>
<tr>
<td>48 East Salinas - Airport Business Center</td>
<td>1,816</td>
<td>252:16</td>
<td>4,503.4</td>
<td>7.20</td>
<td>0.5%</td>
<td>1.4%</td>
</tr>
<tr>
<td>49 Northridge</td>
<td>6,822</td>
<td>443:22</td>
<td>3,121.7</td>
<td>15.39</td>
<td>1.7%</td>
<td>2.5%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>59,430</td>
<td>2984:06</td>
<td>38,094</td>
<td>19.92</td>
<td>15.2%</td>
<td>16.6%</td>
</tr>
</tbody>
</table>

#### Regional Routes

<table>
<thead>
<tr>
<th>Line</th>
<th>Ridership</th>
<th>VRHrs</th>
<th>VRMi</th>
<th>Pax/Hr</th>
<th>% Riders</th>
<th>% Hrs</th>
</tr>
</thead>
<tbody>
<tr>
<td>20 Monterey-Salinas</td>
<td>54,413</td>
<td>1775:16</td>
<td>34,280.6</td>
<td>30.65</td>
<td>13.9%</td>
<td>9.9%</td>
</tr>
<tr>
<td>21 Monterey-Salinas</td>
<td>1,520</td>
<td>173:26</td>
<td>2,864.4</td>
<td>8.76</td>
<td>0.4%</td>
<td>1.0%</td>
</tr>
<tr>
<td>23 Salinas-King City</td>
<td>12,700</td>
<td>772:41</td>
<td>23,117.3</td>
<td>16.44</td>
<td>3.2%</td>
<td>4.3%</td>
</tr>
<tr>
<td>24 Carmel Valley-Carmel Rancho</td>
<td>6,183</td>
<td>746:16</td>
<td>16,032.2</td>
<td>8.29</td>
<td>1.6%</td>
<td>4.1%</td>
</tr>
<tr>
<td>27 Watsonville-Monterey</td>
<td>1,380</td>
<td>307:38</td>
<td>8,162.0</td>
<td>4.49</td>
<td>0.4%</td>
<td>1.7%</td>
</tr>
<tr>
<td>28 Watsonville-Salinas</td>
<td>11,137</td>
<td>740:56</td>
<td>20,679.5</td>
<td>15.03</td>
<td>2.8%</td>
<td>4.1%</td>
</tr>
<tr>
<td>29 Watsonville-Salinas</td>
<td>18,701</td>
<td>959:00</td>
<td>16,401.3</td>
<td>19.50</td>
<td>4.8%</td>
<td>5.3%</td>
</tr>
<tr>
<td>53 South County Express</td>
<td>422</td>
<td>132:47</td>
<td>4,637.6</td>
<td>3.18</td>
<td>0.1%</td>
<td>0.7%</td>
</tr>
<tr>
<td>55 San Jose - Monterey Express</td>
<td>1,643</td>
<td>475:21</td>
<td>15,084.6</td>
<td>3.46</td>
<td>0.4%</td>
<td>2.6%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>108,099</td>
<td>6083:21</td>
<td>141,259.5</td>
<td>17.77</td>
<td>27.7%</td>
<td>33.8%</td>
</tr>
</tbody>
</table>

#### DART

<table>
<thead>
<tr>
<th>Line</th>
<th>Ridership</th>
<th>VRHrs</th>
<th>VRMi</th>
<th>Pax/Hr</th>
<th>% Riders</th>
<th>% Hrs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monterey Peninsula DART</td>
<td>3,098</td>
<td>836:54</td>
<td>11,384.0</td>
<td>3.70</td>
<td>0.8%</td>
<td>4.7%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>3,098</td>
<td>836:54</td>
<td>11,384.0</td>
<td>3.70</td>
<td>0.8%</td>
<td>4.7%</td>
</tr>
</tbody>
</table>

#### Seasonal / Supplemental Service

<table>
<thead>
<tr>
<th>Line</th>
<th>Ridership</th>
<th>VRHrs</th>
<th>VRMi</th>
<th>Pax/Hr</th>
<th>% Riders</th>
<th>% Hrs</th>
</tr>
</thead>
<tbody>
<tr>
<td>22 Big Sur</td>
<td>296</td>
<td>51:00</td>
<td>1,314.0</td>
<td>5.80</td>
<td>0.1%</td>
<td>0.3%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>296</td>
<td>51:00</td>
<td>1,314.0</td>
<td>5.80</td>
<td>0.1%</td>
<td>0.3%</td>
</tr>
</tbody>
</table>
Date: March 31, 2007

