

BOARD OF DIRECTORS
REGULAR MEETING
MONTEREY-SALINAS TRANSIT
May 10, 2004

1. CALL TO ORDER

Chairman Armenta called the meeting to order at 10:04 a.m. in the Ferrante Room at the Monterey Conference Center.

Present:	Kristin Clark	City of Del Rey Oaks
	Bruce Delgado (10:14)	City of Marina
	Carl Anderson	City of Monterey
	Ron Schenk	City of Pacific Grove
	Sergio Sanchez (10:36)	City of Salinas
	Diana Ingersoll	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/CFO
	Sonia Bannister	Office Administrator
	Michael Hernandez	Director of Operations
	Dave Sobotka	Controller
	Lyn Owens	Human Resource Manager
	Hunter Harvath	Planning Manager
	Robert Weber	Operations Support Manager
	Tonja Posey	Human Resource Administrator
	Bill Morris	Contract Transportation Manager
	Nancy Amador	Operations Supervisor
	Dave Pratt	Facilities Manager
Others:	Dave Laredo	Legal Counsel
	Kelly Halcon	Human Resource Assistant
	Alma Almanza	CCCIL
	Jon Monson	MV Transportation
	Jack Salmon	MV Transportation
	John Siragusa	MV Transportation
	Gina Flower	Laidlaw
	Harry Roscoe	Laidlaw
	Mike McKay	Laidlaw
	Kelly Hubbard	PTS Inc.
	Darcie Hubbard	PTS Inc.
	Anthony Altfeld	City of Marina
	Ruth Olson	ATU
	Sue Jackson	ATU

Apology is made for any misspelling of a name.

2-1. – 2-14. CONSENT AGENDA

The consent agenda items consisted of the following:

- 2-1. Adopt Resolution 2004-14 recognizing Kelly Halcon as Employee of the Month for May 2004.
- 2-2. Disposal of property left aboard buses.
- 2-3. Minutes of the regular meeting of April 12, 2004.
- 2-4. Financial Report – April 2004.
- 2-5. Approve disposal of fixed assets.
- 2-6. Adopt Resolution 2004-15 authorizing individuals to act on behalf of the deferred compensation plan.
- 2-7. Adopt Resolution 2004-16 recognizing Alipio Gacosta for 5 years of service.
- 2-8. Adopt Resolution 2004-17 recognizing Jose Castro for 13 years of service.
- 2-9. Adopt Resolution 2004-18 recognizing Linda Garcia for 25 years of service.
- 2-10. Adopt Resolution 2004-19 recognizing Larry Best for 25 years of service.
- 2-11. Adopt Resolution 2004-20 recognizing Eduardo J. Ortiz for 13 years of service.
- 2-12. Appoint an ad hoc committee to negotiate contract with General Manager/CEO.
- 2-13. Schedule public hearing regarding MST RIDES ADA Special Transportation extension and fare increase.
- 2-14. Schedule public hearings regarding proposed service changes.

Director Anderson moved to approve the consent agenda. Director Schenk seconded and the motion carried unanimously.

3. SPECIAL PRESENTATIONS

Kelly Halcon, Human Resource Assistant was recognized as the May 2004 Employee of the Month.

Linda Garcia, Dispatcher was presented with a 25-year Service plaque upon her retirement.

4. PUBLIC COMMENTS

None.

5-1. – 5-3. COMMITTEE MINUTES

The Board also accepted and filed the MST RIDES Advisory Committee Minutes – March 15, 2004.

The Board accepted and filed the Finance Committee Meeting minutes – April 12, 2004 and April 29, 2004.

Director Delgado arrived at 10:14 a.m.

6-1. MST RIDES VEHICLES PURCHASE

Currently, MST has 23 vehicles in the MST RIDES fleet. These new vehicles will replace five older program vehicles that need to be decommissioned from service due to excessive mileage and maintenance costs. These vehicles will be purchased from El Dorado Bus Sales through Cal Trans FY 2003/2004 Federal 5310 procurement program.

Director Armenta moved to authorize the purchase of five Chevrolet (Type 1) Cutaway Mini-Buses as replacement vehicles for the MST RIDES program. Director Ingersoll seconded and the motion carried unanimously.

Director Sanchez arrived at 10:36 a.m.

6-2. MST RIDES, DART, AND OTHER FIXED-ROUTE SERVICE CONTRACT

Mr. Weber, Operation Support Manager reported that an RFP was issued in early December. Six proposals were received and a scoring committee comprised of both MST and TAMC staff personnel evaluated each proposal. The proposals were scored on four different criteria: technical proposal, qualifications & experience, price proposal, and SB 158.

