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**TRANSIT DISTRICT MEMBERS:**

*City of Carmel-by-the-Sea • City of Del Rey Oaks • City of Gonzales • City of Greenfield  
City of King • City of Marina • City of Monterey • City of Pacific Grove • City of Salinas  
City of Sand City • City of Seaside • City of Soledad • County of Monterey*

**Board of Directors Regular Meeting  
July 14, 2014**

Monterey Bay Unified Air Pollution Control District  
Board Room, 3<sup>rd</sup> Floor  
24580 Silver Cloud Ct., Monterey

**10:00 a.m.**

**TRANSPORTATION:** Ride Line 8 from Monterey Transit Plaza (Munras Gate) at 9:15 a.m. or Sand City Station at 9:30 a.m. Request a taxi voucher from MST Customer Service for your return trip. (Good for a \$17 one-way trip).

**1. CALL TO ORDER**

- 1-1. Roll Call.
- 1-2. Pledge of Allegiance.

**2. CONSENT AGENDA**

- 2-1. Review Highlights of the agenda. (Carl Sedoryk)

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

- 2-2. Adopt Resolution 2015-01 recognizing Daniel Vohl, Coach Operator, as Employee of the Month for July 2014. (Robert Weber) (pg. 1)
- 2-3. Disposal of Property left aboard buses. (Sonia Bannister) (pg. 3)
- 2-4. Minutes of the regular meeting of June 9, 2014. (Deanna Smith) (pg. 5)
- 2-5. Financial Report – May 2014. (Angela Dawson) (pg. 15)
- 2-6. Adopt Resolution 2015-02 appointing MST staff to serve as representatives to the CalTIP Board of Directors. (Carl Sedoryk) (pg. 23)
- 2-7. Approve FY 2015 APTA dues. (Hunter Harvath) (pg. 27)
- 2-8. Approve revised MST Procurement Policy and Procedures. (Sandra Amorim) (pg. 29)

- 2-9. Review and adopt MST Policies. (Carl Sedoryk) (pg. 67)
- 2-10. Adopt Resolution 2015-03 in support of the TAMC Multimodal Corridor Alignment Plan. (Carl Sedoryk) (pg. 101)
- 2-11. Authorize the purchase of Electronic Information Signs. (Michael Hernandez) (pg. 111)
- 2-12. Adopt Resolution 2015-04 recognizing Maria Orozco for her service to Monterey-Salinas Transit. (Carl Sedoryk) (pg. 113)

End of Consent Agenda

### **3. SPECIAL PRESENTATIONS**

- 3-1. July Employee of the Month – Daniel Vohl, Coach Operator. (Robert Weber)
- 3-2. Resolution of Appreciation – Maria Orozco. (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. Human Resources Committee Minutes of June 9, 2014. (Deanna Smith) (pg. 115)

### **6. MAJOR PROCUREMENTS**

- 6-1. Authorize the purchase of one bus for South County service. (Michael Hernandez) (pg. 117)

### **7. UNFINISHED BUSINESS**

- 7-1. Receive update on proposed MST Sales Tax. (Carl Sedoryk) (pg. 119)

### **8. PUBLIC HEARINGS**

- 8-1. Conduct a public hearing to consider adopting Resolution 2015-05, Ordinance 2015-01, and final ballot language authorizing the November 2014 Monterey-Salinas Transit Local Transit Funding for Senior Citizens,

Veterans and People with Disabilities sales tax measure to be placed on the November 2014 ballot. (Carl Sedoryk) (pg. 121)

## **9. NEW BUSINESS**

- 9-1. Authorize the lease of office space in downtown Monterey. (Michael Hernandez) (pg. 141)
- 9-2. Renew CSUMB Contract. (Hunter Harvath) (pg. 143)

## **10. REPORTS & INFORMATION ITEMS**

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

- 10-1. General Manager/CEO Report – May 2014. (pg. 145)
- 10-2. Washington D. C. Lobbyist Report – June 2014. (pg. 163)
- 10-3. State Legislative Advocacy Update – June 2014. (pg. 167)
- 10-4. Staff Trip Reports. (pg. 169)
- 10-5. Correspondence. (pg. 171)
- 10-6. Staff Announcements.

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

- 11-1. Reports on meetings attended by board members at MST expense (AB1234).
- 11-2. Board member Comments and Announcements.
- 11-3. Board member Referrals for future agendas.

## **12. ATTACHMENTS**

- 12-1. Detailed monthly Performance Statistics and Disbursement Journal, May 2014.

Attachments can be found online within the GM Report at:  
<http://www.mst.org/about-mst/board-of-directors/board-meetings/>

## **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 Legal Counsel – Litigation - Existing Litigation, (§54956.9(a)): Monterey County Superior Court Case No. M 122629 Cal Signal Corp. v. County of Monterey et al. (D. Laredo, C. Sedoryk)
- 13-2. Conference with Legal Counsel – Litigation - Existing Litigation, (§54956.9(a)): Monterey County Superior Court Case No. M 127189 Michael Miele v. MST & Raymundo Calimlin. (No enclosure) (D. Laredo, C. Sedoryk)
- 13-3. Conference with Legal Counsel – Litigation - Existing Litigation, (§54956.9(a)): Monterey County Superior Court Case No. M 12439 Mario Torabbagi and Mori Torabbeigi, dba Parnian Rug Gallery, v. Monterey-Salinas Transit District. (D. Laredo, C. Sedoryk)
- 13-4. Conference with property negotiators. (Parcel # APN 259-011-067, 259-11-060, 003-171-024, 003-171-027, 002-248-009-010, 013-312-015-000011-486-004, 032-171-005, 001-693-002-000, 013-313—002, 259-031-040, L.2.1, 1.2.4.3, L.2.4.2, L.2.2.1, L.2.2.2, L.2.3, L.2.4.1). (No enclosure) (C. Sedoryk)

#### **14. RETURN TO OPEN SESSION**

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

#### **15. ADJOURN**

**NEXT MEETING DATE:** September 8, 2014

*Monterey Bay Unified Air Pollution Control District Board Room, 3<sup>rd</sup> Floor*

**NEXT AGENDA DEADLINE:** August 26, 2014

*Materials related to an item on this agenda submitted to the Board after distribution of the agenda packet are available for public inspection at the Monterey-Salinas Transit Administration office at 1 Ryan Ranch Road, Monterey, CA during normal business hours.*

*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 three working days prior to the meeting. Requests should be sent to Deanna Smith, MST, One Ryan Ranch Road, Monterey, CA 93940 or dsmith@mst.org.*

**DANIEL VOHL  
JULY 2014  
EMPLOYEE OF THE MONTH**

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, Daniel Vohl began his career with Monterey-Salinas Transit as a Coach Operator in December of 1996. Since that time, he has continued to demonstrate exceptional skills and dedication while performing his duties; and

WHEREAS, Daniel Vohl has received multiple attendance and safety awards throughout his 17 year career with MST, including above standard evaluations on his operator check rides; and

WHEREAS, Daniel Vohl was instrumental in identifying an individual who had reportedly assaulted another MST Coach Operator. After the individual boarded the bus, Mr. Vohl coordinated with the Communications Center to have the Monterey Police Department meet him en route to apprehend the individual. His actions eventually enabled MST to obtain a three-year restraining order against the individual.

THEREFORE, BE IT RESOLVED that the Board of Directors of Monterey-Salinas Transit recognizes Daniel Vohl as Employee of the Month for July 2014; and

BE IT FURTHER RESOLVED that Daniel Vohl is to be congratulated and thanked for his excellent work at Monterey-Salinas Transit.

THE BOARD OF DIRECTORS OF MONTEREY-SALINAS TRANSIT  
PASSED AND ADOPTED RESOLUTION 2015-01 this 14th day of July, 2014.

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Libby Downey  
Chairperson

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Carl G. Sedoryk  
Secretary

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To: Board of Directors  
From: Sonia Bannister, Customer Service Supervisor  
Subject: Disposal of unclaimed property left on bus

St. Vincent De Paul (Seaside)

1 bike helmet	3 scarves	1 plastic pouch
4 books	4 shirts	1 computer cord
6 pairs of eyeglasses	1 pair of socks	1 phone holder
1 eyeglass case	4 sunglasses	1 make-up bag
2 hats	1 pipe wrench	1 sleeping bag
1 hard hat	1 shawl	1 ear muffle
1 lunch bag	1 dvd	1 baby blanket
2 pairs of pants	1 pair of shorts	5 wallets
7 bikes	6 cellphones	

To be disposed

1 hair brush	2 books	1 folder
4 sets of keys	4 ID's	2 containers
2 prescriptions	1 photo	1 cellphone
4 cosmetics	3 documents	1 bike light
3 wallets	8 credit cards	1 pocket knife
1 glove	7 medical cards	

To be retained


\$ 2.17 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. None of the items listed above match those lost by Mr. Fink.

PREPARED BY:

  
Sonia Bannister

REVIEWED BY:

  
Carl Sedoryk

To: Board of Directors  
From: Sonia Bannister, Customer Service Supervisor  
Subject: Disposal of unclaimed property left on MV vehicles

St. Vincent De Paul (Seaside)

1 backpack	3 eyeglass cases	2 sunglasses
3 canes	1 pair of gloves	4 sweaters
1 sleeping bag	4 hats	1 beanie
6 coats	16 Jackets	3 sweatshirts
2 cellphones	3 shirts	2 umbrellas
1 coin purse	3 containers	1 vest
1 blanket	1 cellphone holder	1 back support
1 wallet	2 wheelchair foot rests	1 shoe horn
1 fold-up seat	2 pairs of shoes	1 small dolly

To be disposed

1 document	5 hats
1ID card	1 scarf
1 prescription bottle	3 shirts
3 umbrellas	1 wallet
1 backpack	

The items listed above are from MV Transportation. They have just been recently turned over to MST for disposal since being held by MV for an undisclosed amount of time. MST makes an attempt to contact the owners of Lost and Found items. None of the items listed above match those lost by Mr. Fink.

PREPARED BY:  REVIEWED BY:   
Sonia Bannister Carl Sedoryk



**MST BOARD OF DIRECTORS**

Monterey Bay Unified Air Pollution Control District  
24580 Silver Cloud Ct., Monterey

**Minutes**

June 9, 2014  
10:00 a.m.

**1. CALL TO ORDER**

1-1. Roll call

1-2. Pledge of Allegiance

**In the absence of Chair Orozco, Vice Chair Downey called the meeting to order at 10:02 a.m. Roll call was taken the Pledge of Allegiance followed.**

<b>Present:</b>	Fernando Armenta	County of Monterey
	Tony Barrera	City of Salinas
	Kristin Clark	City of Del Rey Oaks
	Alan Cohen	City of Pacific Grove
	Libby Downey	City of Monterey
	Alvin Edwards	City of Seaside
	Randy Hurley	City of Greenfield
	Frank O'Connell	City of Marina
	Maria Orozco	City of Gonzales (10:04 a.m.)
	David Pendergrass	City of Sand City
	Patricia Stephens	City of Soledad
	Carrie Theis (alt)	City of Carmel-by-the-Sea
<b>Absent:</b>	Terry Hughes	City of King
<b>Staff:</b>	Carl Sedoryk	General Manager/CEO
	Hunter Harvath	Asst. General Manager/Finance & Administration
	Deanna Smith	Executive Assistant/Clerk to the Board
	Kelly Halcon	Director of Human Resources & Risk Management
	Mark Eccles	Director of Information Technology
	Andrea Williams	General Accounting & Budget Manager
	Robert Weber	Director of Transportation Services
	Tom Hicks	CTSA Manager
	Heidi Quinn	De Lay & Laredo
	Miriam Gutierrez	MST Customer Service Representative
<b>Public:</b>	Jason Snow	MV Transportation
	Todd Muck	TAMC

June Stein  
Ariana Green  
Victoria Vinegra  
Chrystal Tyrer  
Kelly K Chesshire

For Sara Stop Distracted Driving  
TAMC

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

## **2. CLOSED SESSION**

Chair Orozco moved to Closed Session.

- 2-1. Conference with Labor Negotiators – Monterey-Salinas Transit Employees' Association (MSTEA), and MST (§54957.6).  
(H. Quinn, K. Halcon)
- 2-2. Request for settlement authority – Patricia Wightman.  
(H. Quinn, C. Sedoryk, K. Halcon)
- 2-3. Conference with property negotiators. (Parcel # APN 259-011-067, 259-11-060, 003-171-024, 003-171-027, 002-248-009-010, 013-312-015-000011-486-004, 032-171-005, 001-693-002-000, 013-313—002, 259-031-040, L.2.1, 1.2.4.3, L.2.4.2, L.2.2.1, L.2.2.2, L.2.3, L.2.4.1).  
(No enclosure) (C. Sedoryk)

## **3. RETURN TO OPEN SESSION**

- 3-1. Report on Closed Session and possible action.

Heidi Quinn reported that there was no reportable action taken during Closed Session.

## **4. CONSENT AGENDA**

- 4-1. Review highlights of the agenda.

Mr. Sedoryk reviewed the highlights of the agenda.

- 4-2. Adopt Resolution 2014-22 recognizing Sonia Bannister, Customer Service Supervisor, as Employee of the Month for June 2014.
- 4-3. Disposal of Property left aboard buses.
- 4-4. Minutes of the regular meeting of May 12, 2014.
- 4-5. Financial Report – April 2014.
- 4-6. Adopt Resolution 2014-23 recognizing Mike McBride for his seven years of service.

- 4-7. General Manager/CEO Contract Extension.
- 4-8. Ratify Memorandum of Understanding (MOU) between Monterey-Salinas Transit Employee Association (MSTEA) and Monterey-Salinas Transit District (MST).

Director Downey pulled Item 4-4 and noted an incomplete sentence on page nine, in the last sentence of paragraph four.

Public Comment – none.

**Director Downey made a motion to approve the Consent Agenda, with corrections to the minutes, and was seconded by Director Stephens. The motion passed unanimously.**

## **5. SPECIAL PRESENTATIONS**

- 5-1. June Employee of the Month – Sonia Bannister, customer service supervisor.

Hunter Harvath recognized Sonia Bannister, customer service supervisor, as the June Employee of the Month for her outstanding service to MST and the entire community.

- 5-2. Retirement - Michael McBride, Mechanic.

Mr. McBride was not present.

- 5-3. TAMC Update: Multimodal Corridor Alignment Plan.

A PowerPoint presentation was delivered by Arianna Greene of TAMC, detailing the updated Multimodal Corridor Alignment Plan.

Public Comment – none.

- 5-4. MST Mobility Management Update.

Chair Orozco moved to Public Comment to accommodate members of the public.

After Public Comment was closed, Chair Orozco returned to Item 5-4.

A PowerPoint presentation was delivered by Tom Hicks, CTSA manager, who provided an update on MST's Mobility Management programs and services.

Hunter Harvath provided information on the federal funding that has supported MST's Mobility Management programs including buses, coach operators, and support staff. In the past, the Jobs Access Reverse Commute (JARC) program, New Freedoms program, and 20 other federal grants provided approximately \$6 million to fund the programs. These federal funding sources are no longer available. Program

funding will continue to expire through 2015. Beyond this point, new sources of funding will need to be identified. The proposed MST one-eighth of one percent sales tax, which would be placed on the November 2014 ballot, is estimated to provide approximately \$6 million in revenue.

Director Armenta asked if grants were available for veterans. Mr. Harvath stated that MST partners with an agency in San Jose for one grant targeting veterans' services. The New Freedoms grant did not support services specifically for veterans, but revenue from the proposed sales tax would be used to support programs for this group.

Director Edwards asked if MST will stop applying for the grants if the sales tax is approved. Mr. Harvath stated that there are no more grants to apply for as they have been discontinued. Director Edwards also asked how often the new MST Mobility television advertisements were being aired. Mr. Harvath stated that MST purchased a \$13,000 ad buy for the current two months of ads; another \$13,000 will be used to purchase ads airing in September, October, and November. The ads are funded through a grant and do not advocate for or against the sales tax.

Director Barrera asked if revenue from the sales tax would provide a surplus. Mr. Harvath stated that the tax would not provide a surplus, but the revenue may allow MST to expand some services, such as those for veterans. Maintaining services and buses are the tax revenue priority. Mr. Barrera also asked how the available accessible taxis are allotted to taxi companies. Mr. Harvath stated that MST has three taxis available and four companies responded to the RFQ. MST will hold a random drawing for the vehicles.

Director Armenta stated that the semi-annual Veterans Stand Down is returning in August and asked if MST could provide transportation for the event. Mr. Harvath stated that MV Transportation donated services for the event. Staff will confirm with Jason Snow.

Public Comment – none.

Chair Orozco continued with Agenda Item 7.

## **6. PUBLIC COMMENTS ON MATTERS NOT ON THE AGENDA**

Chrystal Tyrer stated that public transportation at the Dunes Shopping Center is inferior and unsafe. She also has trouble with MV Transportation On Call services. She feels there is a communication problem between dispatch and drivers, and stated she is also concerned with unsafe conditions at Imjin and Reservation Roads to Preston Park. She has lodged complaints with local police patrols. She often has to walk the half mile in the dark and MV On Call refuses to provide transportation to Preston Park.

Kelly Chesshire is the mother of a 1 1/2 year-old, and 3 year-old, and a 7 year-old. She stated that mothers need transportation services in the area of Preston Park. She has to call to arrange transportation and is often told "maybe" regarding service. She feels it is unfair and dangerous to have children put in this position.

