



Wherever Life Takes You...

MST

MONTEREY-SALINAS TRANSIT



MONTEREY-SALINAS TRANSIT

CONTENTS

General Manager's Message 3
 Regional Transit District 4
 Carmel Trolley 6
 New Presidio Service 8
 2009 Employee of the Year 11
 2009 Employees of the Month 11
 Monterey Bay Bus Operations and
 Maintenance Center 12
 Stimulus Funding Inspires Fare Reduction 15
 2009 Financials 17
 Ridership 18
 MST Mission and Strategic Goals 19

The economic crisis that has gripped our nation for the past year has presented many challenges for our region. Yet, through the leadership of the MST board of directors and the efforts of the hard working men and women of Monterey-Salinas Transit, I am happy to report we have completed another busy year dedicated to leading, advocating and delivering quality public transportation to the communities we serve.



When the State of California completely eliminated state transit operating assistance halfway through the fiscal year, MST faced a \$5 million shortfall. The struggling economy created record unemployment within the Monterey Bay region resulting both in reduced passenger boardings, and reduced income from state sales tax revenue. Meanwhile, in Washington DC, both the federal budget for the current fiscal year, and the bill that authorizes federal transportation spending for the next six years remain in limbo as the Congress and administration debate other matters of national interest.

In spite of this, through effective leadership and advocacy MST has secured new funding for bus rapid transit services along the Fremont and Lighthouse corridors on the Monterey Peninsula; received recognition for the creative and timely use of American Recovery and Reinvestment Act economic stimulus funds; implemented nine new routes serving the military personnel and communities that serve the Presidio of Monterey and Naval Postgraduate School; and, laid the groundwork for the formation of the Monterey-Salinas Transit District that will provide voting representation on the MST board from all jurisdictions within our county.

At the same time we have managed to improve our operating efficiencies, and our coach operators and maintenance professionals continue to provide safe, friendly, clean and reliable public transit services to our customers. And in this manner, MST continues to work toward achieving its vision of providing a fully funded public transit system that offers high quality and valued services to the communities and constituencies we serve.

Monterey-Salinas Transit will change from a joint powers agency to a regional transit district on July 1, 2010, as a result of legislation signed by California Governor Arnold Schwarzenegger in October 2009. Assemblywoman Anna Caballero from Salinas authored AB 644, which expands MST board representation and opens new revenue sources for the agency.

Monterey Peninsula Transit first formed as a joint powers agency (JPA) in 1972. In 1981 the city of Salinas joined the JPA creating Monterey-Salinas Transit. Since MST provides service to southern Monterey County's rapidly expanding cities by separate contract, those cities currently do not have voting representation on the organization's board of directors. The transit district designation, however, gives all Monterey County communities a vote on major MST expenditures, service and fare changes, land-use decisions and policy issues.

"Having a vote on MST actions will allow us to voice our concerns and bring forth issues facing each of our South County cities, as well as our public transit riders," says Gonzales Mayor Maria Orozco, whose city will gain a full-voting MST board member when the legislation takes effect next summer. "With input from each of the South County cities, MST will be able to expand its outreach to ensure our riders receive the best services."

As California's newest transit district, MST will also be able to issue bonds to fund capital projects, instead of being limited to borrowing money from the private markets or relying only on federal and state dollars. The designation is especially timely, given that state cuts eliminated approximately 17 percent of MST's 2010 budget. When record deficits prompted the California legislature to divert voter-approved state transit assistance to other projects, MST lost nearly \$5 million. Instead of completing capital improvements, the agency was forced to trim administrative positions by 15 percent while also cutting other expenditures. The California Transit Association has since sued the state, and the California Supreme Court ruled that the diversion of public transit funds was illegal. MST administrators are hopeful that the diversion will be discontinued in future budget cycles.

At the same time the state reduced public transit dollars, it also eliminated funding to transportation programs provided under Medi-Cal. The number of requests for MST RIDES service, which accommodates individuals with disabilities, doubled just as the agency was left without state funding for the service.



By allowing MST to issue bonds and, if necessary, seek local sales tax dollars for projects, the district transit designation will minimize the impact of such cuts in the future. It will also save the agency money.

"In the past, we've borrowed money to make capital improvements—specifically to purchase new buses—but we've done that through a private bank. Now, we expect there will be other innovative financing options that will result in lower interest rates and, ultimately, save taxpayer dollars," says, Hunter Harvath, assistant general manager for finance and administration.

