

BOARD OF DIRECTORS
REGULAR MEETING
MONTEREY-SALINAS TRANSIT
October 12, 2009

1. CALL TO ORDER

Chair Armenta called the meeting to order at 10:00 a.m. in the MST Conference Room.

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| Present: | Karen Sharp | City of Carmel-By-The-Sea |
| | Libby Downey | City of Monterey |
| | Alan Cohen | City of Pacific Grove |
| | Thomas Mancini | City of Seaside |
| | James Ford | City of Marina (10:04) |
| | Sergio Sanchez | City of Salinas |
| | Fernando Armenta | County of Monterey |
| Absent: | Kristin Clark | City of Del Rey Oaks |
| | Maria Orozco | City of Gonzales (Ex-Officio) |
| Staff: | Carl Sedoryk | General Manager/CEO |
| | Hunter Harvath | Asst. General Manager/Finance & Administration |
| | Robert Weber | Director of Transportation Services |
| | Michael Gallant | Planning Manager |
| | Sonia Bannister | Office Administrator/Marketing & Sales Specialist |
| | Kelly Halcon | Human Resources Manager |
| | Mark Eccles | Director of IT |
| | Lyn Owens | Director of Human Resources |
| | Danny Avina | Marketing/Customer Service Manager |
| | Michael Hernandez | Asst. General Manager/CFO |
| | Kathy Williams | General Accounting Manager |
| | Zoe Shoats | Marketing Analyst |
| Others: | Dave Laredo | DeLay & Laredo |
| | Frederick Thompson | MST |
| | Bob Parks | ATU Local 1225 |
| | Mi9cheon Balmer | CaITIP |
| | Lance Atencio | MV |

Apology is made for any misspelling of a name.

2-1. – 2-9. CONSENT AGENDA

The consent agenda items consisted of the following:

- 2-2. Adopt Resolution 2010-04 recognizing Frederick Thompson, Coach Operator, as Employee of the Month for October 2009.
- 2-3. Disposal of property left aboard buses.
- 2-4. Minutes of the regular meeting of September 14, 2009.
- 2-5. Financial report – September 2009.
- 2-6. Authorize Chair to appoint Strategic Planning Ad-Hoc Committee.
- 2-7. Adopt Resolution 2010-05 recognizing Alma Almanza for Distinguished Service.
- 2-8. Authorize Chair to appoint board members to Salinas Intermodal Transit Center Ad-Hoc Committee.
- 2-9. Authorize the establishment of an Automated Clearing House (ACH) Facility at Rabobank of \$500,000.

Director Mancini moved to approve the items on the consent agenda. Director Downey seconded and the motion carried unanimously.

3. SPECIAL PRESENTATIONS

Robert Weber, Director of Transportation Services, introduced Frederick Thompson, Coach Operator, as Employee of the Month for September 2009. Frederick Thompson assisted with a male passenger who lost control of his scooter and became wedged between the coach's rear wheels and the curb. After Frederick re-checked his mirrors, he spotted the passenger in distress. Frederick immediately left his coach and safely moved the disabled passenger and his scooter back onto the sidewalk.

The MST Board recognized Alma Almanza for her distinguished service on the RIDES Advisory Committee. It was noted that she was unable to attend the Board meeting to receive her award due to an unexpected medical condition. The Board directed staff to send Ms. Almanza a card and flowers.

4. PUBLIC COMMENTS

None.

5. COMMITTEE REPORT

The Board accepted and filed the Marketing Committee Minutes – September 14, 2009.

6. BIDS/PROPOSALS

None.

7. PUBLIC HEARINGS

None.

8. UNFINISHED BUSINESS

None.

9-1. CALTIP PRESENTATION

The Board received a presentation on the CalTIP Liability Program. CalTIP is a self-insurance program for public transit operators. Rather than pay premiums to a commercial insurance company, CalTIP members pool funds to obtain affordable insurance coverage, claims administration, and safety and loss control programs. CalTIP is governed by representatives of member transit operators who ensure that the programs remain competitive with commercial offering and continue to evolve to meet the changing needs of public transit operators. The CalTIP Board has hired Bickmore Risk Services to administer the insurance programs.