June Stein stated that she is unhappy with the drivers of MST's small buses, operated by MV Transportation. She has submitted photos to Jason Snow, general manager of MV, of one specific driver talking on his cell phone while driving. This driver has continued to do so even after being confronted, and she cited incidents on May 12, May 14, and June 7. The same driver also ate nachos and chatted with a supervisor while driving the bus, resulting in the bus being 22 minutes late to its destination. She believes all the small bus drivers need more training, although she mentioned that Maria was a conscientious driver. She stated that the drivers of MST large buses provide excellent service. She also cited problems with trolley service.

Chrystal Tyrer attempted to speak again, but Chair Orozco informed her she was only able to speak once on the same topic. She was referred to Mike Gallant, business development planner; Robert Weber, director of transportation services; Jason Snow, general manager of MV; and Sonia Bannister, customer service supervisor who were all present. Ms. Tyrer and other members of the public met in the lobby with MST and MV staff to discuss their concerns.

Director O'Connell asked all three women to email him at his office at Marina City Hall and he would personally respond to them.

Close Public Comment

Chair Orozco returned to Item 5-4.

## **7. COMMITTEE REPORTS**

*No action required unless specifically noted.*

7-1. HR Committee Minutes of April 28, 2014.

7-2. Finance Committee Minutes of May 12, 2014.

7-3. Ad Hoc Nominating Committee Minutes of June 2, 2014.

Public Comment – none.

## **8. MAJOR PROCUREMENTS**

## **9. PUBLIC HEARINGS**

## **10. UNFINISHED BUSINESS**

10-1. Update on MST proposed Sales Tax Measure.

Mr. Sedoryk reviewed the outreach activities conducted by MST staff to date and the proposed timeline and budget for a November 2014 ballot placement. In fulfillment of MST enabling legislation regarding ballot placement, a concurrence of a majority of jurisdictions represented on the MST Board to place a sales tax measure on the November 2014 ballot has been obtained. Cities providing their concurrence are: Gonzales; Monterey, Marina, Sand City, Del Rey Oaks, Carmel, and Soledad. The City

of Seaside received MST's presentation at their last board meeting and will take action on June 19. The Cities of Greenfield, King, Salinas, and the County of Monterey are scheduled to consider MST's request.

Public Comment – none.

#### 10-2. Review Draft Sales Tax Ordinance and Resolution.

Mr. Sedoryk stated that a public hearing is required to consider adoption of the final MST sales tax resolution and ordinance, including ballot language. A section will be added specifying MST's right to recoup Monterey County Elections fees from future sales tax revenue. The Draft Ordinance and Resolution were presented and comments were requested.

Pat Stephens was uncomfortable with the phrase "like getting to" in the first paragraph of the Draft Ordinance and the Draft Resolution and suggested it be replaced with "such as," "including," or another less colloquial phrase. Director Clark suggested "for instance."

Director Theis asked if the sales tax required a two-thirds majority. Mr. Sedoryk stated that as a transit district, all sales tax measures fall under special tax requirements.

Director Stephens stated that she thought the 15-year sunset clause was too short. Mr. Sedoryk stated that consultants and voting records show a trend for voters to prefer shorter sunset clauses, but this was under the board's purview.

Director Edwards felt the sunset clause was important to voters.

Public Comment – none.

**Director Armenta made a motion to approve placing a public hearing on the July 14, 2014, agenda to adopt the final resolution and ordinance for the proposed MST sales tax measure and was seconded by Director Stephens. The motion passed unanimously.**

#### 10-3. Approve the FY 2015 Operating & Capital Budget, Action Plan, and Staffing Levels.

Mr. Harvath presented the Final FY 2015 Budget. The Budget had only one change since being reviewed by the Finance Committee and Board at the May 2014 meeting. CSUMB has adjusted down its estimated funding for purchased transportation to approximately \$85,000, and MST has adjusted its CSUMB service levels accordingly.

Director Downey questioned the increase in board travel expense from \$5,000 to \$15,000, and the 3.9% wage increase. Mr. Harvath explained that \$15,000 was the actual FY 2014 expense for board travel. Staff adjusted board travel expense to reflect real travel costs. The 3.9% wage increase reflects an overall increase, not a per person increase in annual wages.

Director Cohen questioned the \$200,000 overtime expense for coach operators. Mr. Harvath stated that staff plans a certain amount of overtime for coach operators as it is sometimes more cost efficient to keep coach operators on the clock a few extra hours than to hire extra coach operators for full time employment. Other staff overtime reflects the effects of the hiring freeze that has been in place because of the PEPRA dispute.

Director Edwards stated that there are many people without jobs and he would rather see MST hire new employees than pay overtime.

Director Pendergrass questioned MST's reserve policy. Mr. Harvath stated that MST reserves are not actually sitting in the bank, but reflect a 16.7% difference between revenues and expenses for FY 2015. Director Pendergrass would like the reserve policy to be revisited by the Finance Committee.

Director Armenta mentioned that both he and Director Orozco were listed as Chairpersons on the title page of the budget. Staff will correct the error.

Public Comment – none.

**Director Stephens made a motion to approve the FY 2015 Operating & Capital Budget, Action Plan, and Staffing Levels, and Resolution 2014-24 authorizing Federal Grant Applications and was seconded by Director Edwards. The motion passed unanimously.**

## **11. NEW BUSINESS**

### **11-1. Conduct election of officers.**

Director Barrera reported that the Nominating Committee had met on June 2, 2014, and had recommended Director Downey to serve as Chair, and Director Barrera to serve as Vice Chair, for fiscal years 2015 and 2016. Staff appointments were also made. He encouraged all board members to communicate with each other when offended or when in disagreement.

Public Comment – none.

**Director Armenta made a motion to approve the recommendations and the motion was seconded by Director Cohen. The motion passed unanimously.**

Director Orozco handed the gavel to Chair Downey, and thanked the board and staff for their support. Chair Downey thanked the board for their nomination and told Vice Chair Barrera she looked forward to working collaboratively with him over the next two years.

## **12. REPORTS & INFORMATION ITEMS**

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

### **12-1. General Manager/CEO Report – April 2014.**

Chair Downey questioned why miles between preventable collisions are decreasing. Ms. Halcon stated that staff monitors collisions and provides annual safety training for operators as well as re-training for operators who are having frequent incidents. She stated there are many factors that can cause an increase in collisions and it is difficult to identify any one factor. Mr. Sedoryk stated that the industry standard is 100,000 miles between preventable collisions; MST currently remains well above this standard at 185,596 miles between preventable collisions.

12-2. Washington D. C. Lobbyist Report – May 2014.

12-3. State Legislative Advocacy Update – May 2014.

12-4. Correspondence.

12-5. Staff Announcements.

Mr. Sedoryk mentioned that Senator Barbara Boxer will be in the area in July and is considering MST as a site for a press event to promote federal funding that has supported MST's electric trolley, the JAZZ BRT line, and diesel/hybrid buses. Mr. Sedoryk has met with her staff and they seemed to feel it would be an excellent opportunity. The Senator will also be visiting the City of Soledad to promote the recent designation of the Pinnacles National Monument to a National Park.

Public Comment – none.

### **13. COMMENTS BY BOARD MEMBERS**

13-1. Reports on meetings attended by board members at MST expense (AB1234).

Director Armenta reported on the highlights of his trip to the APTA Legislative Conference in March 2014, emphasizing the importance of increasing communication with major stakeholders and meeting with local legislators in their home districts. He also stressed the importance that each board member considers their level of commitment in promoting MST's sales tax measure.

13-2. Board member Comments and Announcements.

Director Orozco thanked MST for their help during the Community Development Block Grant (CDBG) National Community Development Week for the Salinas Valley Cities. The City of Gonzales was a recipient of the CDBG National Award.

Director Barrera commended MST staff for the way they responded to the members of the public who were in attendance today.

Chair Downey thanked Director Orozco for her service as Chair.

13-3. Board member Referrals for future agendas.



#### **14. ATTACHMENTS**

- 14-1. Detailed monthly Performance Statistics and Disbursement Journal, April 2014.

Attachments can be found online within the GM Report at:  
<http://www.mst.org/about-mst/board-of-directors/board-meetings/>

#### **15. ADJOURN**

There being no further business, Chair Downey adjourned the meeting at 12:03 a.m.

Prepared by:



Deanna Smith, Deputy Secretary

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To: Board of Directors  
From: Angela Dawson  
Subject: Financial Reports – May 2014

**RECOMMENDATION:**

1. Accept report of May 2014 cash flow presented in Attachment #1
2. Approve May 2014 disbursements listed in Attachment #2
3. Accept report of May 2014 treasury transactions listed in Attachment #3
4. Accept May 2014 financial statements listed in Attachment #4

**FISCAL IMPACT:**

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

Beginning balance May 1, 2014	\$14,563,553.26
Revenues	2,710,512.34
Disbursements	<u>&lt;3,026,677.48&gt;</u>
Ending balance May 31, 2014	<u>\$14,247,388.12</u>

**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.

A detail of disbursements can be viewed within the GM Report at <http://www.mst.org/about-mst/board-of-directors/board-meetings/>

Prepared by:

  
Angela Dawson

Reviewed by:

  
Hunter Harvath

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**(REVENUES & DISBURSEMENTS)****CASH FLOW**

Beginning balance May 1, 2014		\$ 14,563,553.26
Revenues		
Passenger Revenue	384,394.87	
DOD Revenue	117,072.00	
LTF / STA / 5307	1,116,925.79	
Grants	1,046,956.00	
TAMC Loan/Rabo LOC advance	0.00	
Non Transit Revenue	45,163.68	
Total Revenues		2,710,512.34
Disbursements		
Operations (See Attachment #2)	2,640,330.41	
Capital	386,347.07	
Total Disbursements		(3,026,677.48)
Ending balance May 31, 2014		<u><u>\$ 14,247,388.12</u></u>

**COMPOSITION OF ENDING BALANCE**

Checking - First National Bank	\$ 4,159.33
Checking - Rabo Bank	527,947.55
Checking(s) - Wells Fargo Bank	14,907.96
Local Agency Investment Fund (LAIF)	42,619.98
Money Market - Homeland Security	1,066,637.45
Money Market - Rabo MM	1,857,640.64
Money Market - PTMISEA	10,279,469.31
Money Market - Rabo Prop. 1 B	168,999.22
Bank of America - Escrow	58,449.60
Petty cash fund, STC Coin Machine, and 2 change funds	8,750.00
RBC Wealth - Fuel Hedging	50,000.00
Rabobank-Regional Taxi Authority	167,807.08
<b>Total</b>	<u><u>\$ 14,247,388.12</u></u>

**PAYROLL ACCOUNT**

May 2 Payroll & Related Expenses	422,467.20	
May 16 Payroll & Related Expenses	481,929.89	
May 30 Payroll	399,245.76	
Payroll adj	0.00	
Pers & 457	159,792.30	
Garnishments	4,655.00	
	<hr/>	
	1,468,090.15	1,468,090.15

**GENERAL ACCOUNT**

Disbursements on Attached Summary	1,515,705.76	
Paydown loan	-	
Workers Comp. Disbursements	31,039.04	
Interest expense	-	
Bank Service Charge/Armored Car	11,842.53	
Transfer from WFB		
	<hr/>	
	1,558,587.33	\$1,558,587.33

Total Disbursements	<hr/>	3,026,677.48
Less Capital Disbursements & Transfers		<hr/> (386,347.07)
<b>Operating Disbursements</b>		<hr/> <b>\$2,640,330.41</b> <hr/>

**DISBURSEMENTS SUMMARY:****GENERAL ACCOUNT DISBURSEMENTS FOR May 1, 2014 - May 31, 2014**

<b>VENDOR / DESCRIPTION</b>	<b>CHECKS</b>	<b>AMOUNT</b>
Accounts Payable 05/05/14	34923	233,989.42
Accounts Payable 05/07/14	34924	61.00
Accounts Payable 05/08/14	34925	355.00
Accounts Payable 05/09/14	34926 - 35018	335,548.33
Accounts Payable 05/12/14	35019 - 35031	13,544.37
Accounts Payable 05/16/14	35032 - 35033	669.31
Accounts Payable 05/23/14	35034 - 35158	931,437.33
Accounts Payable 05/29/14	35159	101.00
<b>TOTAL</b>		<b><u>1,515,705.76</u></b>

**CHECKS \$100,000 AND OVER**

<b>VENDOR / DESCRIPTION</b>	<b>BOARD APPROVED</b>	<b>CHECK NUMBER</b>	<b>CHECK DATE</b>	<b>AMOUNT</b>
Coast Oil	Recurring Expense	34947	05/09/14	105,808.69
PERS - Health	Recurring Expense	35124	05/23/14	234,008.97
GFI Genfare	April 1, 2010	35157	05/23/14	174,476.23

TREASURY TRANSACTIONS  
FOR MAY 2014

**LAIF ACCOUNT**

<u>Date</u>	<u>Account</u>	<u>Bank</u>	<u>Deposit</u>	<u>Withdrawal</u>	<u>Balance</u>
Balance Forward at 05/01/14					42,619.98
Transfer to checking for payroll					0.00
Local Agency Investment Fund: Interest earned - 0.000%					0.00
LAIF Treasury Balance at 05/31/14					42,619.98

**RABOBANK MM ACCOUNT**

<u>Date</u>	<u>Account</u>	<u>Bank</u>	<u>Deposit</u>	<u>Withdrawal</u>	<u>Balance</u>
Balance Forward at 05/01/14					5,814,990.69
05/01/14		To P/R		500,000.00	5,314,990.69
05/01/14		Pay off PTMISEA		2,002,870.76	3,312,119.93
05/05/14		To A/P		235,000.00	3,077,119.93
05/09/14		To A/P		100,000.00	2,977,119.93
05/16/14		To P/R		450,000.00	2,527,119.93
05/23/14		To A/P		670,000.00	1,857,119.93
05/31/14		Fee		20.00	1,857,099.93
05/31/14		Interest @ 0.25%	540.71		1,857,640.64
RABO MM Balance at 05/31/14					1,857,640.64



## MONTEREY - SALINAS TRANSIT

## Revenue &amp; Expense - Consolidated

## Budget vs Actual

For the Period from May 1, 2014 to May 31, 2014

(Amounts are in USD)

(Includes Fund: 001)

(Includes G/L Budget Name: BUDFY14)

Fixed Route

	Cur Mo. Actual	Cur Mo. Budget	Cur Mo. Variance	YTD Actual	YTD Budget	YTD Variance
<b>Revenue</b>						
Passenger Fares	(402,711)	(416,667)	13,955	(4,225,316)	(4,583,333)	358,017
Special Transit	(144,342)	(336,200)	191,858	(1,824,653)	(3,698,200)	1,873,547
Cash Revenue	(33,814)	(31,571)	(2,244)	(533,484)	(347,279)	(186,205)
Cash Grants & Reimbursement	(2,070,610)	(1,838,306)	(232,304)	(20,471,459)	(20,221,371)	(250,087)
<b>Total Revenue</b>	<b>(2,651,478)</b>	<b>(2,622,744)</b>	<b>(28,734)</b>	<b>(27,054,912)</b>	<b>(28,850,184)</b>	<b>1,795,272</b>
<b>Expenses</b>						
Labor	1,396,694	964,521	432,173	10,053,802	10,609,732	(555,930)
Benefits	673,393	646,869	26,524	7,112,738	7,115,556	(2,818)
Advertising & Marketing	20,610	13,542	7,068	101,770	148,958	(47,188)
Professional & Technical	42,981	43,799	(818)	469,982	481,790	(11,808)
Outside Services	19,152	18,083	1,068	206,295	198,917	7,378
Outside Labor	72,475	55,292	17,183	646,226	608,214	38,012
Fuel & Lubricants	282,970	303,480	(20,509)	2,805,733	3,338,275	(532,541)
Supplies	63,060	52,096	10,964	556,629	573,059	(16,430)
Vehicle Maintenance	54,754	53,263	1,491	671,847	585,888	85,960
Marketing Supplies	2,670	2,500	170	42,913	27,500	15,413
Utilities	32,137	23,297	8,840	327,867	256,263	71,603
Insurance	33,081	31,329	1,752	365,261	344,618	20,643
Taxes	12,540	19,833	(7,293)	173,552	218,161	(44,609)
Purchased Transportation	406,017	280,237	125,780	3,718,331	3,082,609	635,722
Miscellaneous Expenses	21,320	12,708	8,612	285,424	139,792	145,632
Interest Expense				21,463		21,463
Leases & Rentals	5,746	5,752	(6)	80,356	63,272	17,084
<b>Total Operating Expenses</b>	<b>3,139,600</b>	<b>2,526,600</b>	<b>613,000</b>	<b>27,640,188</b>	<b>27,792,603</b>	<b>(152,416)</b>
<b>Operating (Surplus) Deficit</b>	<b>488,123</b>	<b>(96,144)</b>	<b>584,266</b>	<b>585,275</b>	<b>(1,057,581)</b>	<b>1,642,856</b>

**MONTEREY - SALINAS TRANSIT**

Revenue & Expense - Consolidated

Budget vs Actual

For the Period from May 1, 2014 to May 31, 2014

(Amounts are in USD)

(Includes Fund: 002)

(Includes G/L Budget Name: BUDFY14)

*RIDES*

	Cur Mo. Actual	Cur Mo. Budget	Cur Mo. Variance	YTD Actual	YTD Budget	YTD Variance
<b>Revenue</b>						
Passenger Fares	(32,254)	(32,083)	(171)	(295,884)	(352,917)	57,032
Special Transit						
Cash Revenue						
Cash Grants & Reimbursement	(213,041)	(213,041)		(2,343,451)	(2,343,451)	
<b>Total Revenue</b>	<b>(245,295)</b>	<b>(245,124)</b>	<b>(171)</b>	<b>(2,639,335)</b>	<b>(2,696,368)</b>	<b>57,032</b>
<b>Expenses</b>						
Labor	5,760	3,520	2,239	41,660	38,725	2,935
Benefits	2,674	1,728	946	30,108	19,010	11,098
Advertising & Marketing						
Professional & Technical		167	(167)		1,833	(1,833)
Outside Services						
Outside Labor	1,315	1,398	(82)	34,103	15,374	18,729
Fuel & Lubricants	41,080	41,667	(587)	418,784	458,333	(39,549)
Supplies	5,410	1,375	4,035	15,916	15,125	791
Vehicle Maintenance		1,250	(1,250)	791	13,750	(12,959)
Marketing Supplies						
Utilities		704	(704)	(262)	7,746	(8,008)
Insurance						
Taxes						
Purchased Transportation	241,513	193,066	48,447	2,211,502	2,123,722	87,780
Miscellaneous Expenses		250	(250)	213	2,750	(2,537)
Interest Expense						
Leases & Rentals				1		1
<b>Total Operating Expenses</b>	<b>297,753</b>	<b>245,124</b>	<b>52,628</b>	<b>2,752,816</b>	<b>2,696,369</b>	<b>56,447</b>
<b>Operating (Surplus) Deficit</b>	<b>52,457</b>	<b>0</b>	<b>52,457</b>	<b>113,481</b>	<b>1</b>	<b>113,479</b>

To: Board of Directors

From: C. Sedoryk, General Manager/CEO

Subject: Adopt Resolution appointing MST staff to the California Transit Indemnity Pool (CalTIP) Board of Directors

**RECOMMENDATION:**

Adopt Resolution 2015-02 appointing MST's General Manager/CEO as the representative, and the Risk & Security Manager and the Assistant General Manager of Finance & Administration as alternates, to the Board of Directors of the California Transit Insurance Pool (CalTIP).