Despite this year's unexpected budget challenges, MST was able to maintain current services and add routes thanks to American Recovery and Reinvestment Act dollars and its highly successful military partnerships (see related articles on pages 15 and 8).

Communities joining the MST board July 1, 2010

Gonzales	King City	Soledad
Greenfield	Sand City	

The Carmel Trolley debuted in July 2009, carrying guests to the city’s most popular destinations on weekends between Independence Day and Labor Day. With approximately \$15,000 in funding from the City of Carmel-by-the-Sea, MST operated the seasonal free trolley, which was designed to cut traffic congestion, reduce emissions and free up parking spaces on busy summer weekends.

The 27-passenger, Victorian-style trolley resembles an antique streetcar but incorporates modern “smart bus” AVL/GPS technology and features that allow for wheelchair access. While the trolley is not intended to provide a full guided tour of Carmel, recorded narrations linked to the on-board GPS system do provide basic information on sites throughout the community. Guests can hop on and off at popular stops such as the Carmel Mission, Carmel Beach, Carmel Plaza and major shopping and lodging districts.

MST board member and Carmel city council member Karen Sharp, who led the effort to establish the Carmel

Trolley, rode each weekend during the inaugural summer. She found a mix of community members, Bay Area residents and even international visitors using the free service.

Locals appreciate the trolley, she says, because it alleviates parking issues while keeping tourism dollars in the city—and that strengthens the area’s economy. “Carmel and the Monterey Peninsula rely heavily on tourism. To grow, tourism is key for us,” says Sharp. “The innkeepers, in particular, were pleased with the Carmel Trolley, and the Chamber of Commerce was very supportive, as well.”

An average of 123 riders boarded the trolley each Saturday and Sunday during its initial two-month run, and that interest prompted city leaders to

“The innkeepers, in particular, were pleased with the Carmel Trolley, and the Chamber of Commerce was very supportive, as well.”

Karen Sharp
Carmel City Council Member

also offer the service over the holidays from December 26, 2009–January 3, 2010. In September 2009, the Monterey Bay Unified Air Pollution Control District awarded the City of Carmel-by-the-Sea an \$85,000 grant to help fund the service. The Carmel Trolley is planned to operate every day from Memorial Day Weekend through Labor Day during the 2010 summer tourism season.

This new trolley in Carmel-by-the-Sea joins MST’s long-established summertime Monterey Trolley, as well as the Salinas Trolley, which connects Hartnell College and downtown Salinas during the fall, winter and spring months when school is in session.



Active duty service members, Department of Defense (DOD) employees and non-appropriated fund (NAF) employees who study and work at the Presidio of Monterey have responded enthusiastically to nine new MST routes launched in July 2009.

MST partnered with local military leaders to create the Presidio of Monterey routes, which offer express transportation

“There are other transit agencies making a difference by developing military partnerships, but I think MST has taken it to a new level in recent years.”

Carl Sedoryk
General Manager/CEO, MST

to the Presidio from the former Fort Ord, La Mesa and several northern Monterey County cities, as well as Gilroy and San Jose. The nine routes are open to the general public, but passengers must display official military or DOD civilian identification to enter the Presidio of Monterey military installation.

More than 1,000 military personnel signed up to use the new service in

its first month alone. By the end of 2009, more than 10,000 passengers boarded each month.

“In short, Presidio of Monterey express bus service is a win-win for the entire Monterey Peninsula,” said Col. Darcy A. Brewer, Presidio of Monterey garrison commander, in a *Military Times* article. “We will continue to promote the program to our employees and service members in an effort to take cars off the road and provide a service to our employees.”

Convenient Routes

MST administrators and community leaders began exploring the idea of military bus service after September 11, 2001, when access to the Presidio was limited for security reasons. Today, traffic often backs up around the main gates of the post, particularly during rush hour. The new bus routes help ease that congestion by reducing the number of cars on city streets.

The Presidio routes also provide a quick, convenient public transit option for employees who live as far away as Prunedale, Salinas and San Jose. At the same time, students and community members can take the Line 79 Presidio—San Jose Express bus between downtown Monterey and the Caltrain depot at San Jose Diridon Station. The route lets Monterey area passengers reach San Francisco before 7 a.m. during the week, all via bus and train.