The RFP was structured to allow each provider to submit bids for any or all of the following three options. Option 1 includes MST's RIDES ADA and Special Transportation paratransit services only. Option 2 includes dedicated commuter, dial-a-

ride, seasonal, and year-round transit services only. Option 3 includes all services previously listed.

After the initial scoring was completed, interviews were conducted and each proposer was asked to submit their best and final offer. MV Transportation scored the highest, Laidlaw Transit Inc. came in second, and Pro Transportation came in third.

There is an option to extend this five-year base contract for up to two two-year periods for a total of nine years. This contract will go into effect on September 10, 2004 and expire on September 9, 2009.

Mr. Weber introduced John Monson, President and CEO for MV Transportation. Mr. Monson said MV has been in business for 27 years. They started with one van in San Francisco and today they operate 3,300 vehicles in almost 100 locations throughout the United States. They are based in Fairfield, CA and have about 6,000 employees nationwide.

There are a number of commitments MV has made with regards to receiving the contract. They have committed to meet and offer employment to all non-management employees of the current contractor. Their local facility will be located in Salinas. In addition, they are also committed to transitioning the staff and relocating their management team, setting up the reservation schedule and the dispatch for the various services. They have successfully transitioned over 80 contracts in the last four years.

Most of MV's functions such as accounting is centralized. The driving, dispatching, and maintenance functions will be brought to Salinas. They will be bringing their own management team.

Alma Almanza, CCCIL, is pleased to hear the existing employees will keep their jobs. She supports awarding the contract to MV Transportation.

Mike McKay, President for Laidlaw Transit, reported that it has been a pleasure to serve the citizens and MST for the past five years. They look forward to cooperating fully with MV Transportation during the transition.

Kelly Hubbard, Pro Transportation, has been providing service for 15 years. It has been a pleasure working with MST and they will cooperate with MV Transportation during the transition. It is important to him that the transition is transparent to the consumer.

Sue Jackson, ATU President Local 1225, also represents Laidlaw Transit. She looks forward to working with MV Transportation on the contract negotiations. ATU will also be talking and organizing MV Transportation's employees under the contract with ATU Local 1225. They also represent the MV properties in San Francisco. They have a good working relationship and she expects it to continue.

Director Sanchez arrived at 10:36 a.m.

Director Schenk moved to award an exclusive five-year service agreement to MV Transportation, Inc. to provide the following services: MST RIDES ADA/ST Paratransit Program, line 3-Skyline DART, line 8-Seaside-Del Rey Oaks DART, line 22-Big Sur, line 24-Carmel Valley Carmel Rancho, line 25-Monterey-Gilroy, line 26-Salinas-Gilroy, and The WAVE Trolley at a cost of \$12,962,687. Director Ingersoll seconded and the motion carried unanimously.

7. PUBLIC HEARINGS

None.

8-1. MARINA TRANSIT STATION

Mr. Burton, Director of Facilities & Maintenance reported that the City of Marina held public workshops on April 16 & 17. MST staff attended both workshops. The City's consultant presented an analysis of MST's current design utilizing MST's property and the adjacent undeveloped church property and the existing Seacrest Plaza Shopping Center to portray a new downtown Marina. The public showed a lot of support for the concept proposed by their consultant which is basically a public plaza and retail shops with up to four stories of housing located above the retail portion.

Under this design concept, MST's transit facility would be located along Reservation Road and Deforest Road with buses turning around in a traffic circle, to be constructed. This represents a complete redesign of MST's current preliminary design.

No action was taken on this matter.

8-2. ENVIRONMENTAL CONSULTANT FOR MARINA TRANSIT STATION PROJECT

Under the National Environmental Protection Act (NEPA) and the California Environmental Quality Act (CEQA), environmental analysis is required on the proposed Marina Transit Station. Although the proposed site is an improved urban lot, environmental issues may include, among others, impacts on traffic, circulation, air quality, and regional growth. Discussion of multi-use options and alternatives must meet federal and state guidelines to facilitate project approval.

Director Sanchez moved to: 1) Appoint an ad hoc committee to provide oversight on matters related to the Marina Transit Station; 2) Direct the ad hoc committee to meet with a sub-committee of the Marina City Council on matters of mutual concern related to the Marina Transit Station; 3) Direct staff to obtain consulting services not to exceed \$75,000 for environmental review of the Marina Transit Station. Director Clark seconded and the motion carried unanimously.

8-3. FY 2005 BUDGET

The FY 2005 budget is \$19,601,834, which is a 20.9% decrease from FY 2004. This is a balanced budget and it contemplates a reduction in service of 2.8% while continuing service to South Monterey County and connections to Caltrain in Gilroy. This budget also reduces staffing levels by 5 full-time equivalents which will be achieved by not filling positions currently budgeted.