To: C. Sedoryk, General Manager/CEO

From: Lyn Owens, Director Human Resources; Hunter Harvath, Director of Administration; Brigga Mosca, Marketing & Sales Manager; Mark Eccles, Director Information Technology

Subject: Administration Department Monthly Report March 2007

The following significant events occurred in Administration work groups for the month of March 2007:

**Human Resources**

Employment activity for the month of March 2007 is summarized as follows:

<table>
<thead>
<tr>
<th>Department</th>
<th>Title</th>
<th>Transaction</th>
<th>Hire Date</th>
<th>Term Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maintenance</td>
<td>Mechanic</td>
<td>Resigned</td>
<td>03/04/2007</td>
<td></td>
</tr>
<tr>
<td>Operations</td>
<td>Safety/Training Officer</td>
<td>New Hire</td>
<td>03/05/2007</td>
<td></td>
</tr>
<tr>
<td>Administration</td>
<td>HR Generalist</td>
<td>Resigned</td>
<td>03/16/2007</td>
<td></td>
</tr>
<tr>
<td>Operations</td>
<td>Coach Operator</td>
<td>Resigned</td>
<td>03/16/2007</td>
<td></td>
</tr>
</tbody>
</table>

Total employment levels for March 2007 is summarized as follows:

<table>
<thead>
<tr>
<th>Positions</th>
<th>Budget</th>
<th>Actual</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coach Operators / Trainees</td>
<td>126</td>
<td>126</td>
<td>0</td>
</tr>
<tr>
<td>C/O on Long Term Leave</td>
<td>10</td>
<td>4</td>
<td>-6</td>
</tr>
<tr>
<td>Coach Operators Limited Duty</td>
<td>1</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Operations Staff</td>
<td>22</td>
<td>22</td>
<td>0</td>
</tr>
<tr>
<td>Maintenance &amp; Facilities</td>
<td>42</td>
<td>40</td>
<td>-2</td>
</tr>
<tr>
<td>Administration (Interns 2 PT)</td>
<td>21.5</td>
<td>20</td>
<td>-1.5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>222.5</strong></td>
<td><strong>213</strong></td>
<td><strong>-9.5</strong></td>
</tr>
</tbody>
</table>

Workers Compensation statistics are as follows:

<table>
<thead>
<tr>
<th>March 2007</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Expenses</strong></td>
</tr>
<tr>
<td>Reserves</td>
</tr>
<tr>
<td># Open cases</td>
</tr>
<tr>
<td># Closed cases</td>
</tr>
<tr>
<td>Average Reserves per Open claim</td>
</tr>
<tr>
<td># Open with no financial activity</td>
</tr>
</tbody>
</table>
Training

<table>
<thead>
<tr>
<th>Description</th>
<th>Attendees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supervisory Skills for the First Line Supervisor</td>
<td>1</td>
</tr>
<tr>
<td>Cummins /Horizon Emissions Filter Training</td>
<td>10</td>
</tr>
<tr>
<td>Maximus Users Conference</td>
<td>2</td>
</tr>
</tbody>
</table>

Risk Management Update

<table>
<thead>
<tr>
<th>Description</th>
<th>March 2006 Preventable</th>
<th>March 2007 Preventable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Collision with other vehicles</td>
<td>Yes: 2 No: 3</td>
<td>Yes: 0 No: 1</td>
</tr>
<tr>
<td>Collision with a stationary object</td>
<td>Yes: 0 No: 0</td>
<td>Yes: 2 No: 0</td>
</tr>
<tr>
<td>Vandalism</td>
<td>Yes: 0 No: 0</td>
<td>Yes: 0 No: 2</td>
</tr>
<tr>
<td>Passenger Injury</td>
<td>Yes: 0 No: 1</td>
<td>Yes: 0 No: 0</td>
</tr>
<tr>
<td>Totals</td>
<td>Yes: 2 No: 3</td>
<td>Yes: 3 No: 3</td>
</tr>
</tbody>
</table>

Liability Claims Paid/Recovered – Property and Personal Injury

$100 was recovered. There were no claims paid.