Financial Benefits

Earlier this year, the Department of Transportation’s Federal Mass Transit Benefit/Transportation Incentive Program (TIP) received a funding boost from the American Recovery and Reinvestment Act (commonly known as the stimulus package). That TIP money made the first nine Presidio routes economically feasible, and more funds are expected to come available as the service gains in popularity. In fact, three new routes are set for implementation in January 2010, including direct links on weekends from the Presidio to Cannery Row and Del Monte Shopping Center. During a time when public transit funding has been eliminated at the state level, these federal dollars cover the entire cost of the Presidio of Monterey bus routes. No local or state matching funds are required.

With the new routes also came 26 new jobs at Monterey-Salinas Transit. As employees spend their paychecks, wages from those new jobs cycle back into the local economy.

Eco-friendly Transit

Minimizing environmental impact is one of MST’s strategic goals, and the Presidio routes do just that. Based on passenger numbers from the first few months of the new service, the

agency anticipates that riders will cut local vehicle travel by six million miles per year—and that reduces carbon emissions by five million pounds. By boarding the bus instead of taking their cars, passengers will collectively save 300,000 gallons of gas. In addition, each rider will cut his or her own fuel costs by approximately \$3,000 annually.

The Presidio partnership is the second successful partnership MST has had with the military, as two routes were developed in partnership with the Naval Postgraduate School (NPS). NPS was named the Navy's top energy saver among small installations in 2006, and MST helps make such recognition possible. In October, base director Peter Dausen told the Monterey County Herald that bus routes created for local military installations help lighten the school's environmental footprint.

The impact is extensive—as is the effort required to make it happen.

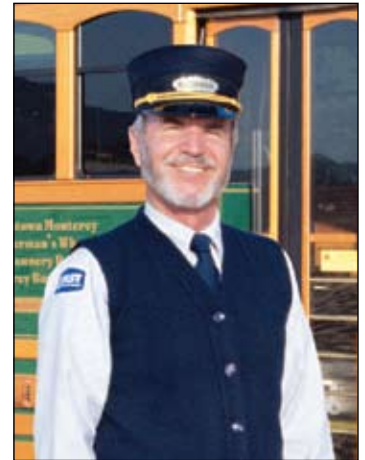
“There are other transit agencies making a difference by developing military partnerships, but I think MST has taken it to a new level in recent years,” says Sedoryk.

MST's Presidio of Monterey Bus Routes

- Line 68** Presidio - Salinas Express *via Highway 68*
- Line 69** Cannery Row - Del Monte *via Presidio*
- Line 70** Presidio - La Mesa
- Line 71** Presidio - Marina Express
- Line 72** Presidio - N. Salinas Express
- Line 73** Presidio - Prunedale Express *via Castroville & Oak Hills*
- Line 74** Presidio - Preston Park Express *via Schoonover Park*
- Line 75** Presidio - Marshall Park Express
- Line 76** Presidio - Stilwell Park Express *via Hayes Park*
- Line 77** Presidio - Seaside
- Line 78** Presidio - Pacific Grove
- Line 79** Presidio - San Jose Express *via Gilroy*

Rayford Moore

Rayford Moore began his career as a limited duty coach operator during the WAVE season with Monterey-Salinas Transit in April of 1997, later becoming a full-time Coach Operator in August of 2002. Rayford Moore has received commendations for his voluntary participation in numerous special events hosted by MST, many of which were attended by VIPs and elected officials.



In May 2009 Rayford Moore was injured after being struck by a stray bullet originating from an unrelated shooting. While injured, Rayford followed procedure by checking on the welfare of his passengers, activating the covert alarm, and engaging enhanced resolution features of the on-board surveillance. Monterey-Salinas Transit recognizes Rayford Moore for his excellent work.

EMPLOYEES OF THE MONTH

(Fiscal Year 2009)

2008

July	Eliseo Aromin
August	Mike Cargile
September	Paul Lopez
October	Zoé Smallwood
November	Fred Simkins
December	Raul Estrada

2009

January	Sonia Bannister
February	Victor Williams
March	Jose Luis Rojas
April	Angelina Ruiz
May	Frank Betancourt
June	Rayford Moore

MONTEREY BAY BUS OPERATIONS AND MAINTENANCE CENTER

MST leaders are completing plans for the agency's new consolidated headquarters, an environmentally friendly project that will bring maintenance, operations and administration facilities together on one site. Slated to open in 2012, the center will merge the current Thomas D. Albert Monterey and Clarence J. Wright Salinas facilities. In addition to housing a dispatch office, body shop,

paint facilities, warehousing and driver training facilities, it will accommodate a 250-bus fleet that includes 60-foot articulated buses and hybrid electric vehicles. A customer service center and parking are also included in the plans.