Director Sanchez requested ridership and usage breakdown for lines 43, 44, and 46. Mr. Harvath, Planning Manager, said staff examined ridership levels throughout the system. Specifically, riders per hour and passengers per hour were analyzed. Those lines with fewer than five passengers per hour were examined. After the evening rush hour, between 6:30 p.m. – 8:00 p.m., ridership falls off dramatically on these three lines. Staff tried to make sure that one jurisdiction did not feel the entire burden of the service cuts. Mr. Lichtanski reported that the routes identified for possible reduction are substantially below the system average of 25 passengers per hour.

Mr. Lichtanski said this was also reviewed by the Finance Committee. With regards to balancing future budgets, there is nothing left to cut. Many of the routes, at best, have marginal minimum levels of service. Although the budget and balanced and staff was able to maintain the on time performance and safety record, MST is not able to consistently provide the same levels as in the past. Unless there is an infusion of state money, or local state tax, or more federal money, services that do not have duplicate service will be cut.

Director Anderson moved to: 1) Approve the FY 2005 budget conditioned upon dropping the farebox recovery ratio to the minimum permitted by statute; 2) Authorize staff to file the appropriate state and local grant applications to execute the budget; 3) Approve Resolution 2004-21 authorizing filing federal grant applications; 4) Refer FY 2005 proposed service reduction options to Planning/Operations Committee for further review; 5) Schedule a public hearing for the proposed reduction in service; 6) Adopt FY 2005 Objectives; 7) Adopt the farebox recovery ratio for MST bus at 27.7%; and 8) Direct staff to request TAMC lower the farebox recovery ratio to the minimum permitted by statute. Director Ingersoll seconded and the motion carried unanimously.

9-1. LINE OF CREDIT

Mr. Sedoryk, Assistant General Manager/CFO, said delays in the reimbursement of federal funds for the fiscal year ended June 30, 2004 make it necessary to seek a line of credit until MST receives approved grant funds.

The lack of a dedicated local funding source for transit in Monterey County makes MST reliant on the receipt of federal operating funds to continue providing public transit services to the residents and visitors to our region. Over 30% of the revenue received by MST for transit operations comes from federal grants.

Delays in Congress approving a full apportionment for transportation funding for the 2004 fiscal year has resulted in a situation where MST is unable to receive full reimbursement for operating expenses. As a result of this delay in receiving federal grant funds in the amount of \$4,744,418 from the Federal Transportation Administration, MST is facing a short-term cash flow crisis.

MST is working together with the Association of Monterey Bay Area Governments, FTA regional staff in San Francisco, and FTA staff in Washington, DC to hasten the reimbursement of MST for these eligible expenses.

Given, the dire consequences that would result from a short-term lack of cash, MST is requesting that TAMC provide a short-term transfer of available unused RSTP funds to MST in the amount of \$2,000,000 to fund ongoing transit operations until MST receives its federal reimbursement for the of this fiscal year ending June 30, 2003. Repayment of these funds to TAMC will occur immediately upon the receipt of the federal reimbursement for FY 2004 operating expenses.

Director Anderson moved to adopt Resolution 2004-21 authorizing a line of credit, if required. Director Delgado seconded and the motion carried unanimously.

10-1. – 10-7. REPORTS & INFORMATION ITEMS

The reports consisted of the General Manager/CEO Report; Central Coast Reporter – April 2004; TAMC Highlights – April 29, 2004; Washington D. C. Lobbyist Report – April 26, 2004; Sacramento Lobbyist Report – May 1, 2004; Newspaper article from *Herald* regarding transportation projects; and California Transit Association Legislative Bulletin.

Mr. Lichtanski reported that he attended the American Public Transportation Association's Bus & Paratransit Conference. He was one of the panelists and he spoke on the subject of using the Baldrige approach in employer relations.

With regards to an increase in accidents, Mr. Lichtanski also reported that he appointed a special Accident Reduction Task Force. This panel is to come up with specific recommendations on reducing accident frequency by 50% by September 30, 2004.

11. COMMENTS BY BOARD MEMBERS

Chairman Armenta thanked Director Anderson for hosting this months Board meeting.

Mr. Lichtanski announced that the Kick-off event for the MST Trolley is being held at Custom House Plaza at 11:30 a.m.

12. NEXT MEETING DATE

June 14, 2004 at 10:00 a.m. in the MST Conference Room.

13. ADJOURNMENT

There being no further business, Chairman Armenta adjourned the meeting at 11:20 a.m.

PREPARED BY: _____
Sonia A.R. Bannister