Customer Services Update

Customer Service received 71 customer comments during the month as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>March 07</th>
<th>%</th>
<th>March 06</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Compliment</td>
<td>10</td>
<td>14.1%</td>
<td>3</td>
<td>5.4%</td>
</tr>
<tr>
<td>Service Compliment</td>
<td>0</td>
<td>0.0%</td>
<td>1</td>
<td>1.8%</td>
</tr>
<tr>
<td>Request To Add Service</td>
<td>12</td>
<td>16.9%</td>
<td>4</td>
<td>7.1%</td>
</tr>
<tr>
<td>Improper Driving</td>
<td>8</td>
<td>11.3%</td>
<td>9</td>
<td>16.1%</td>
</tr>
<tr>
<td>Improper Employee Conduct</td>
<td>7</td>
<td>9.9%</td>
<td>2</td>
<td>3.6%</td>
</tr>
<tr>
<td>Early Departure</td>
<td>6</td>
<td>8.5%</td>
<td>5</td>
<td>8.9%</td>
</tr>
<tr>
<td>Bus Stop Amenities</td>
<td>5</td>
<td>7.0%</td>
<td>5</td>
<td>8.9%</td>
</tr>
<tr>
<td>No Show</td>
<td>4</td>
<td>5.6%</td>
<td>5</td>
<td>8.9%</td>
</tr>
<tr>
<td>Passed By</td>
<td>4</td>
<td>5.6%</td>
<td>8</td>
<td>14.3%</td>
</tr>
<tr>
<td>Late Arrival</td>
<td>3</td>
<td>4.2%</td>
<td>3</td>
<td>5.4%</td>
</tr>
<tr>
<td>Routing</td>
<td>2</td>
<td>2.8%</td>
<td>1</td>
<td>1.8%</td>
</tr>
<tr>
<td>Fare / Transfer Dispute</td>
<td>2</td>
<td>2.8%</td>
<td>3</td>
<td>5.4%</td>
</tr>
<tr>
<td>Employee Other</td>
<td>1</td>
<td>1.4%</td>
<td>0</td>
<td>0.0%</td>
</tr>
</tbody>
</table>
For the third consecutive month in, “Request to Add Service” reports represented the largest percentage of overall service reports. Although these reports have steadily declined since January, it still reflects the largest percentage increase over the previous year. As expected, lingering effects from the January 27, 2007 PASS service change are still generating reports in this category.

**Marketing and Sales Update**

Bus ad sales for the month of March totaled $12,734. Clients included: Monterey Regional Waste Management, AT&T, Extreme Learning, Northern California Toyota Dealers, Kinship Center, Monterey Bay Horticultural Supply, Comcast and McDonald’s.

News items included a feature story in CSUMB’s Otter Realm about the Marina Transit Exchange groundbreaking, 1/3 page write-up of Grapevine Express in Skywest Magazine, feature story on Summertime Gas Prices in The Salinas Californian and an announcement in The Herald about featured guest Hunter Harvath on The Tasty Planet Radio program.

Marketing activities included: Completion of brand identity for 22 Big Sur, completion of new logo artwork for signage for 22 Big Sur, Completion of brand identity for MST On Call (formerly DART), scout location for King City bus photograph, plan with Customer Service upcoming outreach events.

**Planning Update**

During the month of March, staff began preparations for the Federal Transit Administration’s triennial review. Staff met with TAMC to discuss future funding opportunities and attended various meetings of Monterey County Hospitality Association, Fort Ord Reuse Authority, AMBAG, Marina Chamber of Commerce, and Caltrans. Staff traveled to Oakland to attend a workshop on the new Proposition 1C Housing Bond’s Transit Oriented Development program. Staff met with the City
Manager of Gonzales to discuss the proposed implementation of MST-operated demand response services in that community.

Staff continued work on the Monterey Bay Regional BRT Plan, attending meetings throughout the region and working closely with the project consultant team. Staff continued participation in the Leadership Monterey Peninsula program. Staff attended a time management-training seminar and participated as a presenter in the Leadership Monterey Peninsula/Monterey County Business Council Executive Impact program. Staff accompanied members of the Board Legislative Committee to Washington, DC for the 2007 APTA Legislative Conference. Staff also traveled to Sacramento to participate in CTA’s annual Transit Lobby Day. Staff participated in MST’s Board Workshop.

**Information Technology Update**

Staff continued working on outstanding warranty claims with the Siemens Transitmaster system. Staff continued to configure software for the ongoing implementation of the Maximus Maintenance system. Staff continued to configure hardware and software for the ongoing implementation of the FAMIS Accounting system. Staff upgraded software for the Hastus Runcutting and Ddam software. Staff updated software components of MST workstations. Staff continued developing functionality of the Payroll and Customer Service databases. Staff worked on upgrading servers and reconfiguring the network infrastructure of the MST computer system. Staff continued to support MST staff as needed, proactively ensuring MST staff were supported fully with their IT needs.
2007 MONTEREY COUNTY BIKE WEEK

The Transportation Agency for Monterey County encourages you to get involved with the 13th Annual Monterey County Bike Week to be held May 14-19, 2007 by participating or volunteering!