**FISCAL IMPACT:**

None.

**POLICY IMPLICATIONS:**

The Monterey-Salinas Transit District bylaws require the Board to conduct an annual election of officers and to make required appointments.

**DISCUSSION:**

At your meeting of June 9, 2014, your board approved the Nominating Committee's recommended slate of officers and staff appointments for FY 2015-2016. Since that time, MST's General Manager/CEO has been informed that recent changes to CalTIP's bylaws require that appointments to their board be made via resolution according to each staff member's title.

Since your board has already approved Carl Sedoryk, General Manager/CEO as representative; and Ben Newman, Risk & Security Manager and Hunter Harvath, Assistant General Manager of Finance & Administration as alternates for FY 2015-2016, your board need only adopt the attached resolution as a formality to comply with CalTIP requirements.

Attachment: Resolution 2015-02

PREPARED BY: \_\_\_\_\_



Carl G. Sedoryk

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**ATTACHMENT 1**

**RESOLUTION # 2015-02  
APPROVING APPOINTMENTS TO THE  
BOARD OF DIRECTORS OF THE  
CALIFORNIA TRANSIT INDEMNITY POOL**

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Monterey-Salinas Transit District does hereby approve the appointments of the General Manager/CEO as the representative, and the Risk and Security Manager and the Assistant General Manager of Finance and Administration as alternates, to the Board of Directors of the California Transit Indemnity Pool.

THE BOARD OF DIRECTORS OF MONTEREY-SALINAS TRANSIT PASSED AND ADOPTED RESOLUTION 2015-02 this 14th day of July, 2014.

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Libby Downey  
Chairperson

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Carl Sedoryk  
Secretary

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To: Board of Directors  
From: H. Harvath, Assistant General Manager for Finance and Administration  
Subject: FY 2015 APTA Dues

**RECOMMENDATION:**

Approve the expenditure of \$34,510 for American Public Transit Association (APTA) dues for Fiscal Year 2015.

**FISCAL IMPACT:**

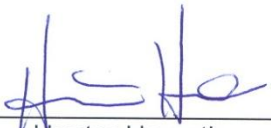
\$34,510 in funds identified for APTA dues as a part of MST's FY 2015 Budget.

**POLICY IMPLICATIONS:**

Your Board approves expenditures exceeding \$25,000.

**DISCUSSION:**

The American Public Transportation Association is the national advocacy group for public transit. APTA represents MST's interests on a national level through lobbying and testifying before Congress on transit-related issues, as well as through its transit research programs, publications, industry standards and overall industry image building on behalf of transit. MST staff and members of your Board attend various APTA meetings, functions and conferences throughout the year. APTA dues are based on annual operating expenses for the most recent completed year. For FY 2015, MST's operating budget falls within the \$30 million to \$50 million dues category of \$34,510, resulting in a payment that will increase by \$988 from \$33,522 last year to \$34,510 this year.

PREPARED BY:   
Hunter Harvath

REVIEWED BY:   
Carl G. Sedoryk

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To: Board of Directors  
From: Sandra Amorim, Purchasing Manager  
Subject: Approve revised MST Procurement Policy and Procedures

**RECOMMENDATIONS:**

Approve revised MST Procurement Policy and Procedures.

**FISCAL IMPACT:**

None.

**POLICY IMPLICATIONS:**

Your Board is responsible for approving revisions to MST policies.

**DISCUSSION:**

Every three years, the Federal Transit Administration conducts a review of each public transit agency in the country that receives Section 5307 urbanized area formula funding from the federal government. This Triennial Review is the FTA's assessment of MST's compliance with federal requirements determined by examining a sample of grant management and program implementation practices over 18 separate focus areas.

As a part of this process, the FTA reviewer directed MST to strengthen its Procurement Policy and Procedures with regards to sole-source purchases and procurements. In that regard, the FTA has suggested new language that has been incorporated into a draft revision of this policy for your consideration. The section on sole source procurements, beginning on page 45 of your agenda, has been revised to include the FTA reviewer's recommended language, including the most recent comments received May 15, 2014.

ATTACHMENT: MST Procurement Policy and Procedures (REV. 7/14/14)

PREPARED BY:  APPROVED BY:   
Sandra Amorim Carl Sedoryk

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# Procurement Policy and Procedures

Effective Date: July 14, 2014

**MONTEREY-SALINAS TRANSIT DISTRICT**  
**PROCUREMENT POLICY AND PROCEDURES**  
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## INTRODUCTION

Monterey-Salinas Transit (MST) is a Transit District, formed and operating in accord with the Monterey-Salinas Transit District Act, Section 106000, et seq., of the California Public Utilities Code. Policies and procedures governing MST procurements of supplies, equipment, materials, services and construction contracts are derived from and conform to:

- a. Applicable Federal law including 49 Code of Federal Regulations (CFR) Part 18, specifically Section 18.36
- b. Federal Transit Administration (FTA) Circular 4220.1.E, "Third Party Contracting Requirements"
- c. Applicable State of California laws
- d. California Public Contracts Code
- e. Rules and regulations established by the MST Board of Directors

MST procurement policy and procedures are subject to State and Federal laws, regulations and policies. These are intended as a guide to good procurement practices and are to be used as a supplement to sound business judgment in procurement and contracting.

The procedures herein are designed to implement the fundamental principles of procurement as follows:

- a. Foster maximum open and free competition
- b. Promote the greatest economy and efficiency
- c. Ensure adherence to proper standards of conduct by MST officers and employees
- d. Maintain procurement policies and procedures that comply with applicable federal, state, and local laws, and regulations
- e. Establish and maintain an arm's length relationship with all contractors and suppliers
- f. Treat all prospective contractors, consultants, and suppliers in an equal and equitable manner
- g. Provide opportunities for remedy and resolution of contract claims or disputes

## DEFINITIONS

Terms used throughout this document are defined below.

**Allowable Costs** – Costs determined to be permissible based on reasonableness and generally accepted accounting principles and practices appropriate to the particular circumstances.

**Architect / Engineer** – Person or entity usually responsible for developing the plans and specification of a building or development and, in some cases, supervising the construction effort.

**Bid** – The document conveying an offer from a party desiring to provide or procure goods or services in response to an Invitation for Bid.

**Bidder** – The general term for the entity that submits a response to a Solicitation. Any individual, firm, partnership, corporation, or combination thereof, submitting a Bid for the work contemplated, acting directly or through a duly authorized representative. For the purposes of these Regulations, Bidder may be used interchangeably with Proposer or Offeror.

**Bid Guarantee (Bid deposits)** – An amount of money determined by MST to be fair and reasonable compensation from a Bidder for MST's costs should that Bidder refuse to honor its bid. The Bid Guarantee, if required, will be a matter of Responsiveness to the Invitation for Bid.

**Blanket Contract** – Contract for goods or services that is of indefinite quantity during a definite period of time. Blanket contracts are typically recurring contracts.

**Bond** – A written instrument executed by a Bidder or Contractor (the "principal"), and a second party (the "surety" or "sureties"), to assure fulfillment of the principal's obligations to the obligee identified in the bond. If the principal's obligations are not met, the bond assures payment to the extent stipulated, for any loss sustained by the obligee.

**Brand-Name** – A commercial product described by brand name and make, model number, or other appropriate nomenclature by which the product is offered for sale to the public by the particular manufacturer, producer, or distributor. The Brand Name is used by MST only for the purpose of establishing identification and general description of the form, fit, function and quality of the items sought by MST.

**Capital Expense** is a purchase of any fixed asset costing \$1000 or more.

**Capital Project** is a major procurement involving construction, procurement of materials or services or purchase of rolling stock for which a specific budget is prepared and executed.

**Change Order** – A written directive and authorization for payment and/or time extension from MST, by its authorized agent, to the Contractor regarding changes in the work under the contract. A Change Order may include future work to be performed under the

contract or work performed in accordance with previously authorized Directive Letters or Proceed Orders issued by MST through its authorized agent.

**Competitive Bidding** – Solicitation through Letters of Interest and Qualifications (LIQ), Requests for Proposals (RFP), or Invitations for Bids (IFB) by MST, under which all individuals or firms are afforded an equal opportunity to compete for award of a contract.

**Competitive Range** – Those proposals submitted in response to a RFP that, after technical evaluation by MST's selection panel and consideration of the proposed costs/prices, have a reasonable chance of being awarded the contract.

**Construction** – The act of building, altering, repairing, renovating, improving or maintaining a building or structure.

**Contingent Fee** – A commission, percentage, brokerage, or other fee that is dependent upon or tied to the success that a person or entity has in securing a MST contract.

**Contract** – A mutually binding legal relationship obligating the seller to furnish the goods or services (including construction) and the buyer to pay for them. It includes all types of commitments that obligate the buyer to an expenditure of funds and that, except as otherwise authorized, are in writing. In addition to bilateral instruments, contracts include: contract awards and notices of awards; job orders or task orders issued under basic ordering agreements, requirement contracts, or definite- or indefinite-quantity contracts; letter contracts; orders, such as purchase orders, under which the contract becomes effective by written acceptance or performance; bilateral (two-party) contract modifications; and various cooperative and interagency agreements. MST may be either the seller or the buyer on a contract.

**Contract Amendment** – Changes to a contract that either add to, or delete from, the amount of an existing contract scope or that change contract terms, whether accomplished by unilateral action in accordance with a contract provision or by mutual action of the parties to the contract.

**Contract Drawings** – The official plans, profiles, typical cross-sections, general cross-sections, elevations, and details listed or referenced in the Specifications or amendments thereto, and, supplemental drawings approved by MST which show the locations, characters, dimensions, and details of the work to be performed.

**Contractor** – The Contractor is the person, entity or authorized representative identified as such in the contract documents and is referred to throughout the contract documents as if singular in number. For the purposes of these Regulations, the term "Contractor" may be used interchangeably with Vendor or Consultant.

**Cost Analysis** – A detailed analysis of a Contractor's cost or pricing data and the judgmental factors applied in projecting from the data to the estimated costs in order to form an opinion of the degree to which Contractor's proposed costs represent what reasonable performance of the contract should cost.

**Debarment** – An action taken by MST to deny participation in MST contracts, or action taken by another government entity to deny a person or entity participation in contracts or financial assistance programs.

**Directive Letter** – Authority granted to a Contractor to do work prior to the Contractor and MST having reached full agreement on an adjustment to the contract price and/or time.

**Emergency** – A situation of unusual or compelling urgency requiring immediate action.

**Federal Transit Administration (FTA)** establishes policies and procedures that must be followed when using federal funding for procurements and capital projects.

**Invitation for Bid (IFB)** – A request to interested parties to provide or procure specified goods or services. IFBs are not negotiated procurements. IFBs result in a firm fixed-price contract awarded to the lowest responsive and responsible Bidder.

**Letter of Interest and Qualification (LIQ)** – An LIQ is a qualification-based process where price is not an evaluation factor. LIQs must be used for architectural and engineering services and may be used for other procurements unless prohibited by applicable laws and regulations. LIQs are negotiated procurements.

**Major Purchase** is any procurement of \$100,000 or more.

**Multi-Round Bid** – MST solicits offers for the purchase of surplus real estate by IFB. When Bids are reviewed, MST determines if any of the Bids are acceptable. If they are not, MST can continue the procurement by re-soliciting the responding Bidders for further Bids.

**Payment Bond** – A bond that ensures payment as required by law to all persons supplying labor or material in the performance of the work provided for in the contract.

**Performance Bond** – A bond that secures performance and fulfillment of the Contractor's obligations under the contract.

**Price Analysis** – The process of examining and evaluating the reasonableness of a Bidder's or Proposer's price without evaluation of the separate cost elements and proposed profit of the Bidder/Proposer.

**Proceed Order** – Authority granted to the Contractor regarding changes to the work to be performed under a contract.

**Procurement Administrator** – MST employee authorized to solicit, enter into and/or administer contracts and make related determination and findings. For the purposes of these Regulations, the term includes employees assigned to the Purchasing & Warehousing Department as well as any MST employee assigned and authorized to perform those duties.

**Proposal** – The submission by a potential Contractor in response to a RFP or LIQ.



**Proposer** – The general term for the entity that submits a response to a Solicitation. Any individual, firm, partnership, corporation, or combination thereof, submitting a Proposal for the work contemplated, acting directly or through a duly authorized representative. For the purposes of these Regulations, Proposer may be used interchangeable with Bidder or Offeror.

**Protest** – A written objection or complaint by an interested party to the terms, conditions or form of a proposed procurement or to the proposed or actual award of a contract.

**Public Auction** – Method of selling assets whereby all prospective buyers are notified through Public Notice of the intent to sell assets and are invited to Bid in an open forum against their competitors.

**Public Exigency** – Any event or circumstance, not including an Emergency, but nonetheless that requires immediate action.

**Public Notice** – MST's notice to the general public of purchase or sale solicitations, which must, at a minimum, be in a daily English language newspaper of general circulation.

**Purchase Order** – Document that formalizes an agreement between MST and a Vendor for the purchase of goods and/or services, which follows an informal competitive process. Emergencies and exigent circumstances purchases may also be documented with purchase orders.

**Quotation** – The price or cost submitted by a Vendor for a Small Purchase.

**Request for Information (RFI)** – A means by which to poll the market or ask a series of questions regarding a potential procurement that is of interest to MST.

**Request for Proposals (RFP)** – An RFP requests that interested parties submit Proposals to perform a specific project or service or to provide goods. Criteria, including price, dictates how RFP proposals will be evaluated. RFPs are negotiated procurements.

**Request for Price Quotation (RFPQ)** is an informal solicitation. An informal solicitation is one with less stringent requirements. Such less-stringent requirements might include, but are not limited to:

- No formal time or date when quote is due
- No sealed bid requirements
- No bond requirements

In addition, informal bids can generally be awarded by lesser authority than formal bids. That is, the General Manager/CEO approves all expenditures of \$10,000 or more. The Assistant General Managers and Department Heads can award amounts up to \$9,999.

**Requisition** – A document requesting goods or services. The Requisition initiates the procurement process.

**Responsibility** – MST will make awards only to Contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement.

**Responsiveness** – Evaluation for determining whether Bids comply in all material respects with a solicitation document.

**Reverse Auction** – A real-time bidding process in which multiple pre-approved suppliers can view other bids and bid against one another electronically for a set period of time.

**Single Bid** – A solicitation response received from only one source. In these instances, the acquisition is handled like a Sole Source procurement or non-competitive negotiation.

**Sole Source** – Procurement through solicitation of a proposal from only one source, or after solicitation of a number of sources, competition is determined to be inadequate.

**Solicitation** – The general term for MST's request for offers from potential Bidders/Proposers. A solicitation package generally contains the proposed contract, including contract terms and conditions, instructions to potential Bidders/Proposers regarding the submission of a Bid/Proposal, and any other information needed to prepare a Bid/Proposal.

**Surety** – A party legally liable for the debt, default, or failure of a principal to satisfy a contractual obligation.

## **RESPONSIBILITIES**

Each organizational element below plays a role and has responsibilities in ensuring that MST complies with applicable laws, rules and regulations.

Board of Directors. Establishes general policy. Approves major contracts. Hears appeals from contractors or potential suppliers.