MST is working with the County of Monterey to develop a 24.3-acre site on the former Fort Ord into the Monterey Bay Bus Operations and Maintenance Center. This site



is ideally located adjacent to the future east-west multi-modal corridor connecting coastal Monterey County and the Monterey Peninsula with Salinas. In order to expedite project

MST is working with the County of Monterey to develop a 24.3-acre site on the former Fort Ord into the Monterey Bay Bus Operations and Maintenance Center.

development and planning and save design costs, MST is utilizing existing plans from the Orange County Transportation Authority's Santa Ana Bus Maintenance and Operations Facilities to construct its new facility. MST has also partnered with San Joaquin Regional Transit District (Stockton, CA) in an attempt to jointly utilize this ground-breaking approach to public transit facility development. It is anticipated that these strategies will save time and money throughout the design process.

Steered by MST's strategic goal to conserve natural resources, the focal point of the facility will be a three-story administrative office building, which will be named in honor of Frank J. Lichtanski. Lichtanski served as MST general manager and CEO for nearly 25 years and was a member of the agency's family for more than three decades before passing away unexpectedly in 2005. It is hoped that the Lichtanski building will achieve a Leadership in Energy and Environmental Design (LEED) Silver rating by showcasing innovative, environmentally friendly technologies that will help the agency minimize water and energy use throughout the facility.



Federal stimulus funds are landing in the pocketbooks of MST passengers, thanks to recent Monterey-Salinas Transit efforts. In June 2009 MST received \$8.3 million through the American Recovery and Reinvestment Act (ARRA), more commonly known as the federal stimulus package. By applying some of these funds to the early retirement of a debt for bus purchases, MST realized an interest savings of nearly \$300,000. Additionally, a small share of the federal stimulus dollars were eligible to temporarily cover a portion of MST's operating costs. As a result, the agency's board of directors voted in August to pass those financial savings along to passengers in the form of a fare reduction.

From Labor Day 2009 until Memorial Day weekend 2010, MST cash fares were reduced by 25 cents, from \$2.50 to \$2.25. Discount fares (including riders 65 years or older, individuals with disabilities, Medicare cardholders and children 46" tall to 18 years old) were cut 15 cents, from \$1.25 to \$1.10. RIDES cash fares were also lowered by 25 cents, from \$3.00 to \$2.75, as part of the temporary reduction.

The average weekday MST commuter will save approximately \$100 over the course of the eight-month fare discount, which leaves families with extra money to spend on such household necessities as groceries, utilities or a family member's education. In addition, the ARRA funds allowed MST to balance its budget without cutting routes; that saved jobs within the agency while also ensuring uninterrupted passenger service. By maintaining the routes on which riders depend, MST helps keep them at work, in school and at job training programs. Riders, in turn, continue earning dollars that can be spent locally. That ripple effect ultimately benefits Monterey County's entire economy.

"Studies show that every dollar spent at a local, independent business has a 'multiplier effect' of an additional \$0.68, as business owners, their employees and their suppliers make subsequent purchases in their own communities," says MST General Manager and CEO Carl Sedoryk. "Our staff estimates that the \$320,000 that passengers will save during this fare reduction could translate to more than \$538,000 being put back into the local economy."

Over the past year gas prices have nearly doubled and public transportation is an increasingly popular choice for families looking to save on fuel, maintenance and other costs associated with owning and operating a car. MST's current fare reduction makes transit an even more affordable and attractive

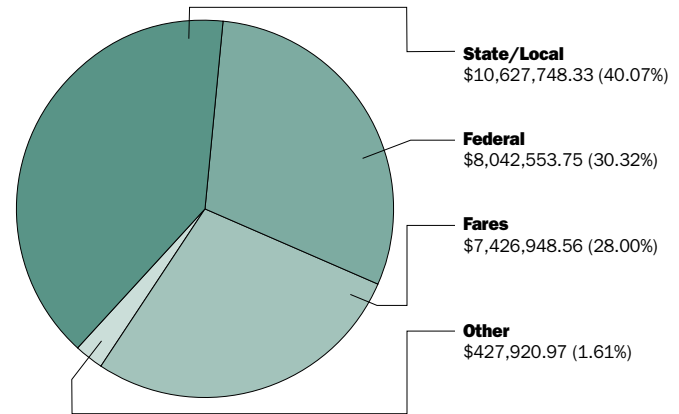
option for new riders. So, too, will updates to the agency's payment system: A portion of the ARRA funds will be used to upgrade fare boxes throughout the fleet. By accepting electronic "smart cards" embedded with a computer chip as well as credit cards and debit cards at the farebox, MST will shorten boarding times and entice new riders to use its services.