Bike Week 2007 focuses on five days of activities:

Saturday, May 12
- Community Support Ride to Whole Foods Market, Monterey

Monday, May 14
- Bicycle Clinic at Sports Center Bicycle, Seaside

Tuesday, May 15
- Salinas Bike vs. Car Challenge
- Salinas Bike to the City Council Meeting Ride
- Bicycle Clinic at Monterey Youth Center, Monterey
- Bicycle Clinic at Greenfield Community Center, Greenfield

Wednesday, May 16
- Ride of Silence

Thursday, May 17
- Eleven Bike to School sites and seven Bike to Work breakfast sites

Friday, May 18
- Cyclists Unite to celebrate the conclusion of Bike Week

Visit www.bike2work.com to learn more about these Bike Week 2007 events or call Kaki Chen at 831-775-4413.
MONTEREY COUNTY TRANSPORTATION PROJECTS LOOKING TO RECEIVE UP TO $2.6 MILLION IN FEDERAL FUNDS

Federal air quality improvement funding may soon be available for the purchase of new buses for Monterey Salinas Transit, intersection improvements on Pacific Street in Monterey, a pathway from Carmel High School through Hatton Canyon to access the Carmel River. The Congestion Mitigation and Air Quality funds are set aside for projects that reduce ozone and carbon monoxide emissions in areas that need to meet or maintain National Ambient Air Quality Standards. All of the proposed “green” projects and programs will help reduce air pollution emissions, leading to a healthier environment.

Other projects requesting air quality improvement include the Monterey County Commute Alternatives Rideshare program, Monterey County Vanpool Vehicles, and the planned City of Salinas Downtown Shuttle.

TRANSPORTATION AGENCY PUBLIC OUTREACH ACTION PLAN

The Transportation Agency Board approved an action plan this Wednesday that will increase public outreach over the next year and a half for the Transportation Agency. Some outreach activities are designed to increase public awareness of the agency:

- Mailing an Agency 2007 Annual Report to all households
- Preparing a public information video which will focus on “Who is TAMC,” to be shown on public access television
- Televising Transportation Agency Board meetings beginning in August, 2007

Other outreach activities will be used to guide the preparation of a new transportation expenditure plan for a proposed ½ cent sales tax to be placed on the November 2008 ballot:

- Forming a stakeholder advisory group
- Consolidating public opinion input from a survey
- Advisory groups and meetings
- Creating new expenditure plan scenarios

WELCOME NEW TRANSPORTATION AGENCY STAFF

The Transportation Agency welcomed new employees Andrew Cook, Associate Transportation Planner and Maria Montiel, Administrative Assistant. Both started work for the Agency on April 23, 2007. Mr. Cook has 4 years of experience with the Transportation Agency for Monterey County where he was the Project Manager/Coordinator for the Environmental Document Review program, Regional Transportation Plan, and the Regional Development Impact Fee. Returning to the Agency he will take on the duties as the Agency’s transit funding coordinator. Mr. Cook has a Masters in Community and Regional Planning from the University of Oregon and a Bachelor of Arts Degree in Anthropology from University of California, Berkeley. Ms. Montiel has been an intern with the Agency since January 22, 2007 and recently graduated from Central Coast College with a Certificate in Computer Office Administration. Ms. Montiel will continue her duties in assisting administrative staff with agenda preparation, preparing request flyers, taking notes at committee and board meetings and other essential support tasks.
TO: Carl Sedoryk

FROM: Thomas P. Walters

The following report summarizes recent actions taken on behalf of Monterey-Salinas Transit:

- Discussed opportunities for Federal funding support with MST staff.
- Consulted with MST on 2007 Federal agenda and advised on lobbying strategies.
- Contacted Congressional staff to follow up advocacy meetings by Board members and staff.
- Worked with stakeholders and Congressional staff to advocate changes to charter regulations through FTA rulemaking process.

TPW:dwg
DATE: May 1, 2007
TO: Carl Sedoryk, General Manager/CEO
     Monterey-Salinas Transit
FROM: John E. Arriaga, President
SUBJ: April 2007 Activity Report

Week of April 2, 2007
- Legislature on Spring Recess (March 29-April 9, 2007).
- Provided updated/status of priority legislation of Matrix of introduced transit-transportation
  related measures
- Monitored gubernatorial appointments
- Provided Weekly Capitol Update Report