General Manager/CEO. Ensures Board guidance is implemented. General oversight of the procurement and purchasing functions. The General Manager/CEO shall be responsible for the purchasing of and the issuance of purchase orders for property and services.

Assistant General Manager for Finance & Administration assumes the responsibilities of the General Manager/CEO in his/her absence. The Assistant General Manager for Finance & Administration may delegate authority to issue purchase orders up to \$9,999.

Department Heads. Ensure that procurement actions within their Departments comply with these provisions. Establish both short-term execution and long-range planning of procurements. Ensure that Project Managers they appoint are coordinating procurements with the Purchasing Manager. Each Department Head monitors procurement activities of

their respective departments. The Purchasing Manager coordinates with Department Heads and staff to insure they are aware of and follow proper procurement procedures.

General Accounting & Budget Manager. Provides information on available budget. Processes purchase orders for capital expenditures. The General Accounting & Budget Manager periodically publishes a memorandum showing purchasing agents and the dollar amount they are authorized to approve.

Purchasing Manager is responsible for monitoring all procurements. Points out problem areas to staff members, Assistant General Manager for Finance and Administration and/or Department Heads. The Purchasing Manager will determine the need for and provide training to staff based upon problems noted during continuous review and observation of on-going purchases and procurements. The Purchasing Manager will also provide training to all new staff members who have authority to commit funds on behalf of MST. The Purchasing Manager is also responsible for the sale of MST surplus property. The Purchasing Manager shall report to the Assistant General Manager for Finance and Administration with respect to all purchasing decisions and activities. The Purchasing Manager also:

- a. Maintains a listing of procurement numbers and tracks issue and due dates
- b. Maintains contract administration files; notifies Project Managers of needed and/or missing documents
- c. Maintains and revises as necessary standard terms and conditions, FTA clauses and generic enclosures necessary to produce a complete procurement document
- d. Organizes and periodically conducts audits of the contract administration system

Duties of the Purchasing Manager make him/her responsible for the following objectives:

- a. Conserve public funds through reductions in cost and improvements in quality of supplies, equipment, materials, services, and construction procured.
- b. Reduce the overhead cost of contracting, buying, and selling to the maximum extent possible.
- c. Achieve and promote cost-effective procurements by:
  1. Analyzing alternative approaches for each procurement, such as: purchase, timeshare, lease, intergovernmental and interagency agreements.
  2. Structuring each procurement through consolidation of similar products, services and separation of dissimilar ones.
  3. Eliminating the purchase of unnecessary or duplicate materials and services.
  4. Encouraging price and quality competition among suppliers, contractors and consultants.
- d. Reduce the volume and streamline the flow of paperwork while maintaining accurate documentation of procurements.
- e. Utilize outside competent technical expertise where needed in the initiation, administration and completion of procurements and contracts.

- f. Adhere to participation goals and procedures incident to MST's Disadvantaged Business Enterprise (DBE) Program.
- g. Comply with federal, state, and local procurement laws and regulations.
- h. Comply with applicable standards of conduct and ethics.
- i. Administer contracts and monitor supplier performance to insure that full value is received and desired quality is achieved.

The Project Manager is the staff person designated to take the lead for procurement or otherwise assigned the task of completing the procurement. He or she is responsible for coordinating all aspects of the procurement, which include, as a minimum:

- a. Determining the required quantities, delivery timeframes and other parameters
- b. Developing a scope of work or services
- c. Developing specifications that fully define the product or service desired
- d. Working with the Purchasing Manager to develop a bid form and mailing list
- e. Conducting an Independent Cost Estimate
- f. Coordinating the publication of bid documents, public notices, and posting to the MST web site
- g. Organizing the evaluation committee to review all bids received
- h. Preparing any Memorandum for the MST Board of Directors' approval
- i. Preparing Purchase Orders; processing them through the General Accounting & Budget Manager as necessary
- j. Coordinating with the Purchasing Manager and the Contractor to finalize Contracts
- k. Monitoring contractor performance; documenting any problem areas
- l. Contract close-out

## **PURCHASING PROCEDURES**

Purchases may be made either using an MST-issued credit card or by Purchase Order. The General Accounting & Budget Manager controls the issue and monthly reconciliation of the MST issued credit card. Described herein are procedures for purchases using a purchase order.

In no case will payment be made for any goods or services in advance of their having been received. Purchase orders will be completed in advance of the work being done. In cases where the final amount is not known, Purchasing Agent will follow up with the supplier to complete the purchase order as soon as possible.

All purchases made by purchase order, except for items costing less than \$100, shall have the purchase order issued at the time the order is placed, or after approval by the MST Board.

No purchase order shall be issued for the purchase of any materials or services unless there exists sufficient funds in the current budget to cover the cost of the item(s).

All purchase orders for capital expenditures will be processed through the General Accounting & Budget Manager to ensure that funds are obligated for the intended purchase.

The Accounting Technician verifies that each purchase order is properly executed and the signature authority is correct for the amount of the purchase order.

## **STANDARDS OF CONDUCT**

The procurement business of MST shall be conducted in a manner above reproach and with complete impartiality and without preferential treatment. Any violation of these standards may be cause for disciplinary action, including dismissal, if appropriate. No Board of Director or employee shall:

- A. Release to an individual or entity or its representative any knowledge such person may possess or have acquired in any way concerning any proposed or actual procurement that would give an unfair competitive advantage to any potential or actual Bidder.
- B. Make any commitment or promise relating to the award of a contract or any representation which could be construed as such a commitment. Staff will not, under any circumstances, advise a business representative that any attempt will be made to influence another person to give preferential treatment to his or her company in the award of a contract.
- C. Use his or her position with MST to coerce, or give the appearance of, coercing another person, and/or provide any financial benefit to persons with whom he or she has family, business or financial ties.
- D. Accept any gratuity for themselves, members of their families or others, either directly or indirectly, from any source that does or seeks to do business with, or has financial ties of any sort with MST, or has personal interests that may be affected by the performance, or non-performance, of the official duties of MST staff.
- E. Participate in the selection, award, or administration of a contract if a conflict of interest, real or apparent, exists.
- F. Accept any offer of employment or fees for services from a Contractor for one year following employment with MST if the officer or employee, during the year immediately preceding termination of employment, participated personally and substantially in the award of contracts or the issuance of change orders with a cumulative value of \$25,000 or more to the Contractor, its parent or subsidiary.

## **DUTY TO DISCLOSE**

The Purchasing Manager and other MST managers, supervisors and purchasing agents shall not be involved in any purchasing decisions, tasks, or procedures, (including participation in initiation, award, or administration of a contract) in which they or persons related to them have a real or apparent conflict of interest. In cases where there may be such conflicts of interest, employees have the responsibility to report in writing such conflicts to the General Manager/CEO. Failure to make such disclosure is subject to disciplinary action.

## **CONFLICT OF INTEREST**

The MST Board of Directors has adopted a Conflict of Interest code, under which certain designated employees are required to disclose economic interests and are prohibited from participating in decisions, which may have an effect on their financial interest. The terms and requirements of the Conflict of Interest Code are incorporated herein by reference.

No employee, officer, or agent of MST shall participate in procedures, tasks, or decisions relative to initiation, award, or administration of a contract if a conflict of interest, real or apparent, exists. Such a conflict of interest arises when any of the following has a financial or other interest in a firm that participates in an MST bidding process or that is selected for a contract award involving:

- a. The employee, officer or agent
- b. Any member of his or her immediate family
- c. Business associate of a and b above
- d. An organization which employs, or which is about to employ a current MST employee

The standards governing the determination as to whether such an interest exists are set forth in Sections 1090, 1091, and 1091.5 of the California Government Code.

## **GRATUITIES AND CONTINGENT FEES**

No Director, officer, employee or agent of MST knowingly shall solicit, accept, or agree to accept gratuities, favors or anything of more than a nominal monetary value in connection with actual or potential procurement and contracting activities. Under this policy, the term "nominal monetary value" shall be defined as a value of fifty dollars (\$50) or less.

## **CONFIDENTIAL INFORMATION**

No employee of MST involved in purchasing shall use confidential information for his or her actual, anticipated, or apparent personal gain, or for the actual, anticipated, or apparent personal gain of any person related to such employee. "Confidential Information" is defined as any proprietary, privileged, or nonpublic information, coming to the employee's attention as a result of employment by MST, the knowledge of which makes financial gain possible.

## **DISCIPLINE OF VIOLATION**

The violation of any of these Standards of Conduct will subject the violator to any disciplinary proceedings or action deemed appropriate by the MST General Manager/CEO, up to and including dismissal.

## CONTRACTS AND PROCUREMENTS NOT REQUIRING FORMAL COMPETITIVE BIDDING

MST is not required to engage in a formal competitive bid process for procurements that fall under the following categories:

- a. Where the procurement does not equal/exceed three thousand dollars (\$3,000). Informal quotations are not required for items under \$3,000 only one price quote is needed.
- b. Where the procurement equals or exceeds three thousand dollars (\$3,000), but is less than One hundred thousand dollars (\$100,000). At least three quotes are required for items costing \$3,000 to \$100,000 and may be obtained from current price lists, by e-mail, by internet research, by facsimile, or telephone, or in response to a RFPQ.
- c. Where the equipment, materials, supplies, or services are needed on an emergency basis.
- d. Where the procurement qualifies as a sole source procurement as defined in this document.

These procurement categories and the appropriate procedures pertaining to each category are described below:

- a. Purchases less than \$100. These do not require a P. O., unless required by the supplier. Payments are made directly from an invoice once authorized.
- b. Purchases up to \$3,000. These micro-purchases do not require more than one quote. The accounting department has adopted operational procedures for completing and processing purchase orders for micro purchases that exceed one hundred dollars. All micro purchases shall be made with adequate and reasonable competition for the material, or service being purchased.
- c. Purchases of \$3,000 or more, up to \$100,000.
  1. These small purchases must have price quotations obtained from a minimum of three potential suppliers. Care must be taken to insure the price quotes compare the costs for the exact same product, service, or material from each of the potential suppliers.
  2. A Request for Price Quotation (RFPQ) is a written solicitation to known qualified bidders. It can be used where there is more detail needed to describe the desired products or services, and sets forth the terms of the procurement to potential bidders without formal advertising. MST shall not arbitrarily split contracts or procurements so as to utilize the informal bidding procedures.
  3. The RFPQ shall include specifications as to the basic terms and conditions of the procurement sought, a description of the products or services required, FOB point as MST, delivery date and address, components of bid prices, technical specifications, bid form, and the date and time by which informal bids must be submitted. Bonding and insurance requirements shall also be set out in the RFPQ as appropriate.

4. At the time designated in the solicitation, the Purchasing Manager and the end user shall tabulate the bids and review these for accuracy.

5. MST shall award contracts pursuant to the informal bidding process to the lowest responsible, responsive bidder. Evaluation of such bids shall be on the basis of the following criteria:

- Lowest monetary bid
- Responsiveness to the specification requirements
- Responsibility of the bidder

In all cases, the DBE Liaison Officer shall be notified of the bid results.

After review, the successful bidder and any remaining bidders shall be notified of MST's award.

6. Upon selection and notification, a purchase order and/or contract, as appropriate shall be issued to the successful bidder. The terms of the contract shall be those specified in the RFPQ. At no time shall MST accept terms and conditions, or a contract originated by the contractor.

## **EMERGENCY PROCUREMENTS**

a. MST is not required to engage in either informal or formal competitive bidding making emergency purchases of supplies, equipment, materials or services. "Emergency purchases" are those procurements required to prevent the immediate interruption or cessation of necessary MST services or to safeguard life, property, or the public health and welfare.

When the intended procurement will be in an amount exceeding \$25,000, the emergency must be so declared and approved by the Board of Directors.

b. Emergency procedures should be made by staff members who have expertise related to the emergency-giving rise to the need for the procurement. Upon approval by the head of the requesting department and the General Manager/CEO or his or her designee, staff may contact one or more suppliers by telephone, and, as expeditiously as possible, determine the best price and quality of product or services available from the supplier(s). The General Manager/CEO may authorize an emergency purchase up to an amount of \$24,999.

c. After having placed the order, staff shall notify the Purchasing Manager:

1. That an emergency procurement has been effected and the nature of the procurement
2. The nature of the emergency



3. That the head of the requesting department has approved the procurement
4. The name and location of the supplier or supplier
5. That the General Manager/CEO has authorized the emergency purchase pursuant to the procedures outlined

d. At the next Board meeting following an emergency purchase in an amount exceeding \$25,000, the Board of Directors shall be presented with the circumstances giving rise to the emergency purchase to declare the emergency and ratify the procurement.

### **SOLE SOURCE PROCUREMENTS**

Procurement of construction, goods and services without competition is authorized under limited conditions and subject to written justification documenting the conditions which preclude competition. Documentation and rationale of sole source procurement must be thoroughly and carefully documented. For further guidance please refer to FTA's, "Justifying Sole Source Procurements", located at the link listed below.

[http://www.fta.dot.gov/13057\\_6153.html](http://www.fta.dot.gov/13057_6153.html)

A. The Purchasing Manager is not required to do a competitive procurement if:

- i. The goods or services, including construction, needed by the MST are available from only one responsible source and no other type of goods or services, including construction, will satisfy the needs of the MST; or
- ii. MST's need for the goods or services, including construction, is of such an unusual and compelling urgency that the MST would be seriously injured unless the MST limits the number of sources from which it solicits Bids or Proposals; or
- iii. MST determines that public exigency or emergency for the requirement will not permit a delay resulting from competitive procedures; or
- iv. If after solicitation of a number of sources, competition is determined inadequate. This determination may be made by the Purchasing Manager based upon industry research and the formal or informal solicitation of potential sources. The file must reflect a documented finding that adequate competition cannot be obtained in the time frame necessary to meet the needs of the MST; or
- v. The FTA authorizes noncompetitive negotiations; or
- vi. To exercise an option that was not awarded as part of the base contract award.

B. The Purchasing Manager may determine that competition is adequate even if a single Bid or Proposal was received in response to a solicitation if after review:

- i. The Purchasing Manager determines that the specifications were not restrictive and
- ii. That the other identified sources unilaterally chose not to submit a Bid or proposal. If a single Bid is received under these circumstances, the Purchasing Manager may negotiate the price. The Purchasing Manager will be responsible for determining price reasonableness.

### **Single Available Source**

A. The Purchasing Manager may award a contract by using the noncompetitive negotiation procedures upon making a determination that there is only one reasonably available source for goods or services, including construction. This determination requires a reasonable basis to conclude that MST's minimum needs can only be satisfied by the goods or services, including construction, proposed to be procured, and that the proposed sole source Contractor is the only source reasonably capable of providing the required goods or services, including construction.

B. If the reason for making a procurement on a sole source basis is based on the particular source's ownership or control of limited rights in data, patent rights, copyrights, or trade secrets applicable to the required goods or services, including construction, the Purchasing Manager shall require that the written findings clearly demonstrate the need for the specific goods or services, including construction, and that one of the following applies:

- i. The requirements cannot be modified to allow a competitive procurement; or
- ii. It is in the best interests of MST to meet its requirements through procurement of the specific goods or services, including construction, and that the proposed Contractor is the only reasonably available source for the specific goods or services, including construction.

C. Sole Source justifications are to be issued by the requesting department and require the approval of the Purchasing Manager prior to contract award. Justification for a sole source procurement shall address all of the goods and/or services, including construction, being procured under a single contract. The justification of the sole source procurement for certain goods or services, including construction, shall not be used to avoid competitive procedures for obtaining other goods or services, including construction, which do not qualify for sole source procurement.

D. Each sole source justification which shall be included in the contract file shall include the following:

- i. Description of the requirement;

- ii. History of prior purchases and its nature (competitive vs. noncompetitive);
- iii. The specific exception to competitive procedures that applies;
- iv. An explanation of the unique nature of the procurement or other factors that qualify the requirement for sole source procurement;
- v. An explanation of the proposed Contractor's unique qualifications or other factors that qualify the proposed Contractor as a sole source for the procurement;
- vi. Cost Analysis – see FTA Circular 4220.1F, Chapter VI, Chapter 6, paragraph a, as amended, for further explanation and discussion of contract modifications and change orders; and
- vii. Any other pertinent facts or reasons supporting the use of a sole source procurement.

### **Sole Source Solicitation**

A. The Purchasing Manager shall not be required to publicize a solicitation for a sole source procurement.

B. The Purchasing Manager shall, in writing, request a Proposal for a sole source procurement. The request to the sole source Contractor shall contain the scope of work and refer to or attach all terms and conditions of the solicitation, including all applicable representations and certifications.

C. The Purchasing Manager shall ensure that each sole source contract contains all of the required clauses, representations, and certifications, in accordance with the requirements of these Regulations.

### **CHANGE ORDERS**

A. Change Orders involve changes within the scope of the contract which require a modification to the contract. In all cases, the Purchasing Manager must review the proposed change orders to verify that the proposed changes are not cardinal changes to the contract. This means that the changed work must be essentially the same as what was originally contracted for, the nature of what is being constructed is not changed and the disruption to the project is not excessive.

B. In the event the change will be a cardinal change to the contract, the work must be publicly solicited as a separate contract and cannot be undertaken as a change to a current contract.

### **Change Order Procedures**

Change Orders result from the following process:

A. The using department determines that a Change Order is necessary and makes a written request to the Contractor for a Change Order proposal.

