

BOARD OF DIRECTORS  
REGULAR MEETING  
MONTEREY-SALINAS TRANSIT  
January 10, 2005

**1. CALL TO ORDER**

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

Present:	Kristin Clark	City of Del Rey Oaks
	Gary Wilmot	City of Marina
	Carl Anderson	City of Monterey
	Ron Schenk	City of Pacific Grove
	Sergio Sanchez	City of Salinas
	Tom Mancini	City of Seaside
	Fernando Armenta	County of Monterey
	Maria Orozco	City of Gonzales (Ex-Officio)
Absent:	Michael Cunningham	City of Carmel-By-The-Sea
Staff:	Frank J. Lichtanski	General Manager/CEO
	Carl Sedoryk	Assistant General Manager/COO
	Sonia Bannister	Office Administrator
	Michael Hernandez	Director of Maintenance & Operations
	Lyn Owens	Director of Human Resources
	Hunter Harvath	Director of Customer Services
	Robert Weber	Transit Services Manager
	Dave Sobotka	Controller
	Tonja Posey	Human Resource Supervisor
	Mark Eccles	Information Technology Manager
	Mark Ashby	Planner
Others:	Dave Laredo	Legal Counsel
	Doris Martinez	Schedule/Planning Analyst
	Fernando Manansala	Mechanic
	Danny Avina	Customer Service Supervisor
	Jim Fink	Salinas resident
	Vicki Nakamura	Monterey Peninsula College
	Annette Yee	Annette Yee & Company/FORA
	Brenda Roncarati	Monterey Peninsula Chamber of Commerce
	David Delfino	TAMC

***Apology is made for any misspelling of a name.***

## **2-1. – 2-9. CONSENT AGENDA**

The consent agenda items consisted of the following:

- 2-1. Adopt Resolution 2005-16 recognizing Doris Martinez as Employee of the Month for January 2005.
- 2-2. Adopt Resolution 2005-17 recognizing Fernando Manansala as Employee of the Year.
- 2-3. Disposal of property left aboard buses.
- 2-4. Minutes of the regular meeting of December 13, 2004.
- 2-5. Financial Report – December 2004.
- 2-6. Claim rejection.
- 2-7. Authorize Chair to appoint ad hoc Nominating Committee.
- 2-8. Approve MOU with TAMC regarding fees for management of grants.
- 2-9. Approve supplemental service agreement with Monterey Chamber of Commerce.

Mr. Lichtanski reported that before any Lost & Found items are disposed, staff tries to return the items if there is an address.

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

## **3. SPECIAL PRESENTATIONS**

**Director Schenk moved to approve the special presentations. Director Mancini seconded and the motion carried unanimously.**

Hunter Harvath, Director of Customer Service, introduced Mark Ashby as the new Planner. Mark's background includes a diversity of local, regional, and state transportation planning and government experience. He was previously employed with PACE Transit in Chicago where he served in the Government Affairs and Community Outreach Division. Prior to Chicago, Mark worked at the Metropolitan Transportation Commission in Oakland as the program coordinator for the Regional Rideshare Program.

Doris Martinez, Schedule/Planning Analyst was recognized as the January 2005 Employee of the Month. Doris started in 1984 as a Coach Operator. In 1988, she was promoted to Operations Supervisor and in 1990 she became the Safety/Training Officer.

She was again promoted in 1995 to her current position. Over the last year, she has shown leadership and professionalism in her position. She created line 11-Edgewater-Carmel Express, which is now the most productive line in terms of passengers per service hour. This route provides a valuable link for workers in Seaside, Marina, and Monterey to get to their jobs in Carmel. In addition, she has been working diligently on the Operations and Timekeeping Systems package.

Fernando Manansala, Intermediate Mechanic, was recognized as the 2004 Employee of the Year. Fernando began as a Utility Service worker in 1987 and was promoted to Mechanic in 1993. He has over 40 commendations and recommendations in his personnel file. During the past year, Fernando did a lot of work in repairing damage to buses that were involved in accidents. He consistently completes his work with minimal supervision and is highly respected in the Maintenance Department.