Week of April 9, 2007
- Legislature reconvened Session after returning from Spring Break
- Monitored Assembly Transportation Committee hearing where AB 387 (Duvall) regarding
  design-build transit contracts, passed out of Committee
- Monitored Senate Transportation & Housing Committee hearing where SB 684 (Cox)
  regarding bus feeder service, passed out of Committee. Also monitored action on SB 717
  (Perata) regarding Prop. 42 & the TIF, which passed out of Committee.
- Provided updated/status of priority legislation of Matrix of introduced transit-transportation
  related measures
- Prepared draft FPPC Quarterly report
- Monitored and tracked key policy, fiscal and budget hearings at the Capitol
- Monitored gubernatorial appointments
- Prepared Capitol Weekly Update Report

Week of April 16, 2007
- Began coordinating legislator meetings for MST representatives on May 23, where MST plans
  to participate in the California Transit Association Legislative Conference in Sacramento.
- Monitored Senate Transportation & Housing Committee hearing where SB 716 (Perata) regarding
  the overage of sales tax on gas-spill over monies, passed out of Committee
- Monitored Assembly Transportation Committee hearing where AB 901 (Nunez) regarding the
  CTA’s sponsor measure for the $3.6 billion for transit account, passed out of Committee.
- Provided updated/status of priority legislation of Matrix of introduced transit-transportation
  related measures
- Monitored and tracked key policy, fiscal and budget hearings at the Capitol
- Monitored gubernatorial appointments
- Prepared Capitol Weekly Update Report
Week of April 23, 2007

- Continued work on coordinating legislator meetings for MST representatives on May 23, where MST plans to participate in the California Transit Association Legislative Conference in Sacramento
- Monitored Senate Transportation and Housing Committee hearing for SB 45 (Perata) regarding the $1 billion transit security funding, passed out of Committee.
- Finalized FPPC Quarterly report and sent electronically to the Secretary of State’s Political Reform Division
- Provided updated/status of priority legislation of Matrix of introduced transit-transportation related measures
- Monitored and tracked key policy, fiscal and budget hearings at the Capitol
- Prepared Capitol Weekly Update Report
- Monitored gubernatorial appointments

Please feel free to contact me at (916) 669-1340 with any questions or concerns you may have regarding information contained in this report.
To: Chief Operating Officer
From: Roger Vandevert, Maintenance Supervisor
Subject: Trip report

Maximus Users Conference

On March 25-28, 2007 we attended the Users Conference for our Maintenance Management Program in Palm Springs, California. The conference was well attended by many users of FASuite and Maximus staff members for sales, professional services and customer support. They also had a partner showcase in which I had an opportunity to speak with vendors that supply products. Our system includes such items as Fuel Focus, Lincoln fluid dispensing products and Novalog/ CAT base software.

The following is a list of Key Sessions and Technical Sessions that I participated in:

- **Sunday, 3/25/2007**
  - Product Orientation Session- John Hines
  - FASuite Sunday users Meeting- Kevin Bade

- **Monday, 3/26/2007**
  - Maximus Opening General Session
  - FASuite Opening Session
  - InfoCenter Enterprise Portal- by Ellen Hurst
    * Overview of how to use screens to find data; export to Excel and set up filters, sorts and preferences.
  - InfoCenter Shop Activity- by Gary Frost
    * Showed Technician and Supervisor portal interfaces.
  - Roundtable – How do you handle Shop matters? –
    * Discussion on labor accuracy, managing work orders, indirect and direct time.

- **Tuesday 3/27/2007**
  - Roundtable: What is Fuel Focus and what can it do for me? – Joe Basile
    * Overview of fuel management integration with FASuite, which is to eliminate duplicate data entry and reduce costs of our fuel system.
  - Roundtable: How Do You Handle Parts Matters?
    *Pro-Cons of outsourcing parts, balancing on-hand limits vs demand.
    * The ever changing vehicle parts requirements issues.
  - InfoCenter Enterprise Portal-
    Work Order Management Features
  - FA Suite Tuesday Users Meeting.

- **Wednesday3/27/2007**
  - Posting Parts, Labor and Commercial Charges- Heidi Davis
  - Report Creation and Publishing with InfoCenter
  - InfoCenter Shop Activity- Gary Frost
  - Roundtable: How Do You Handle Management Issues?
  - Warranty Tracking and Administration.
The Oasis: I attended the computer lab, which was set up for Maximus system users. Although it was always crowded, I managed to locate one computer for some experimentation in their Test Base. More time in the lab would be ideal.

The overall program was presented well and offered multiplicities of data and information on a wide variety of subjects in their entire System. It was good to mix with the different users, agencies and compare notes of what works for them. Ideas and ways of doing things more progressively were sought out and discussed by both users and Maximus.

Recommend continuing sending power users such as one IT and one parts department person.

Thank you.

Roger B. Vandevert