B. The Contractor responds in writing to the end user's request. Said response will include the Contractor's costs, actual or estimated, and any requests for time extensions;

C. The end user and the Contractor negotiate an acceptable price and, if applicable, a time extension amount, in accordance with the budgetary constraints, if any, as established by the capital budget or department head.

D. The end user prepares a written change order and submits it to the Contractor for execution.

E. Upon the return of the executed Change Order, the end user submits it with supporting documentation and justification, to Procurement for review.

AND/ OR

H. Board authorization is required for change orders greater than \$25,000

## **CONTRACTS AND PURCHASES REQUIRING FORMAL COMPETITIVE BIDDING**

Formal Bids/Proposals (sealed bids and proposals) are required for items costing over \$100,000. The Board of Directors awards contracts costing \$25,000 or more. Contract modifications/change orders for more than \$25,000 must be approved by the MST Board of Directors. Modifications/change orders over \$100,000 must be reported to Federal Transit Administration in regular quarterly financial reports.

- a. Fuel Contracts for a continuing supply with annual cost of \$100,000 or more must be formally bid. Purchases on the spot market of one tank truck or less may be by informal price quote.
- b. Parts, tires and other consumable items – Contracts for a continuing supply that are estimated to be \$100,000 or more during the fiscal year from a single supplier shall be purchased by formal bid.

MST will formally advertise and publicly solicit for the submission of sealed bids, on a competitive basis for contracts for the purchase of supplies, equipment and materials, and for the construction of transit facilities in excess of \$100,000. The contract is awarded to the "lowest responsible bidder," defined as the bidder submitting the bid that conforms with all material terms and conditions of the invitation for bids and that is lowest in price.

The Invitation for Bids (IFB) procedure begins with the public advertisement of the Notice Inviting Bids/Proposals, and includes the Notice Inviting Bids/Proposals, as well as the Technical Specifications, Instructions to Bidders, General Conditions, FTA Provisions, and other documents as may be required by the procurement, such as certificates or proposal documents concerning qualifications, bonding, and compliance with applicable requirements of state and federal laws. The terms and conditions contained in the entire package of Contract Documents constitute the contract, which governs the contractual relationship between the successful bidder and MST.

## INITIATION

The requesting department shall provide an independent cost estimate, draft technical specifications, and scope of work, which adequately describes the products or work, required. The requesting department must also verify that, to the best of its knowledge, there are two or more qualified potential bidders to compete effectively for MST's business regarding the procurement, and that sufficient funding is available and/or projected to be available, and that selection of the successful bidder can be made principally on the basis of price.

Also included will be the requesting department's proposed project schedule, including advertising and contract commencement dates. Usual time line from conception to Board action is ninety (90) to one hundred and twenty (120) days.

The Purchasing Manager will assign procurement ( IFB, RFP, RFQ, RFPQ ) numbers. The procurement number and title shall be listed on all pages of the contract documents and referred to in all communication concerning the procurement and contract.

In all cases the Procurement Documents shall be drafted so as to foster competition and the participation of Disadvantaged Business Enterprises (DBE). The DBE Liaison Officer shall be notified of the existence and the general parameters of the project. The MST supplier database shall be used to generate a list of potential bidders as well as other sources.

Procurement documents must identify all requirements that potential bidders must fulfill, fully define the scope of work, products, materials or services, and factors/criteria to be used in evaluating bids and proposals.

## ROLLING STOCK

Purchases of rolling stock (buses, mini-buses, trolleys, etc.) to be used in revenue service require the completion of Pre-Award and Post-Delivery certifications. These may be done by contractors hired for such purpose or by MST staff. In either event, they must meet the requirements below:

- a. Pre-Award. As required by Title 49 of the Code of Federal Regulations (CFR), Part 663, Subpart B, this includes:
  1. Buy America certification
  2. Purchaser's requirements certification
  3. Federal Motor Vehicle Safety Standards (FMVSS) certification
- b. Post-Delivery. As required by Title 49, CFR, Part 663, this includes:
  1. Post-Delivery Buy America Certification
  2. FMVSS certification
  3. Description of final assembly

## PIGGYBACKING

Piggybacking is the use of options available within an existing contract by another transit agency to purchase rolling stock. Very specific procedures are required in completing such transactions. The Purchasing Manager will assist Project Managers with insuring all FTA requirements are met.

## PROCUREMENT PROCEDURES

When the need for procurement is determined, a Project Manager will be designated. That person will have the responsibilities noted elsewhere.

**Independent Cost Estimate.** One of the first steps to be taken in any procurement action is an independent cost or price estimate. This estimate will be completed before receiving bids, proposals, or responses to any procurement action.

**Specifications.** This describes the material, product, or service being purchased and set forth the minimum essential characteristics and standards to meet MST's needs. They must be of sufficient detail so that suppliers are able to submit a valid bid/proposal that is within the expected range of the independent cost estimate. However, they must not be so restrictive as to limit the number of potential suppliers and thereby hinder open competition. In addition, they must describe the testing, inspection and acceptance criteria MST will use in determining compliance with specifications. Types of specifications include:

- a. Design – Spells out the details of how a contractor will accomplish the work and instructs them on how to complete it. These often include drawings, diagrams, measurements and tolerances describing the finished product.
- b. Performance – Spells out the end result desired by MST but leaves the details to the contractor. These specify the performance of the end result but not how the contractor will do the work.

Care must be taken when hiring outside consultants/contractors to assist with the development of specifications. MST must manage the project so that specifications developed are not particularly biased toward a particular firm or product. Also, consultants developing specifications may not be allowed an unfair competitive advantage when competing for a product or service they helped define. This must be clarified with the consultant when entering into any contract.

**Brand Names** The use of brand names (specific suppliers, models, or products) may be used only as a basis of establishing a standard of desired material or products. In all cases where brand names are listed, the salient characteristics that define the desired material, product or service will be provided. This allows for full and open competition among all potential suppliers.

**Approved Equal(s)** If a brand name and salient characteristics are listed for a given product, material, or service, procurement documents must allow for "approved equals." That is, MST must define under what conditions and terms it will consider materials or services

other than those specified.

**Required Documentation** Information, forms, and technical details required from prospective bidders must be specified so that interested suppliers are fully aware of the requirements they must meet for their bid to be considered responsive, full and complete.

**Evaluation Criteria** The method and factors by which bids will be evaluated in selecting a contractor must be completely stated so all suppliers have a fair and equal chance to be awarded any contract. Evaluation criteria are tailored to each procurement and will include only those factors affecting the selection decision.

**Public Notice** Notice of IFB, RFP and/or RFQ procurements will be published in the Monterey and Salinas newspapers and placed on the MST web site, as a minimum. Procurements involving major construction or procurement of rolling stock may be advertised in state or national publications. Procurements involving construction will be mailed to Builders Exchanges.

**Evaluation of Responses** A cost or price analysis will be conducted for responses received. This will include an element-by-element analysis of proposed costs and a determination of the supplier not achieving an unreasonable profit. An evaluation committee, will consist of, as a minimum, the Purchasing Manager, the Director of the Department involved in the procurement and the Project Manager.

The project manager or contracting officer will coordinate this evaluation to determine if the cost/price is fair and reasonable, allows the contractor a reasonable profit, and determine that the time required to complete the work is acceptable to MST. Care must be taken to insure that any contracts requiring the payment of prevailing wages have those wages for the various trades taken into account when calculating labor costs.

Results of evaluations will be maintained with the contract file.

**Basis for Contract Award** Supplier selection and resultant contracts will be made as follows:

- a. IFB and RFPQ. Contract will be awarded to the lowest responsive, responsible bidder.
- b. RFP Contract will be awarded to the Proposer offering the best overall value and being the closest in meeting scope of work criteria as designated by the Project Manager. This may or may not be the supplier offering the lowest price. Price as well as other factors will be considered in selecting a contractor. Attempts will be made to negotiate a lower price with potential contractors and results documented.
- c. RFQ. Negotiations will be undertaken with the firm determined to be the best qualified to meet MST's needs. If an acceptable dollar amount can be arrived at, a contract will be awarded. If negotiations with the supplier do not result in an acceptable dollar amount, negotiations will be undertaken with the next best qualified. This process will continue until a supplier and acceptable dollar amount have been arrived at.

Contracts will only be awarded to those suppliers with the ability to successfully perform and provide the specified materials, services and products under the terms and conditions stated in procurement documents. Among factors to be considered in evaluating responses are: supplier integrity, record of past performance, and financial/technical resources.

Procurements will be structured so as to obtain information to be used in determining if potential suppliers are responsible, to include:

- a. Financial resources adequate to perform the contract; or the ability to obtain them.
- b. Ability to meet the required delivery or performance schedule
- c. Satisfactory record of performance
- d. Satisfactory record of integrity and business ethics
- e. Necessary organization, experience, accounting and operational controls and technical skills, or the ability to obtain them
- f. Compliance with applicable licensing, tax laws and regulations
- g. Necessary production, construction, technical equipment and facilities, or the ability to obtain them
- h. Compliance with Affirmative Action and Disadvantaged Business Program requirements
- i. Other qualifications and eligibility criteria necessary as determined by MST

For any findings of a potential supplier being determined as not responsible, a Memorandum for File will be placed in the procurement file noting the basis for this determination. Such memorandum will include documents, reports, and analyses to support the determination.

**Contracts** Whichever type of contract is used, it will contain, as a minimum, the following elements:

- a. Terms and conditions
- b. Price and payment terms
- c. Final statement of work and/or specifications
- d. Delivery schedules
- e. Provisions for: termination for cause; termination for convenience; and the basis for determining settlement costs
- f. Applicable FTA clauses

**Sound and Complete Agreement** All contracts will include provisions that result in a sound and complete agreement. Contracts and sub-contracts will contain provisions that allow for:

- a. Administrative, contractual or legal remedies in cases where contractors violate or breach contract terms, to include sanctions and penalties.
- b. Termination for cause and termination for convenience provisions as well as the manner in which settlement costs will be determined.



**Contract Modification** Whenever a change is required to an existing contract, whether determined by MST or a contractor, a cost change proposal will be submitted. The proposal will be in such detail and clarity to be understood by MST as to its impact on: existing scope of work; dollar value of the contract; and time required to complete work.

**Exercise of Options** If options in contracts are to be exercised, the following must be determined and documented:

- a. Exercise of such option is in accordance with the terms and conditions stated in the initial contract.
- b. The option price is better than prices available in the market, or that the option is the more advantageous at the time the option is exercised.

## **PROCUREMENT DOCUMENT COMPONENTS**

With necessary input from the requesting department, the Purchasing Manager shall prepare the contract documents. Although there exist certain variations in the provisions and requirements to be included in the documents, each set of documents shall, at a minimum, contain the following items:

### **a. Notice Inviting Bids**

1. The Notice Inviting Bids (Notice) is a publicly advertised document, which notifies potential bidders of the title and nature of the contract, and the date, time, and place of the opening of bids. The Notice shall also inform bidders of the applicable DBE requirements and other significant requirements under federal or state laws.
2. The Purchasing Manager designates which publications shall receive the Notice, and it is the responsibility of the Office Administrator to send the notice to the publications. The Notice shall also be posted on the MST web site.
3. If a pre-bid conference is planned, the Notice shall advise of the date, time and location for the conference. The Notice shall refer to and incorporate by reference all the other contract documents and shall designate the method for obtaining copies of the contract documents.

**b. General Conditions**

a. The General Conditions set forth terms and conditions applicable to all MST contracts, and may vary depending on the type of procurement. The following provisions shall be included in the noted type of procurement:

Clause	Type
Acceptance Period	All
Rights Reserved	All
Prohibited Interests	All
Fair Employment Practices	All
Contract	All
Agreement	All
Statement of Experience and Qualifications	All
Waiver	All
Compliance with Laws	All
Laws Governing Contract	All
Attorney fees	All
Effect of Extension of Time	All
Notification	All
Changes by Contractor	All
Changes by MST	All
Approval by General Manager/CEO	All
Damages	All
Sell or Assign	All
Indemnification	All
Covenant Against Gratuities	All
Rights and Remedies of MST	All
Binding Effect	All
Wage and Price Regulations	All
Documents Deemed Part of the Contract	All
Drug and Alcohol Certification	Transit Operators
Davis-Bacon Act	Construction
Contract Work Hours and Safety Standards Act	Construction

b. The Purchasing Manager, with the assistance of MST's Legal Counsel, shall prepare and maintain the General Conditions necessary for inclusion with all Contract Documents for formal competitive bid procurements. The General Conditions shall be updated from time to time as changes in federal and other bodies of law may require.

**c. Standard Terms and Conditions**

1. The Standard Terms and Conditions set forth are mandated by the FTA. These terms are applicable to all MST contracts. The following provisions shall be included in the noted type of procurement:

Clause	Type
FTA Funding Requirement	All
Federal Changes	All
Maintenance, Audit and Inspection	All
Disadvantaged Business Enterprises	All
Title VI Compliance	All
Energy Conservation Requirements	All
Environmental Requirements	All
Debarment and Suspension	All
Non-Collusion	All
Penalty for Collusion	All
Restrictions on Lobbying	All
Termination	All
Dispute Resolution	All
Protest Procedures	All
Buy America	As applicable
Cargo Preference	As applicable
Fly America	As applicable
Preference for Recycled Materials	As applicable
Patent Rights	As applicable
Rights in Data and Copyrights	As applicable
Charter Service	Transit Operators
School Transportation Operations	Transit Operators

2. The Purchasing Manager, with the assistance of MST's Legal Counsel, shall prepare and maintain the Standard Conditions necessary for inclusion with all Contract Documents for formal competitive bid procurements. The Standard Terms and Conditions shall be updated from time to time as changes in federal and other bodies of law may require.

#### **d. Special Provisions**

1. The Special Provisions prescribe terms and conditions specially tailored to the particular contract sought. The Special Provisions shall include the following, where applicable.

<b>Clause</b>	<b>Type</b>
Coordination of Terms and Conditions	All
Instructions to Bidders	All
Project Schedule	All
Changes to Specifications	All
Warranty	As applicable
Authorized Distributor	As applicable
Correspondence	All
Bid preparation	All
Form of Bids	All
Qualifications of Bidders	As applicable
Required Documentation	All
Method of Award	All
Contract Commencement Date	All
Contract Term	All
Delivery	As applicable
Acceptance of Product or Service	As applicable
Instruction for Bid Form	As applicable
Payment Terms	As applicable
Insurance	As applicable
Time of performance	As applicable
Place of performance	As applicable
Inspection	As applicable
Pre-bid Conference	As applicable
Brand, Manufacturer, or Product Names	As applicable
Approved Equal Procedures	As applicable
Option terms	As applicable
Prevailing Wages	As applicable
Contract Renewal	As applicable
Liquidated Damages (see below)	As applicable
Bonding Requirements (see below)	As applicable

## **2. Liquidated Damages**

The nature of the procurement may call for establishing a timeframe within which the whole or any specified portion of the work called for under the contract shall be completed. Each day completion is delayed beyond the specified time performance, the Contractor shall pay to MST a specified sum of money, to be deducted from any payments due or to become due to the Contractor.

Liquidated damages shall be included in contracts when it would be inconvenient, difficult, or impracticable to otherwise obtain an adequate remedy for the delay, or to prove the losses or to assess the actual quantity of damages. The amount to be established as liquidated damages shall be reasonable in light of the anticipated harm that may be caused by a delay in the contract performance. The Purchasing Manager, with input from the requesting department, shall evaluate these factors, and set a sum as liquidated damages. Liquidated damages shall not be assessed against a Contractor that is terminated for default; nor shall liquidated damages be used as a penalty. The contract files shall contain the justification for liquidated damages and calculations of how the amount was determined.

## **3. Bonding Requirements**

Various bonds may be required for the principal protection of MST's interest in the case of default or other failure to perform by a contractor. As a minimum, the following bonding requirements apply to construction or facilities improvement procurement actions of \$100,000 or more:

- a. A payment bond as well as a performance bond equal to:
  1. 50% of the contract price if the price is not more than \$1 million
  2. 40% of the contract price if the price is between \$1 million to \$5 million
  3. \$2.5 million if the contract is more than \$5 million
- b. A performance bond equal to 20% of the contract price may be included in bus procurement contracts. The necessity for the performance bond shall be documented in the procurement records.
- c. A bidder's security in the amount of 5% of the contract price

## **4. Pre-Bid Conference**

A pre- bid Conference may be held if a procurement is of considerable complexity or scope. If a Pre-Bid Conference is scheduled, the Special Provisions shall advise of the date, time and location of the conference.

## **5. Qualification of Bidders**

In contracts where the nature of the work is such that the qualifications of the bidders is an essential criterion for evaluating the bidders' responsibility, the Special Provisions shall contain a clause setting the required qualifications of bidders. Construction contracts and service contracts shall contain such clauses.

Such provisions shall clearly state the MST may reject bids from any potential supplier that does not meet the requirements stated in the qualification clause. Included in such clause shall be requirements that bidders demonstrate they are regularly engaged in the manufacture, construction, or provision of the work or product called for in the procurement and that they have the necessary resources, facilities and personnel to perform the contract. Finally, bidders may be required to furnish adequate references.

### **e. Technical Specifications**

The technical specifications shall clearly define the nature of the work, materials, products or services to be procured so that bidders may formulate responsive bids. Such descriptions shall not, in competitive procurements, contain features that unduly restrict competition.