Danny Avina, Customer Service Supervisor, was presented with a 2004 Management Excellence Award. In the year since coming on board, Danny has updated various processes in responding to issues and concerns. He has designed and implemented a new customer service database management system and he has also improved how cash pass sales procedures are handled.

#### **4. PUBLIC COMMENTS**

Jim Fink, Salinas resident, said there needs to be a bus stop at West Market Street/Castroville Road at W. Market Circle. The nearest bus stop is approximately  $\frac{3}{4}$  mile walk. He has chronic obstructive pulmonary disorder and sometimes it is impossible for him to connect to the line 28. Some passengers on the line 20 and 21 are unruly and cause trouble. It seems that the coach operators are unwilling to confront these passengers. As long as the people causing trouble on the bus are not confronted, they are going to continue to think that their behavior is okay. He would like to see coach operators stand up to these people and start enforcing the rules on the bus.

#### **5-1. COMMITTEE MINUTES**

The Board accepted and filed the MST RIDES Advisory Committee Minutes of November 15, 2004.

(Director Anderson acknowledged the arrival of Libby Downey, the new representative for the City of Monterey.)

#### **6-1. FORA LIABILITY INSURANCE**

The Board discussed the purchase of Environmental Liability Insurance for MST properties on the former Fort Ord through the Fort Ord Reuse Authority's basewide policy.

FORA is requiring this environmental insurance coverage or environmental insurance similar to this be in place before any jurisdiction can begin any development

on their FORA property. FORA has stated that not having this specialized environmental insurance will not delay any transfer of FORA property to MST. However, FORA will not permit any development of MST property on former Fort Ord until this type of insurance is in place.

Annette Yee, Annette Yee & Company, gave a brief presentation on Pollution Legal Liability Insurance Coverage for the former Fort Ord. FORA has been examining liability insurance issue since 2002. In the past two years, a broker and provider were selected. Negotiations were conducted this past summer and a policy draft was issued in the fall of 2004.

The policy that FORA is purchasing is for 10 years and is non-cancelable during the 10-year period. A lot of the development occurring on the former Fort Ord is not going to occur until the future.

MST's share of the \$100 million policy is \$6 million of coverage. MST could pay the \$2 million premium over 7 years or \$21,000 per year for a total investment of \$145,000, or MST could make a one-time payment or pay over time. The first payment wouldn't be due until July 15, 2005. FORA has obtained a 4½% rate for this coverage.

Mr. Lichtanski said in addition to the cost of the insurance, the SIR is \$500,000 for unexploded ordinance and \$1 million for pollution liability. Presently, MST has \$250,000 SIR. MST would need to start setting aside reserves so it could fund the \$1 million deductible, if needed. The source of these funds has not been identified or how long it would take to accumulate that amount of cash.

Mr. Lichtanski said that MST has \$10 Million in coverage through CalTIP for Munitions and Explosives of Concern (MEC), but the CalTIP coverage does not include pollution liability. MST's broker, Driver/Alliant has told us that separate pollution liability coverage is available, however the carrier, AIG, was unable to deliver the quote in time for the board meeting.

Mr. Laredo said the MST does not have a present plan to develop the property. Mr. Lichtanski said MST owns several parcels on the former Fort Ord. The largest parcel is 14 acres and is presently a storage area where buses are parked. This is the site of MST's future operations center – a \$30 million unfunded project. The site in question is adjacent to a TAMC site along the freeway. MST is discussing with the City of Marina and TAMC a possible land swap. This is the site that MST had planned to build a transit center. MST made a request for that land 10 years ago before there were any permanent development plans. Development plans are now emerging and this location is now in the wrong place. MST is looking for a possible land swap further north. The parcel would still be adjacent to TAMC property and adjacent to the University Villages development. It is unlikely that MST will develop any of its parcels within the next two years.