CalTIP offers two claims administration programs to members: Program I is for all members that have selected the \$0/first-dollar (pre-funded) deductible and for members with self-insured retentions that choose to utilize CalTIP's claims administrator. Program II is for all members with self-insured retentions that have chosen not to utilize CalTIP's claims. For several years MST has elected to participate in Program II and manage its own claims.

New regulations pursuant to Section 111 of the Medicare, Medicaid, and SCHIP Extension Act of 2007, require all liability, no-fault, and workers' compensation insurers, self-insurers, and self-insured groups, as well as group health plans, to determine whether any individual claimants/applicants are entitled to Medicare benefits, and if so, report electronically various information about the claimant to the Centers for Medicare and Medicaid Services (CMS).

Staff is strongly considering the possibility of changing from self-administering claims as a Program II member to using CalTIP claims administration services as a Program I member. The additional costs of this change will be less than \$25,000 and within staff's purchasing authority. The extra costs will be offset avoiding the

responsibility, complexity, and penalties associated with the failure to report new SCHIP requirements.

9-2. CHANGES TO BUS ADVERTISING POLICY

Mr. Sedoryk, General Manager/CEO, reported that in July 2004, the Board adopted a Bus and bus shelter advertising policy to provide guidance to staff in managing the program in a manner that will produce as much revenue as practicable, while ensuring that the advertising does not discourage the use of MST's transit system, does not diminish MST's reputation in the community it serves or the good will of its patrons, and is consistent with MST's principal purpose of providing safe, comfortable, efficient and affordable public transportation. Since that time, sales have grown to over \$300,000 per year of advertising to a variety of businesses and non-profit organizations.

Staff recommends several changes to its advertising program to allow both commercial advertisements and advertisements promoting programs and events that are sponsored by MST. Also based on this review, staff does not recommend allowing identity advertising of non-commercial entities. Commercial advertising would allow non-profits to advertise as well as for-profit organizations.

Adoption of these changes will allow staff to continue to accept commercial advertising from both for-profit business along with non-profit organizations promoting events programs and events sponsored by MST and demonstrate your Board's intent to maintain control over the advertising space thereby ensuring that a public forum for discourse is not created on MST buses, shelters, and facilities.

Director Sanchez asked that the changes be sent to all city attorneys for review.

Director Downey moved to adopt the changes to the MST Bus and bus shelter advertising policy. Director Mancini seconded and the motion carried unanimously.

10-1. – 10-4. REPORTS & INFORMATION ITEMS

The reports consisted of the General Manager/CEO Report; TAMC Highlights – September 23, 2009; Washington DC Lobbyist Report – October 1, 2009; and staff trip reports.

Mr. Sedoryk reported that the MST Trolley statistics will be broken out by cities.

11. COMMENTS BY BOARD MEMBERS

Chairman Armenta reported that he attended the APTA Annual Conference and he sat in on Carl Sedoryk's presentation. He noted that his presentation was very well done.

12. ANNOUNCEMENTS

None.

13. CLOSED SESSION

The Board adjourned to Closed Session to meet with legal counsel regarding performance of General Manager/CEO, potential and existing litigation, and discussion with property negotiators.

14. RETURN TO OPEN SESSION

Upon returning to open session, General Counsel Laredo reported the following:

13-1 The Board reviewed the performance of the General Manager/CEO Carl Sedoryk, and provided individual feedback to him for FY 2008-2009. The Board also voted unanimously (Moved by Director Mancini, seconded by Director Ford) to grant Carl Sedoryk a 5% performance bonus in recognition of his sustained superior performance.

13-2 The Board approved partial settlement (medical only) for \$35,000. (Moved by Director Sanchez, seconded by Director Sharp. Motion carried with Director Edelen absent)

13-3 No report was given as to this matter. No action was taken.

13-4 The Board met with Broker, Greg Findley who gave a status report. No action was taken on this matter.

13-5 The Board referred this item to Jon Giffen.

15. ADJOURNMENT

There being no further business, Chair Armenta adjourned the meeting at 12:09 p.m.

Prepared by: _____
Sonia Bannister