Initial responsibility for drafting the technical specifications lies with the requesting department staff having technical expertise relating to the procurement sought. The Purchasing Manager shall review and approve the specifications.

The technical specifications must include detailed descriptions of the qualitative and quantitative nature of the supplies, equipment, materials, services, or construction to be procured. They must also set forth the minimum essential characteristics and standards to which the products, services or work must conform in order to satisfy MST's intended use. Where it would be of assistance in clarifying the specification requirements, the use of blue prints, diagrams, charts and maps will be used.

The technical specifications shall not be drafted so as to restrict competition. Brand names may be used in the technical specifications only when it is impractical or uneconomical to specify clear and adequate descriptions of the technical requirements for a particular product needs. In all cases where brand names are used, bidders must be afforded the opportunity to propose to MST a substitute product of equal quality or value for approval.

## **6. Other Procurement Documents**

### **a. Bid Form**

The bidder's completion of the bid form shall constitute its acceptance of all the terms and conditions contained in the Procurement Documents, and shall also indicate the bidders quoted prices. The Purchasing Manager shall be responsible for development of the bid form, with the assistance from the requesting department. The form shall seek separate cost quotations for all relevant aspects of the procurement, including, where applicable, unit price, extended price, sales or use taxes, and cost of installation and delivery. In all cases, the bid form shall be so structured as to allow MST to make an objective comparison of all bids.

### **b. Sample Contract**

A sample contract form intended for execution by the successful bidder and MST shall be included among the procurement documents.

### **c. Bond Forms**

The bid shall include a form for the bidder's bond when a bidder's security requirement is imposed. Also, when required by the Special Provisions, the document shall include a sample performance bond and a sample payment bond. The amount of these bonds may vary by contract. The terms of the performance bond will vary depending upon whether such bond is to remain in effect during a warranty period, and if so, the length of such period.

## **ADVERTISEMENT FOR BIDS**

The Purchasing Manager shall ensure the Notice Inviting Bids is published in at least one newspaper of general circulation published in Monterey County. The advertisement shall state the time and place for the receiving and opening of sealed bids and shall describe in general terms the work to be done. Where a particular contract involves a trade or expertise for which there are special industry publications, the Purchasing Manager shall advertise the notice in appropriate trade journals if sufficient time permits.

## **PREPARATION OF ADDENDA**

Once the bid has been advertised, all changes necessary to correct any errors in the document, to extend deadlines for the benefit of MST or the bidders, or to otherwise revise the document, shall be accomplished through the issuance of addenda. All addenda shall be drafted by the department requiring such change, and shall be reviewed and approved by the Purchasing Manager. Each addendum shall contain the bid number and title, the date of issuance, the addendum number, specific reference to the provision of the document that is being amended, and the substance of such amendment. The Purchasing Manager shall issue the addendum to all firms who have received a copy of the procurement documents.

## CONTRACT ADMINISTRATION SYSTEM

The intent of the contract administration system is that each procurement file, standing alone and without need of interpretation or augmentation of the contract administrator, program manager or other staff member, demonstrates that the contracting officer and contractor have complied with the terms of the contract. Further this system will fully demonstrate that any contractual or administrative issues in dispute have been addressed and settled.

The contract file, maintained by the Purchasing Manager, is a record detailing the history of procurement. Included in procurement files will be, as a minimum, copies of:

- a. Rationale for the method of procurement
- b. Independent Cost Estimate
- c. Copies of published public notices of proposed contract action
- d. Procurement documents
- e. Cost/Price analysis; record of determination that cost is fair and reasonable
- f. Evaluation of bids received
- g. Written record of selection of suppliers for negotiation and contract award
- h. Summary of cost/price negotiations, as appropriate
- i. Determination of reasonable contract cost compared to independent cost estimate
- j. Justifications, e.g. "sole source," emergency procurement, single bid received, etc.
- k. Staff reports prepared for approval by MST Board of Directors and minutes reflecting approval granted or other direction by the MST Board
- l. Contracts and contract modification documents
- m. Purchase orders
- n. Correspondence between MST and contractor
- o. Supplier evaluation reports, as a minimum once per fiscal year
- p. Contract close-out documents

The Purchasing Manager will conduct random audits of the contract administration system. The intent of the audit is to insure that each procurement file is complete and does not require interpretation or augmentation of the contract administrator, program manager or other staff member. Such audits will be conducted every six months.

The Purchasing Manager will organize and chair review committee to audit randomly selected documents. Summaries of the audit reviews will be presented to the GM/CEO, Departments Heads and to the contract administrator in charge of the audited procurement.



## **APPENDIX A**

### **SAMPLE FORMS AND FORMATS**

This appendix contains sample forms and formats for use by MST personnel in meeting requirements contained in Procurement Procedures.

Any recommendations for improvement should be submitted to the Purchasing Manager.

**MONTEREY-SALINAS TRANSIT  
COST/PRICE ANALYSIS**

Date \_\_\_\_\_ Analysis/Review done by: \_\_\_\_\_

IFB/RFP/RFPQ # \_\_\_\_\_ Project \_\_\_\_\_

Item(s) reviewed

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Cost comparison(s) obtained/source \_\_\_\_\_

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Rationale/Conclusion

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Above analysis/review conducted and cost determined reasonable on date noted.

\_\_\_\_\_  
(Signature)

**MONTEREY-SALINAS TRANSIT (MST)  
SOLE SOURCE JUSTIFICATION**

Product/Service/ Salient Characteristics

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Rationale/Reason for Sole Source (see sole source justification in Procurement Procedures)

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Quantity

Analysis of labor, direct, overhead costs and profit (see sole source justification)

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Other factors

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Method of determining fair/reasonable cost:

- ☐ Project Manager previous experience
- ☐ Company lowest price guarantees (e.g. Home Depot, Circuit City)
- ☐ Past purchasing history with same contractor
- ☐ Newspaper ads
- ☐ Internet
- ☐ Price book/catalog
- ☐ Marketplace location limitations
- ☐ Single source area procurement (e.g. franchise, distribution territories)
- ☐ Other \_\_\_\_\_

Completed by \_\_\_\_\_ Date \_\_\_\_\_

**MONTEREY-SALINAS TRANSIT  
CONTRACT CLOSEOUT CHECKLIST**

Date \_\_\_\_\_

Contract Number \_\_\_\_\_ Contract Value \_\_\_\_\_

Effective date of contract \_\_\_\_\_

Change order(s) date and dollar amount (if none, so state) \_\_\_\_\_

Project Manager  
(name/signature) \_\_\_\_\_

Completion of this Checklist certifies that contractor/supplier/supplier has completed work/services described in the contract and any change orders. Note the status (e.g. "received;" "completed;" "accepted" etc.) and the date for each work item. After completion, form is to be placed into Contract File.

WORK ITEM	STATUS	DATE
1. Resolution of all contract changes		
2. Determination of any liquidated damages		
3. Review of insurance claims. Determination if funds need to be withheld from final payment to cover unsettled claims against Contractor/Supplier		
4. Settlement of all sub-contracts by prime contractor/supplier		
5. Performance of required inspections/tests/etc.		
6. Contractor Performance Report		
7. All submittals/deliverables/services completed: -Reports -Final payroll records/wage rate certifications -Warranties/Guarantees -"As-Built" Drawings, Blueprints -Manuals and publications		
8. Final invoice -Consent of surety to release final payment		
9. Contractor's Affidavit of release of liens (Construction contracts)		
10. Contractor's general release (to MST) from any further claims/liabilities (Construction)		
11. Notification to Surety of release from any performance bonds		
12. Post-Delivery Audit (rolling stock)		

## **APPENDIX B REFERENCES**

These policies and procedures reflect guidance contained in

- a. Federal Acquisition Regulation (FAR)
- b. FTA Circular 4220.1E, Third Party Contracting Requirements
- c. Code of Federal Regulations (CFR) Part 49, Part 663
- d. State of California law
- e. California Public Contracts Code
- f. Policy and Rules established by MST Board of Directors

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To: Board of Directors  
From: Deanna Smith, Executive Assistant/Clerk to the Board  
Subject: Review and adopt MST Policies

**RECOMMENDATIONS:**

Receive and adopt new and revised MST policies.

**FISCAL IMPACT:**

None.

**POLICY IMPLICATIONS:**

Your Board approves all MST policies.

**DISCUSSION:**

Your board adopts policies to provide guidance to staff on how they will conduct business on behalf of Monterey-Salinas Transit and to achieve the long term goals of the district. Some policies are mandated by federal or state regulators and some policies reflect the direction of the local jurisdictions that comprise the MST Board of Directors. Upon the formation of the Monterey-Salinas Transit District in July of 2010, your Board adopted Resolution 2011-03 approving all existing policies, guidelines, contracts, agreements, and memoranda of understanding.

MST staff regularly reviews existing MST policies to ensure compliance with all regulatory language and/or guidelines and to make necessary revisions that better reflect MST's organizational structure and goals. Staff also periodically recommends adoption of new policies to enhance your Board's governance and ensure legal compliance.

While conducting a comprehensive review of all board adopted policies and guidelines, staff found a need to update some policies to reflect current regulatory requirements as well a need to make minor edits, grammatical changes and format changes to provide consistency and ensure they are presented in a professional manner. To this end, the following new and/or revised policies are recommended for your Board's review and adoption.

### **ATTACHMENT 1**

In an effort to provide concise policy language separate from the more comprehensive programs and plans that MST implements to comply with state and federal guidelines, five summarized policies are attached:

- Drug and Alcohol Policy
- Equal Employment Opportunity Policy
- Employer-Employee Relations Policy
- Information Security Policy
- Procurement and Purchasing Policy

### **ATTACHMENT 2**

MST staff is recommending that two documents, formerly maintained as standard operating procedures and guidelines, be adopted as policies:

- Management Continuity Succession Policy
- Media Relations Policy

### **ATTACHMENT 3**

The following policies have been revised to comply with new regulations, to meet current operating needs, or to provide enhanced clarity of MST's organizational structure and goals:

- Cal Card/Purchasing Authority Thresholds Policy
- Director's Stipend Policy
- Joint Property Development Policy
- Limited English Proficiency Policy
- Public Hearings Policy

Prepared by:  Reviewed by: 



## ATTACHMENT 1

### DRUG AND ALCOHOL POLICY

Adopted: TBD

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**OBJECTIVE:** To provide the safest possible transportation for the public and a safe work environment for MST employees through the requirement of a work place free of prohibited drugs and alcohol.

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#### SCOPE

This policy applies to all MST employees who are incumbents in safety-sensitive positions, to all applicants or employees who may apply for or who may transfer to a safety-sensitive position and to contractors who perform safety-sensitive job functions.

The job classifications that have been determined to be safety-sensitive are noted in Appendix A of MST's Drug and Alcohol Program and are maintained by the Human Resources Department.

#### POLICY

This policy affirms the procedures and processes for the administration of MST's Drug and Alcohol Program in accordance with the Department of Transportation (DOT) and the Federal Transit Administration (FTA) requirements. Based on these requirements, MST requires all employees performing safety-sensitive job functions to submit to testing for the presence of specifically designated drugs and alcohol.

MST's Board of Directors has adopted a *Zero Tolerance* policy regarding drug use and alcohol misuse. All employees must be free of the designated drugs and alcohol when performing a safety-sensitive function.

#### Opportunities for Rehabilitation

In promoting a drug and alcohol free workplace, this policy includes a rehabilitation program that allows safety-sensitive employees to voluntarily come forward to request rehabilitation and is as follows:

Any safety-sensitive employee who has a drug and/or alcohol problem and has not been selected for reasonable suspicion (cause), random or post-accident testing or/and not refused a drug or post-accident test may voluntarily refer her/himself to the Director/Manager of Human Resources or the Safety Officer, who will refer the individual to MST's Substance Abuse Professional (SAP) for individual evaluation and treatment. Voluntary self referral commits the safety sensitive employee to a therapeutic process. Confidentiality of the employee will be

protected. The SAP will evaluate the safety-sensitive employee and make specific recommendations regarding the appropriate treatment. When a safety sensitive employee enters voluntary treatment, she/he may be eligible for sick time, FMLA, time off and benefits as outlined by law and within any bargaining agreement. Safety Sensitive employees may be permitted to take accumulated vacation time or may be eligible for unpaid time off to participate in any prescribed rehabilitation program. Safety sensitive employees are strongly encouraged to voluntarily seek professional substance abuse assistance before any abuse or dependence affects job performance.

#### **While Undergoing Treatment**

Any safety-sensitive employee who admits to a drug and/or alcohol problem will immediately be removed from their safety-sensitive function and will not be allowed to perform such function until successful completion of a prescribed rehabilitation program is completed. The employee will be placed on a leave status for a maximum of 60 days to allow for the completion of the treatment/rehabilitation program. Extended periods will be granted by the Director of Human Recourses. The employee is required to call the Director of HR or the Safety Officer every 30 days to report status during treatment. The employee will be required to pass a drug and/or alcohol test (non-FTA) before performing any safety-sensitive function.

#### **Cost of Rehabilitation**

All associated costs for treatment are the sole responsibility of the employee.

#### **Return to Work after Treatment**

All employees who successfully complete prescribed treatment and are allowed to return to work will be subject to unannounced follow-up testing as prescribed by the SAP.

## EQUAL EMPLOYMENT OPPORTUNITY POLICY

Adopted: TBD

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**OBJECTIVE:** To ensure equal employment opportunities for all, without regard to race, color, creed, religion, gender, national origin, age, political affiliation, marital status, sexual orientation, disability, veteran status, or any other characteristic protected by law.

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In our efforts to develop and continue to implement our equal employment opportunity obligations, we hereby affirm and formalize our commitment to the principle of equal employment opportunity in all employment practices, including recruitment, selections, promotions, terminations, transfers, layoffs, compensation, training, benefits and other terms and conditions of employment.

MST's policy is to ensure equal employment opportunities for all, without regard to race, color, creed, religion, gender, national origin, age, political affiliation, marital status, sexual orientation, disability, veteran status, or any other characteristic protected by law. While this document cannot be considered an employment contract between Monterey-Salinas Transit and its employees, we view the principle of equal employment opportunity as a vital element in the employment process and as a hallmark of good management.

In developing our Equal Employment Opportunity (EEO) Program, we commit ourselves to:

- Our equal employment opportunity policy for all persons as described above;
- Undertake an Equal EEO Program including goals and timetables, in order to overcome the effects of any past discrimination on minorities or women although MST does not believe that it has engaged in any such discrimination;
- Assigning the implementation of this EEO Program to an MST executive;
- Making it clear that all management personnel must share in this responsibility and will be assigned specific tasks to ensure compliance is achieved;
- Ensuring that applicants and employees have the right to file complaints alleging discrimination with the appropriate MST official;
- Evaluating the performance of manager, supervisory, etc. on the success of the EEO Program in the same way as their performance on other MST goals is evaluated;
- Successfully achieving MST's EEO Program goals in order to provide benefits to MST through fuller utilization and development of any previously-underutilized human resources.

In developing our EEO Program, we have established goals and time lines to correct any deficiencies over a reasonable period of time.

Just as the agency does not condone unlawful discrimination, it is firmly committed to providing a workplace free of harassment and retaliation on the basis of race, color, religion, gender (including pregnancy, childbirth, or related medical conditions), national origin, ancestry, age, physical or mental disability, medical condition, family care status, marital status, sexual orientation, or veteran status.

It is our desire that the combination of measurable goals and directed effort will make equal employment opportunity a fact at Monterey-Salinas Transit.

We pledge every good faith effort to achieve our established goals, and have assigned various levels of responsibility to both direct and oversee our affirmative action efforts.

MST's Grants and Compliance Analyst has been designated as the EEO Officer for MST. This position is responsible for monitoring affirmative action efforts and for providing equal opportunity training or recommending outside resources. Individual managers and supervisors are responsible for ensuring that their employment decisions comply with principles embodied in Title VII, the Age Discrimination in Employment Act and Revised Order No. 4.

## EMPLOYER-EMPLOYEE RELATIONS POLICY

Adopted: TBD

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**OBJECTIVE:** To provide establish procedures for meeting and conferring in good faith with Recognized Employee Organizations regarding matters that directly and significantly affect and primarily involve the wages, hours, and other terms and conditions of employment.

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This Policy implements Chapter 10, Division 4, Title I, of the Government Code of the State of California (Sections 3500 et seq.) captioned "Local Public Employee Organizations," by providing orderly procedures for the administration of employer/employee relations between Monterey-Salinas Transit and its employee organizations. However, nothing contained herein shall be deemed to supersede the provisions of federal law, state law, local ordinances, and MST Personnel Policies and Procedures, or which provide for other methods of administering employer/employee relations. This Policy is intended, instead, to strengthen methods of administering employer/employee relations through the establishment of uniform and orderly methods of communications between employees, employee organizations and the Monterey-Salinas Transit.

It is the purpose of this Policy to provide an Employer-Employee Relations Program establishing procedures for meeting and conferring in good faith with Recognized Employee Organizations regarding matters that directly and significantly affect, and primarily involve, the wages, hours, and other terms and conditions of employment of employees in appropriate units that are not preempted by federal or state law. However, nothing herein shall be construed to restrict any legal or inherent exclusive Monterey-Salinas Transit rights with respect to matters of general legislative or managerial policy, which include among others: The exclusive right to determine the mission of its constituent departments and committees, set standards of service; determine the procedures and standards of selection for employment; direct its employees, take disciplinary action; relieve its employees from duty because of lack of work or for other lawful reasons; determine the content of job classifications; subcontract work; maintain the efficiency of operations; determine the methods, means and personnel by which operations are to be conducted; take all necessary actions to carry out its mission in emergencies; and exercise complete control and discretion over its organization and the technology of performing its work.