Director Schenk said the premium is large compared to the coverage being purchased. He asked what would happen if MST chose not to purchase the insurance.

Mr. Lichtanski replied that MST would be precluded from developing unless MST could furnish evidence of coverage to FORA and name FORA as additional insured. Director Schenk said it might be prudent to wait. After four to five years, there would be more experience and more insurance companies would hopefully be able to write out a policy for this coverage.

MST has coverage for munitions and explosives of concern up to \$5,000,000 with a deductible of \$250,000. MST does not have the related pollution coverage.

FORA is looking for a commitment from MST by January 31, 2005 whether they will purchase the insurance or not. If MST does not sign the Memorandum of Agreement by the end of January, then MST will not be part of the group policy being purchased by FORA. This does not preclude MST from purchasing separate insurance. However, it precludes MST from doing further development without having evidence of coverage.

Director Anderson made reference to comments made by Director Cunningham via email. It was noted that MST already has the munitions coverage in its existing policy. Regarding the pollution coverage, if MST invests \$151,000 over ten years, and also have a \$500,000 deductible, MST has the potential of investing of \$651,000 to deal with a pollution problem. He doesn't see a benefit to buying this coverage.

Mr. Laredo said when the time comes to develop the property; it will come with a \$30 million price tag. This would be another means of satisfying the liability potential. There are other vehicles besides insurance to fund a future responsibility.

Mr. Lichtanski said MST does not have the opportunity to pass its insurance premium costs on to a developer, with an exception perhaps of maybe a small portion of the transit center site.

**Director Schenk moved to table the issue until more information becomes available from FOR A and/or Driver/Alliant, or when MST is ready to develop its property. A special Board meeting will be called, if necessary. Director Sanchez seconded and the motion carried unanimously.**

## **7. PUBLIC HEARINGS**

None.

### **8-1. MARINA TRANSIT STATION**

The MST Board reviewed two alternate concepts based on input from the City of Marina Council members and the MST Board members that comprised the Marina Transit Station Ad-Hoc Committee.

Design modifications to the concept include adding capacity for articulated buses, considering an alternate egress route onto Reservation Road via the Seacrest

Plaza delivery/service road, considering a modified L-shaped platform for loading on one-side only, providing stronger connection to the Post Office, reduction of employee and customer parking to approximately 50 spaces, adding a traffic circle, and adding additional green areas.

Option B is an L-shaped platform, which reduces the number of bus bays. It also has a one-way entrance with an exit at the egress in the alleyway between MST's property and the Seacrest Plaza Shopping Center. There is a grade differential in this area. These two features are a significant departure from the previous concept.

In December, the Board asked staff to examine options to fund these additional design modifications to the pre-existing concept. It is unsure if TAMC would allow the use of the Livable Communities Grant funds toward any design modifications to the MST site.

Director Anderson urged an expansion of parking be designed and the park and green space be built in such a way that is isn't a major expense. Mr. Lichtanski said MST has a plan to co-share parking with the Korean Church adjacent of MST's transit center site.

Director Wilmot said Option A was presented to the City of Marina several years ago and was rejected. He doesn't know why it would be accepted again. The City of Marina's plan is to increase the density of all its properties along Reservation Road to minimize the amount of open space. He said when MST first bought the property TAMC didn't own the rail right-of-way and there was no plan for a rapid transit corridor. He thinks it would be wise for MST to align the transit station along that corridor. Reservation Road will become a 25 mph road with on street parking. A consultant working for the City of Marina has proposed reducing Del Monte Blvd. to a one-lane road and allow transit operations to be the second lane. This would allow for a bus operation with Park & Ride along Del Monte Blvd. Putting a transit center at the current location will end up being a nightmare. He said this model already works at the Edgewater Transit Exchange. He distributed a sketch of his suggestion and asked the Board to consider it.