MST's effective utilization of ARRA funds has earned national notice. During the American Public Transportation Association's annual meeting in October, Federal Transit Administration head Peter Rogoff acknowledged MST's efforts during a presentation to public transit CEOs from around the country. He said the agency has done a particularly good job of using stimulus funds in a way that benefits the whole community, adding that MST's local projects caught the attention of the U.S. Secretary of Transportation.

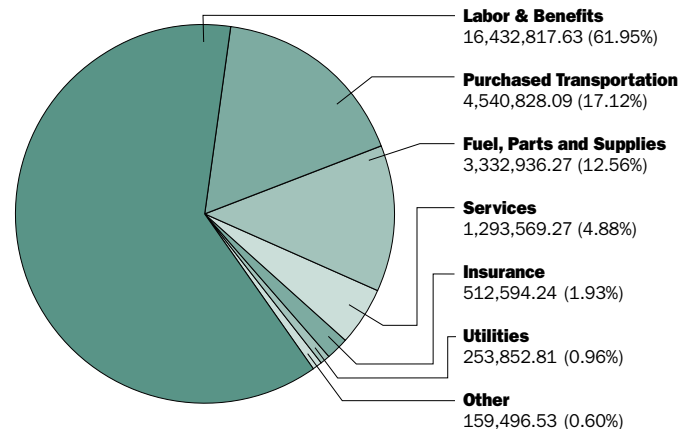
"We're honored to serve as a model for other agencies," Sedoryk says. "More importantly, however, we are proud to continue offering efficient, affordable service to MST passengers."



*Operating Revenue**

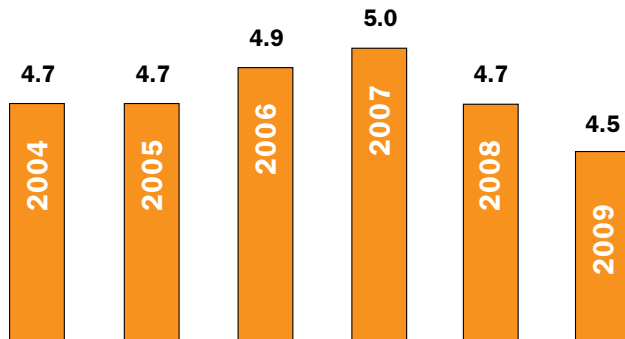


*Operating Expenses**



* Unaudited figures

Number of passenger boardings between July 1, 2008 and June 30, 2009 (in millions).



MONTEREY-SALINAS TRANSIT

OUR MISSION

Leading, advocating, and delivering quality public transportation.

OUR STRATEGIC GOALS

- #1—Improve Service Design & Infrastructure
- #2—Develop Stable Long-Term Revenue Sources
- #3—Enhance Information Technology
- #4—Improve Service Quality
- #5—Conserve Natural Resources



Public Transportation
Partnership for Tomorrow



Contributors:

- Carl Sedoryk, *General Manager/CEO, MST*
- Hunter Harvath, *Assistant General Manager, Finance & Administration, MST*
- Zoé Shoats, *Marketing Analyst, MST*
- Renee Brincks, *Freelance Writer*
- Randy Tunnell, *Photographer*
- Susan Stensland Boettner, *Graphic Designer*

BOARD OF DIRECTORS

County of Monterey
Fernando Armenta, *Chair*

City of Carmel-By-The-Sea
Karen Sharp

City of Del Rey Oaks
Kristin Clark

City of Marina
James Ford

City of Monterey
Libby Downey

City of Pacific Grove
Alan Cohen

City of Salinas
Sergio Sanchez

City of Seaside
Thomas Mancini, *Vice-Chair*

City of Gonzales (Ex-Officio)
Maria Orozco

...MST Takes You There.

MONTEREY-SALINAS TRANSIT

One Ryan Ranch Road
Monterey, CA 93940
Phone: 888-MST-BUS1
Fax: 831-899-3954
www.mst.org