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## INFORMATION SECURITY POLICY

Adopted: TBD

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**OBJECTIVE:** To protect MST's investment in the human and financial resources required to create and maintain its computer information systems and networks, safeguard the information contained within the systems, reduce business and legal risk, and protect the good name of the District.

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### Background

Computer information systems and networks are an integral part of business at Monterey-Salinas Transit (MST, District). The District has made a substantial investment in human and financial resources to create these systems.

The Information and Security Policy has been established in order to:

- Protect this investment.
- Safeguard the information contained within these systems.
- Reduce business and legal risk.
- Protect the good name of the District.

MST and its employees are legally bound to comply with the Federal Copyright Act (Title 17 of the U. S. Code) and all proprietary software license agreements. Noncompliance can expose MST and the responsible employee(s) to civil and/or criminal penalties.

### Responsibilities

The Director of Information Technology (IT) is responsible for the administration of this policy.

Monterey-Salinas Transit strongly supports strict adherence to software vendors' license agreements.

### Scope

This policy applies to all employees, contractors, consultants, temporaries, and other users at Monterey-Salinas Transit, including those users affiliated with third parties who access Monterey-Salinas Transit computer networks. The policy also applies to all computer and data communication systems owned by and/or administered by Monterey-Salinas Transit.

### Expectation of Privacy

Staff using MST information systems and/or the Internet should realize that their communications are not automatically protected from viewing by third parties. Unless encryption is used, staff should not send information over the Internet if they consider it to be private.

At any time and without prior notice, MST management reserves the right to examine e-mail, personal file directories, and other information stored on MST computers. This examination assures compliance with internal policies, supports the performance of internal investigations, and assists with the management of MST information systems.

All communications, including text and images, can be disclosed to law enforcement or other third parties without prior consent of the sender or the receiver.

## **Policy**

It is the policy of MST to protect its investment in the human and financial resources required to create and maintain its computer information systems and networks, safeguard the information contained within the systems, reduce business and legal risk, and protect the good name of the District. Additionally, this policy requires MST to maintain the Information Security Standard Operating Procedures (ISSOP) which provide comprehensive guidelines to support the following specific policies:

- Internet Policy
- E-mail Policy
- Computer Viruses
- Password Policy
- Physical Security
- Copyrights and License Agreements

## **Internet Policy**

Access to the Internet is provided to employees for the benefit of MST and its customers. Employees are able to connect to a variety of business information resources around the world. Conversely, the Internet is also replete with risks and inappropriate material.

## **E-Mail Policy**

**Company property.** As a productivity enhancement tool, MST encourages the business use of electronic communications (voice mail, e-mail, and fax). Electronic communications systems and all messages generated on or handled by electronic communications systems, including back-up copies, are considered to be the property of MST, and are not the property of users of the electronic communications services.

**Authorized usage.** Monterey-Salinas Transit electronic communications systems generally must be used only for business activities.

Users are forbidden from using MST electronic communications systems for charitable endeavors, private business activities, or amusement/entertainment purposes unless expressly approved by the MST General Manager/CEO. Employees are reminded that the use of corporate resources, including electronic communications, should never create either the appearance or the reality of inappropriate use.



## **Computer Viruses**

Computer viruses are programs designed to make unauthorized changes to programs and data. Therefore, viruses can cause destruction of District resources. To avoid destruction of these resources, IT shall install and maintain appropriate antivirus software on all computers; and respond to all virus attacks, destroy and virus detected, and document each incident.

## **Password Policy**

The confidentiality and integrity of data stored on District computer systems must be protected by access controls. This access shall be restricted to only those capabilities that are appropriate to each employee's job duties.

Passwords are the entry point to our IT resources. Protecting access to our resources is pivotal in ensuring that our systems remain secure. While we have not been exploited, nor do we expect to be, we must be diligent in guarding access to our resources and protecting them from threats both inside and outside our organization.

## **Physical Security**

It is District policy to protect computer hardware, software, data, and documentation from misuse, theft, unauthorized access, and environmental hazards.

## **Copyrights and License Agreements**

It is MST's policy to comply with all laws regarding intellectual property.

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## PROCUREMENT AND PURCHASING POLICY

Adopted: TBD

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### RELEVANT LEGISLATION

Monterey-Salinas Transit (MST) District, formed and operating in accordance with the Monterey-Salinas Transit District Act, Section 106000, et seq., of the California Public Utilities Code, establishes the following policy governing MST procurements of supplies, equipment, materials, services and construction contracts, derived from and conforming to:

- A. Applicable Federal law including 49 Code of Federal Regulations (CFR) Part 18, specifically Section 18.36
  - B. Federal Transit Administration (FTA) Circular 4220.1.E, "Third Party Contracting Requirements"
  - C. AB 644. Chapter 460; Section 1, Part 17 of the Public Utilities Code and other applicable State of California laws
  - D. California Public Contracts Code
  - E. Rules and regulations established by the MST Board of Directors
- 

#### **AB 644. Chapter 460; Section 1, Part 17, Article 4, Contracts:**

##### **106055**

The district may make contracts and enter into stipulations of any nature whatsoever, either in connection with eminent domain proceedings or otherwise, including, but not limited to, contracts and stipulations to indemnify and hold harmless, to employ labor, and to perform all acts necessary and convenient for the full exercise of the powers granted in this part.

##### **106056**

The district may contract with any department or agency of the United States, with any public agency, including, but not limited to, the Department of Transportation, any county, city, or district, or with any person or a private entity upon the terms and conditions that the district finds in its best interest for the procurement of engineering, project management, and contract management services.

##### **106057**

- a. The purchase of all supplies, equipment, and materials, when the expenditure required exceeds one hundred thousand dollars (\$100,000), shall, by contract, be let to the lowest responsible bidder, or, in the district's discretion, to the responsible bidder who submitted a proposal that provides the best value to the district on the basis of the

factors identified in the solicitation. “Best value” means the overall combination of quality, price, and other elements of a proposal that, when considered together, provide the greatest overall benefit in response to the requirements described in the solicitation documents.

- b.** To the extent practicable, the district shall obtain a minimum of three quotations, either written or oral, that permit prices and terms to be compared whenever the expected expenditure required for the purchase of supplies, equipment, or materials exceeds two thousand five hundred dollars (\$2,500), but does not exceed one hundred thousand dollars (\$100,000).

Certain standards, regulations, orders of the United States Office of Management and Budget, and requirements for grants-in-aid to local governments mandated by the U.S. Department of Transportation, FTA, and the Office of Management and Budget apply to MST for procurements financed wholly or in part with federal funds.

MST’s Procurement and Purchasing Plan is designed to implement the fundamental principles of procurement as follows:

- a.** Foster maximum open and free competition
- b.** Promote the greatest economy and efficiency
- c.** Ensure adherence to proper standards of conduct by MST officers and employees
- d.** Maintain procurement policies and procedures that comply with applicable federal, state, and local laws, and regulations
- e.** Establish and maintain an arm's length relationship with all contractors and suppliers
- f.** Treat all prospective contractors, consultants, and suppliers in an equal and equitable manner
- g.** Provide opportunities for remedy and resolution of contract claims or disputes

## **STANDARDS OF CONDUCT**

The procurement business of MST shall be conducted in a manner above reproach and with complete impartiality and without preferential treatment. Any violation of these standards may be cause for disciplinary action, including dismissal, if appropriate. No Board of Director or employee shall:

- A.** Release to an individual or entity or its representative any knowledge such person may possess or have acquired in any way concerning any proposed or actual procurement that would give an unfair competitive advantage to any potential or actual Bidder.
- B.** Make any commitment or promise relating to the award of a contract or any representation which could be construed as such a commitment. Staff will not, under any circumstances, advise a business representative that any attempt will be made to influence another person to give preferential treatment to his or her company in the award of a contract.

- C. Use his or her position with MST to coerce, or give the appearance of, coercing another person, and/or provide any financial benefit to persons with whom he or she has family, business or financial ties.
- D. Accept any gratuity for themselves, members of their families or others, either directly or indirectly, from any source that does or seeks to do business with, or has financial ties of any sort with MST, or has personal interests that may be affected by the performance, or non-performance, of the official duties of MST staff.
- E. Participate in the selection, award, or administration of a contract if a conflict of interest, real or apparent, exists.
- F. Accept any offer of employment or fees for services from a Contractor for one year following employment with MST if the officer or employee, during the year immediately preceding termination of employment, participated personally and substantially in the award of contracts or the issuance of change orders with a cumulative value of \$25,000 or more to the Contractor, its parent or subsidiary.

## **DUTY TO DISCLOSE**

The Purchasing Manager and other MST managers, supervisors and purchasing agents shall not be involved in any purchasing decisions, tasks, or procedures, (including participation in initiation, award, or administration of a contract) in which they or persons related to them have a real or apparent conflict of interest. In cases where there may be such conflicts of interest, employees have the responsibility to report in writing such conflicts to the General Manager/CEO. Failure to make such disclosure is subject to disciplinary action.

## **CONFLICT OF INTEREST**

The MST Board of Directors has adopted a Conflict of Interest code, under which certain designated employees are required to disclose economic interests and are prohibited from participating in decisions, which may have an effect on their financial interest. The terms and requirements of the Conflict of Interest Code are incorporated herein by reference.

No employee, officer, or agent of MST shall participate in procedures, tasks, or decisions relative to initiation, award, or administration of a contract if a conflict of interest, real or apparent, exists. Such a conflict of interest arises when any of the following has a financial or other interest in a firm that participates in an MST bidding process or that is selected for a contract award involving:

- a. The employee, officer or agent
- b. Any member of his or her immediate family
- c. Business associate of a and b above
- d. An organization which employs, or which is about to employ a current MST employee

The standards governing the determination as to whether such an interest exists are set forth in Sections 1090, 1091, and 1091.5 of the California Government Code.

## **GRATUITIES AND CONTINGENT FEES**

No Director, officer, employee or agent of MST knowingly shall solicit, accept, or agree to accept gratuities, favors or anything of more than a nominal monetary value in connection with actual or potential procurement and contracting activities. Under this policy, the term "nominal monetary value" shall be defined as a value of fifty dollars (\$50) or less.

## **CONFIDENTIAL INFORMATION**

No employee of MST involved in purchasing shall use confidential information for his or her actual, anticipated, or apparent personal gain, or for the actual, anticipated, or apparent personal gain of any person related to such employee. "Confidential Information" is defined as any proprietary, privileged, or nonpublic information, coming to the employee's attention as a result of employment by MST, the knowledge of which makes financial gain possible.

**MANAGEMENT CONTINUITY SUCCESSION POLICY**

Adopted: TBD

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**OBJECTIVE:** To provide framework management continuity when the position of General Manager/CEO is vacant. The Board, at its discretion, may alter or deviate from this plan.

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1. It is responsibility of the General Manager/CEO ensure that there is designated staff capable and qualified to act as General Manager/CEO on an interim or permanent basis.
2. In the event the position of General Manager/CEO is vacant, the Board shall appoint designated staff to fill the position for six (6) months. The Board may adjust this time period at its discretion.
3. Within thirty (30) days of making the appointment, the Interim General Manager/CEO and the Board shall agree on performance objectives and evaluation criteria.
4. Thirty (30) days before the end of the Interim period, the Board shall evaluate the performance of the Interim General Manager/CEO.
5. The Board may decide to extend the period of the Interim General Manager/CEO in order to further monitor and evaluate performance.
6. At the conclusion of the Interim period, the Board may appoint the Interim General Manager/CEO to a permanent as General Manager/CEO or the Board may elect to recruit other candidates.
7. The Board may recruit using the in-house Human Resources staff or the services of an outside recruiting firm.
8. If the Board decides to recruit, ads will be placed in national, state and regional transit industry publications (i.e. Passenger Transport, Transit California, etc.), as well as MST website and other social media.
9. Consistent with established MST policy and procedures, applications will be screened and qualified candidates will be invited to participate in a series of interviews with the Board and key staff. Candidates will also take a psychological profile (i.e. Morais Px-12, etc.) to aid in their evaluation.

- 10.** If the designated employee is selected to be the new General Manager/CEO, an immediate priority is to hire a replacement for the vacancy created by the selection.
- 11.** While hiring staff is usually a management responsibility, the Board will to ratify the final selection of the candidates for the position of GM/CEO The Board may also wish to appoint a member of its board to participate in the interview/selection process.



## **MEDIA RELATIONS POLICY**

Adopted: TBD

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**OBJECTIVE:** To ensure all communication between the media and Monterey-Salinas Transit is handled in a professional manner, effectively and accurately informing Monterey County residents, businesses, and customers of MST-related activities.

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Monterey-Salinas Transit recognizes that one of the most effective and quickest ways to communicate MST policies and activities to its stakeholders is by working in partnership with the news media.

Inquiries from the news media are given a high priority by Monterey-Salinas Transit and should be responded to as quickly and efficiently as possible. Every effort should be made to meet media deadlines and to ensure that all information released is accurate.

### **MST SPOKESPERSONS**

The Designated MST Spokespersons for all media relations are:

- General Manager/CEO
- Assistant General Manager of Finance and Administration

In the event the General Manager/CEO and the Assistant General Manager of Finance & Administration are unavailable, the following employees are designated to speak in their absence:

- Chief Operating Officer
- Marketing Manager

All MST employees should notify the General Manager/CEO or his/her designate about media inquiries. Because the media often works on tight deadlines, it is important that all departments respond as soon as possible when the General Manager/CEO requests departmental information or assigns a spokesperson for the media.

All Press Releases are issued by the Marketing Manager and must be reviewed by the General Manager/CEO or his/her designate.

### **MST-INITIATED INFORMATION**

Most proactive media contact is initiated through the Marketing Manager. This includes issuing press releases and media advisories, and personal contacts with reporters and editors for coverage. Other departments should not initiate news media contacts.

## **CRISIS OR EMERGENCY ISSUES**

During a crisis or major emergency (natural or madmade disaster), the procedure for handling the media is highlighted in the District's "Contingency Plan for Natural Disasters or Other Emergencies." The plan calls for the General Manager/CEO to designate the District's Public Information Officer as the main point of contact for the media.

## **MEDIA INQUIRIES**

Media inquiries received by other MST staff should be referred immediately to the Office of the General Manager/CEO and/or the Assistant General Manager for Finance & Administration. An appropriate response to the media would be, "I'm sorry I don't have the full information regarding that issue. I will give your request to the General Manager/CEO who will respond to you as soon as he/she is available. " Please obtain the reporter's name, contact information, topic or question, and deadline.

### **Additional Guidance**

Any employee who speaks to the media is responsible for what he/she says. District employees should understand that their comments on policies and other public issues will be interpreted as District's point of view. To the public, especially press and media representatives, each employee is the District.

### **Litigation, Personnel, and Election Issues**

Generally, the business conducted by MST is public and, therefore, is public information. Inquiries regarding pending litigation, matters involving a significant exposure to litigation and certain personnel-related information **are exceptions**.

Inquiries regarding pending litigation or exposure to litigation should be referred to the Office of the General Manager/CEO. Inquiries regarding personnel-related information should be referred to the Director of Human Resources.

### **Personal Points of View**

It is recognized that all employees have the right to their personal points of view regarding any issue. However, personal points of view may conflict with MST's official policy. Therefore, MST employees who write letters to the editor of any newspaper may not use official MST stationary nor may they send such letters from an MST email address. If an employee chooses to identify himself or herself as an MST employee in any personal letter or email to the editor, he or she must include language which states "The views set forth in this letter do no represent the views of MST, but rather are my personally held opinions." Similar disclaimers must be given if an employee addresses a public meeting, participates in a radio talk show, or is interviewed for a radio or television program unless the employee is officially representing MST. Employees who are representing MST in any of the above formats must identify themselves as an official spokesperson for the District.

### **Quotes by a Board Member**

Quotes attributed to a Board member should be cleared with that Board member and/or by Designated Spokespersons listed above before being provided to the media.

**Sensitive or Controversial Issues**

Television, radio, newspaper or other media inquiries regarding sensitive or controversial issues should always be referred immediately to the Office of the General Manager/CEO and the employee's Department Director who will coordinate a response including designating a spokesperson.

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## CAL CARD/PURCHASING AUTHORITY THRESHOLDS POLICY

Adopted: 7/12/2010

Revised: TBD

### PROCUREMENT THRESHOLDS

#### Formal Bids/Proposals

\$100,000 and above – If service is complex, a bid or proposal may be required, otherwise, a quote may suffice up to \$99,999.

A procurement control number must be obtained for any procurement over \$25,000.

#### Board of Directors Approval for Purchases and Change Orders

\$25,000 and above – All purchases or change orders at this amount must be approved by the Board of Directors.

- A procurement control number must be obtained for any procurement over \$25,000.

~~Purchase authority is delegated as follows:~~

~~\$25,000 and above – These purchases are approved by the Board of Directors.~~

~~\$24,999 and below – These purchases are approved by the General Manager/CEO and delegated by the Board of Directors.~~

#### Small Purchases

\$1 to \$2,999 – All purchases require one quote.

\$3,000 to \$99,999 – All purchases require three quotes.