Director Schenk said a lot of time and energy has been spent on the current plans and it doesn't seem feasible to discard everything and start over.

Director Anderson asked about the status of the grant money for this project. Mr. Lichtanski said there is approximately 1 – 1½ years before the money needs to be reallocated. If this is the case, MST would have to reapply for more funding.

Director Clark said the manager of the Seacrest Shopping Center did not like the idea of MST using the alleyway as an exit from the Transit Station. There is also an auto stereo store that constantly utilizes the alley. She said there is an immediate need to build the transit station. She supports Option A.

Director Anderson said given the unknowns on the Del Monte corridor, MST needs to move forward with making their application to the City of Marina for this project at the current location.

Director Sanchez said it is not a good idea to be using an alleyway as an exit. Delivery trucks have priority and other traffic must wait until deliveries are done. He also supports Option A. He wants to see this project move forward before the money runs out. If the Del Monte corridor is developed, then MST can re-examine the transit station location at that time.

Mr. Lichtanski said if the transit station is not built at the current site, and MST decides to sell the property, MST cannot keep the money. The money goes back to the federal government. The grant application process would have to be started all over again and MST would need to apply for congressional earmarks.

Director Wilmot said he cannot support a project that is in the wrong location. This project has gone before the underlying jurisdiction several times and has been rejected each time.

Jim Fink, Salinas resident, said the property was purchased in 2001. In the past three years, not much has changed on the site. There needs to be an agreement between the parties or nothing will happen with this project.

The MST Board endorsed Concept Option A which excluded the alternate aggress route onto Reservation Road via the alley adjacent to Seacrest Plaza, and the modified L-shaped platform. The approved concept includes a stronger connection to the Post Office, reduced employee and customer parking, adding a traffic circle, and adding additional green areas.

**Director Anderson moved to direct staff to move forward with the project with the approved Concept A for application of use permit. Director Mancini seconded and the motion carried with Director Wilmot opposed.**

## **9. NEW BUSINESS**

None.

## **10-1. – 10-6. REPORTS & INFORMATION ITEMS**

The reports consisted of the General Manager/CEO Report; Central Coast Reporter – December 2004; TAMC Highlights – December 27, 2004; Washington D. C. Lobbyist Report – December 28, 2004; Letter to Shelter Cove/Interim Foundation – December 29, 2004; and Letter from City of Monterey regarding CNG Station at Ryan Ranch Corporation Yard – December 20, 2004.

Mr. Lichtanski said ridership is up. This year, MST reinstated service on Thanksgiving Day, Christmas and New Year's Day.

MST has been in discussion with the City of Monterey regarding the CNG Station at Ryan Ranch Corporation Yard. The City of Monterey will no longer be maintaining the CNG fueling station as of July 1, 2005.

The APTA Legislative Conference will be on March 6-8 in Washington DC. If any Board members are interested in attending, please let staff know.

#### **11. COMMENTS BY BOARD MEMBERS**

Director Mancini thanked MST for the First Night buttons.

Chairman Armenta appointed Directors Mancini, Clark, and Sanchez to serve on the Nominating Committee.

Director Sanchez would like staff to continue to monitor the Boronda Crossing project.

#### **12. CLOSED SESSION**

The Board of Directors met in closed session to discuss Worker's Compensation claim settlement and to meet with labor negotiators regarding the status of ATU negotiations.

**Director Schenk moved to authorize MST's worker's compensation third party administrator to settle the claims of Maria Ramirez by way of a Compromise and Release, with an expenditure not to exceed \$32,000. Director Mancini seconded and the motion carried unanimously.**

Counsel and staff provided a status report as to negotiations with ATU on the proposed 2004-2006 labor agreement. No specific action was taken by the Board.

#### **13. NEXT MEETING DATE**

February 14, 2005 at 10:00 a.m. in the MST Conference Room.

#### **14. ADJOURNMENT**

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

PREPARED BY: \_\_\_\_\_  
Sonia A.R. Bannister