- A PO Header must state suppliers & cost of other quotes

#### Exceptions to Thresholds

Any procurement over \$2,000 for the construction, alteration, or repair (including painting and decorating) of public buildings or public works – The Davis Bacon act applies.

Please see the Purchasing Manager for assistance.

-

Any procurement for A&E services – The Brooks Act applies.

Please see the Purchasing Manager for direction regarding requirements.

## **CAL CARD PURCHASING AUTHORITY THRESHOLDS**

**\$25,000 and above** – All purchases must be approved by the Board of Directors. See procurement requirements above.

**\$24,999 and below** – All purchases are approved by the General Manager/CEO and delegated by the Board of Directors. See procurement requirements above.

In the absence of the General Manager/CEO, the AGM for Finance & Administration is fully empowered and has authority to approve all Purchase Orders under \$25,000. In the absence of both the General Manager/CEO and the AGM for Finance & Administration, the AGM/Chief Operating Officer is also so empowered.

Exceptions to these authorities may be modified by a memo signed by the General Manager/CEO.

## DIRECTOR'S STIPEND POLICY

Adopted: 7/12/2010

Revised: TBD

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**OBJECTIVE:** To establish a reasonable stipend for all legislators formally appointed to serve on the MST Board of Directors as a representative of their respective jurisdictions.

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### DIRECTOR'S FEES

The stipend for MST Directors shall be \$100 per month. Payment of the fee shall be subject to the following conditions:

1. The Director must attend the regularly scheduled board meeting to receive the stipend.
2. No stipend shall be paid for attendance at Committee meetings or special meetings.
3. The stipend shall be paid to the Alternate rather than the Director, provided the jurisdiction qualifies under (1) above, and provided the Alternate has requested a stipend.
4. The payment of a Director's stipend shall not be construed as making Directors or Alternates employees of the Agency.
5. The stipend request shall be made by the Clerk to the Board to the Accountant after each regular meeting of the Board, by the close of the same business day. Stipends shall be mailed to each Director by the end of the next business day.

### TRANSIT PASSES

In order to provide informed oversight of transit operations Directors shall receive annual transit passes and are encouraged to use MST services. The use of transit passes shall be subject to the following conditions:

1. All Directors shall have their photo taken upon being appointed to the MST Board of Directors. This photo shall be used to create the transit pass.
2. At the first meeting of each calendar year, Directors will be provided a renewal sticker validating their transit pass for the corresponding year.
3. Presentation of the transit pass with the current calendar year sticker is required to receive the complimentary fare.
4. Directors are encouraged to wear, or have on their persons, their transit passes when attending all meetings.
  - ~~▪ The Director and/or Alternate shall during the calendar month attend all regular meetings, special meetings, adjourned meetings, study sessions, and meetings of committees of which he/she is a member.~~

- ~~The Director and/or alternate must be present from the scheduled time for call to order until adjournment for all of the above meetings during a calendar month.~~
- ~~The fee shall be paid to the Alternate rather than the Director, provided the jurisdiction qualifies under (a) and (b) above, and provided that the Director was in attendance less than one-half the time during meetings held during a calendar month.~~
- ~~Directors and Alternates shall receive transit passes. No payment of expenses for travel to Board or Committee meetings is authorized.~~
- ~~The payment of Directors' fee shall not be construed as making Directors or Alternates employees of the Agency.~~



## JOINT PROPERTY DEVELOPMENT POLICY

Adopted: 7/12/2010

Revised: TBD

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**OBJECTIVE:** To secure the most appropriate private and public sector development of MST-owned property at and adjacent to transit stations and corridors and to implement established guidelines and procedures for identifying opportunities to optimize MST's return on investment.

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### PURPOSE

MST's Joint Development Policy is designed to secure the most appropriate private and public sector development of MST-owned property at and adjacent to transit stations and corridors. MST envisions its station areas and transit corridors as vibrant, prosperous, community assets that create a strong sense-of-place for transit, pedestrians, and the surrounding community, and are destinations in their own right.

The Joint Development Policy provides a framework for creating and pursuing the highest and best opportunities for development around station areas, ~~and~~ along corridors, and at other locations where MST owns property. The policy is intended to establish guidelines and procedures for identifying such opportunities to optimize return on investment to MST. Joint Development includes coordination with local jurisdictions in station ~~area~~ land use planning to establish development patterns that enhance transit use.

### GOALS

MST's Joint Development Policy seeks to:

- a. Comprehensively plan and develop the highest and best housing, office and retail uses around station sites, ~~and~~ along transit corridors, and at other locations where MST owns property.
- b. Increase transportation system capacity by increasing transit use.
- c. Generate both a long-term source of revenue for MST, and allow MST to participate in the increase in the value of its real property assets over time.

### JOINT DEVELOPMENT POLICY

Joint development projects shall:

- a. Create both a long-term source of revenue for MST, and shall allow MST to participate in the increase in the value of its assets over time.
- b. Encourage increased transit utilization and ridership.
- c. Exhibit high urban design standards and quality.

- d. Be consistent with local jurisdiction land use goals and shall be developed with a public participation process that respects neighborhood concerns.
- e. Provide for efficient and safe vehicular and pedestrian circulation ~~as well as~~ and shall provide adequate parking to serve both private and public demand, while maximizing shared parking opportunities.
- f. Implement the concepts, principles, and practices outlined in MST's Designing for Transit Program and ~~shall~~ include the elements of transit-oriented design (TOD), complete streets, and other livable community principles.
- g. Enhance and maintain existing or future transportation systems, operations, and infrastructure.
- h. Address community needs in joint development consistent with MST policy encouraging revenue generation and implementing TOD design principles.

If developing a particular property owned by MST would not accomplish the goals set by this policy, then consideration should be given to disposition of the property through sale, exchange for another property or some other fiscally responsible means.

## LIMITED ENGLISH PROFICIENCY (LEP) POLICY

Adopted: 7/12/2010

Revised: TBD

**OBJECTIVE:** To provide equal access to MST public information and customer services for persons with limited English proficiency (LEP) in accordance with State and Federal Law.

In accordance with applicable law, Monterey-Salinas Transit is committed to making public information and customer services accessible to individuals who, as a result of national origin, are limited in their English proficiency.

~~Process Summary:~~ **Public information will be categorized by the following six methods:**

1. Signage at MST transit centers
2. Signage onboard MST buses
3. Transit information on MST's website
4. Transit information on printed materials
5. Customer service information provided by telephone
6. Customer service information provided in person

~~This policy will describe the appropriate process for implementing language assistance services for each of the above public information methods.~~

### **1. Signage at MST transit centers**

All signage developed and intended for public viewing at MST transit centers must meet the following requirements:

- a. Signage must use font type "Swiss 721" sized no less than 16 pt. font size
- b. Text must be in English and Spanish
- c. A symbol must be incorporated into each sign that effectively conveys the message of that particular sign
- d. Signs will be printed on white weather proof Poly-Metal material
- e. Text will be printed in black
- f. Symbol will be printed in red
- g. Signage will be installed by MST Facilities staff

## **2. Signage onboard MST buses**

All signage developed and intended for public viewing onboard MST buses must meet the following requirements:

- a. Signage must use font type “Swiss 721” sized no less than 16 pt. font size
- b. Text must be in English and Spanish
- c. A symbol must be incorporated into each sign that effectively conveys the message of that particular sign
- d. Signs will be printed on white decals unless otherwise specified
- e. Text will be printed in black
- f. Symbol will be printed in red

## **3. Transit information on MST’s website**

- a. MST will utilize Google Translate to provide translation services on MST’s ~~new~~ website
- b. Policy details will follow the implementation of the new website [ds1]

## **4. Transit information on printed materials**

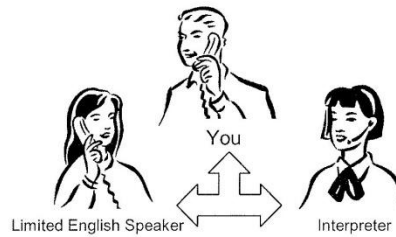
- a. Transit information printed in MST’s Riders guide will also be provided in Spanish
- b. Transit information printed in MST brochures will also be provided in Spanish

## **5. Customer Service Information provided by telephone**

- a. MST’s automated phone system must also be provided in Spanish
- b. Inbound calls from LEP persons will be transferred to a Spanish speaking representative
- c. Inbound calls from LEP persons requiring translation services for a language other than Spanish will be connected to a Language Line representative for assistance (example below)
- d. Outbound calls to LEP persons will be initiated by first connecting with a Language Line representative and then calling the LEP person (example below)

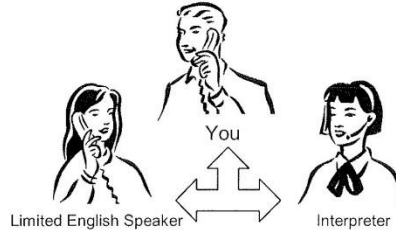
### YOU RECEIVE A CALL

1. Place the LES on conference hold and dial the Language Line Services toll-free number.
2. Enter your six-digit Client ID number.
3. Press 1 for Spanish, 2 for all other languages.
4. When the interpreter is connected, conference in the LES.



### YOU NEED TO MAKE A CALL

1. Dial the Language Line Services toll-free number.
2. Enter your six-digit Client ID number.
3. Press 1 for Spanish, 2 for all other languages.
4. When the interpreter is connected, call your LES or the interpreter can place the call for you within the U.S. or Canada.



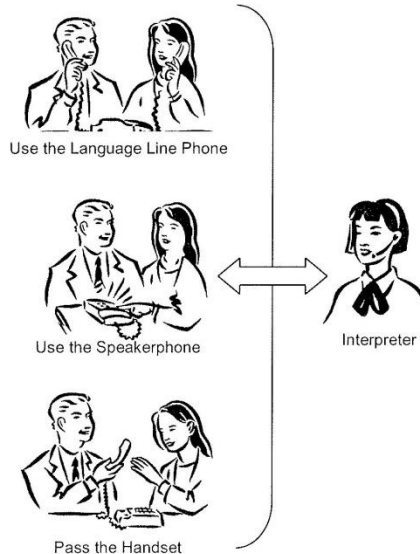
## 7. Customer service information provided in person

- d-a.** Spanish speaking representatives will provide translation assistance to LEP person that speaks Spanish
- b.** English speaking representatives will utilize the two handset phone to connect LEP persons with a Language Line representative

### YOU ARE FACE-TO-FACE

1. Dial the Language Line Services toll-free number.
2. Enter your six-digit Client ID number.
3. Press 1 for Spanish, 2 for all other languages.
4. When the interpreter is connected, use the Language Line® Dual Handset Phone, speakerphone feature, or pass the handset back and forth.

If you have any questions please contact your account manager or Customer Service at 1-800-752-6096 Opt 2.



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**OBJECTIVE:** To establish a locally developed process for soliciting and considering public comments for major service changes and fare increases.

### Definition of Public Hearing Requirement

In accordance with 49 USC Chapter 53, Federal Transit Laws, Section 5307, a grantee must have a locally developed process to solicit and consider public comment before raising a fare or carrying out a major reduction in service. The regulation does not require that fare decreases, service increases, or “special fares” be preceded by public comment. The grantee is not required to hold a public meeting, but must offer an opportunity for one. The grantee must establish guidelines or thresholds for what it considers a “major” change to be.

### Threshold for Public Hearing Requirement

The MST Board defines a major change as one that results in a 10% or greater decrease in vehicle service hours or passengers on any single line, changes in routing that result in MST vehicles ~~to utilize~~utilizing new streets and/or corridors, or any increase in fares. Changes not meeting this threshold do not require a public comment process.

### Public Hearing Guidelines

1. The General Manager/CEO will seek board authorization to conduct a public hearing when required and the Board will assign a public hearing officer.
2. When appropriate, public hearings may be held on ~~both~~ the Monterey Peninsula, within the City of Salinas, and within a jurisdiction of the Central Salinas Valley.
- ~~2.3.~~ The ~~Office Administrator with guidance from the Director of Customer Services~~ and General Manager/CEO or their designate shall seek input from Board members regarding the time, location and public notice requirements for the public hearing(s) to be held.
- ~~3.4.~~ Special consideration should be given on the timing, location and public notice of the event to ensure that the public has the ability to provide comment by attending the meeting, ~~or providing submitting~~ written, email, or verbal comments.
- ~~4.5.~~ At least two weeks’ notice to the public shall be given prior to each hearing.
- ~~5.6.~~ The public shall be invited to submit written, email, or verbal comments ~~in writing~~ if they cannot attend the hearing.
- ~~6.7.~~ Publicity for the hearing, ~~and~~ written comments shall at a minimum include:

- Advertisements in the Herald and the Californian, and at least one Spanish language medium during the minimum two-week notice period.
- Legal notice in the Herald and the Californian during the minimum two-week notice period.
- Car cards in all MST coaches during the minimum two-week notice period.
- A press release for local media.

~~7.8.~~ 8. Media releases related to the public hearing must be reviewed by General Manager/CEO, ~~Director Customer Services,~~ or his/her ~~their~~ designate.

~~8.9.~~ 9. The ~~Office Administrator~~ Clerk to the Board shall notify all MST Board members and their respective alternates of the time and location for the public hearing as part of the public notification process.

### **Consideration of Public Comments**

1. MST staff shall provide the Board of Directors with ~~the written~~ all comments submitted by the public.
2. The Board will consider ~~these all written~~ comments ~~and oral comments~~ submitted during the public hearing process.
3. The ~~Secretary to the Board~~ Clerk to the Board shall record each speaker's name and a brief summary of their comments.
4. The Board will take no final action until the public's written and oral comments have been presented at the final public hearing.



To: Board of Directors

From: H. Harvath, Assistant General Manager for Finance and Administration

Subject: Support of TAMC Marina-Salinas Multimodal Corridor Alignment Plan

**RECOMMENDATION:**

Adopt Resolution 2015-03 supporting the TAMC Marina-Salinas Multimodal Corridor Alignment Plan.

**FISCAL IMPACT:**

None.

**POLICY IMPLICATIONS:**

None.

**DISCUSSION:**

At the June 9, 2014, meeting of your board, Ariana Greene of TAMC delivered a presentation outlining TAMC's conceptual plan to preserve a multimodal corridor connecting Marina and Salinas while also accommodating multiple transportation modes such as bus rapid transit, walking, bicycling, and driving.

TAMC has requested your board's formal endorsement of this project through adoption of Resolution 2015-03.

ATTACHMENT 1: TAMC Staff Report

ATTACHMENT 2: Marina-Salinas Multimodal Corridor Alignment Map

ATTACHMENT 3: Resolution 2015-03

Prepared by:  \_\_\_\_\_

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TRANSPORTATION AGENCY FOR MONTEREY COUNTY

## Memorandum

**To:** Monterey Salinas Transit Board  
**From:** Ariana Green, Transportation Planner  
**Meeting Date:** July 14, 2014  
**Subject:** Marina-Salinas Multimodal Corridor Plan

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### RECOMMENDED ACTION:

**ADOPT** resolution supporting the recommended multimodal corridor alignment between Marina and Salinas.

### SUMMARY:

The multimodal corridor conceptual plan will preserve a multimodal corridor that will connect Marina to Salinas. This project will focus on accommodating bus rapid transit (BRT) and will also consider the transportation modes of walking, bicycling and driving. Transportation Agency staff is working with partner agencies and members of the public to develop the plan. This presentation will focus on the opportunities and constraints associated with the recommended corridor alignment which was developed with input from partner agencies and members of the community.

### DISCUSSION:

#### *Project Goals*

- Preserve a multimodal corridor that will be developed consistently across jurisdictional boundaries;
- Plan for regional bus rapid transit (BRT) service with enhanced transit facilities;
- Provide a safe and comfortable regional bicycle route that enhances the greater bicycle network;
- Identify improvements that will encourage walking and increase pedestrian safety along the multimodal corridor;

- Develop a conceptual design for the corridor; and
- Estimate the cost of implementation;

This project will formalize a bus rapid transit (BRT), bicycle, pedestrian and auto corridor that will serve as a key regional connection between the Salinas passenger rail service to be extended to Silicon Valley and the San Francisco Bay Area, and the Monterey Branch Line running along the Monterey Peninsula. The corridor design will incorporate already planned improvements on and along the corridor alignment and seek additional opportunities for connecting the multimodal corridor with the baseline transportation network. In January 2014, Transportation Agency staff presented the project history, scope of work and potential corridor routes to the Fort Ord Reuse Authority Board. Since January 2014, the Transportation Agency has worked with the County, other Partner Agency staff and members of the public to identify potential project opportunities and constraints and to identify a preferred route for the corridor.

Transportation Agency Staff held the first series of public workshops at California State University Monterey Bay (CSUMB) and in Salinas (Steinbeck Center) on February 5 and 6, 2014 respectively. The input from the workshops has been incorporated into the opportunities and constraints analysis (see attached Opportunities and Constraints Matrix).

#### ***Evaluation Criteria***

The following evaluation criteria were developed by the Partner Agency group to qualitatively assess the multimodal corridor and determine a preferred alignment:

- Impacts to agriculture
- Impacts to habitat land
- Cost (considering projects already funded and/or programmed)
- Serves regional destinations
- Travel time

#### ***Recommended Corridor Alignment (See Attachment)***

Through the public engagement with partner agencies, interest groups and members of the community, the Transportation Agency has formed a recommendation for a preferred corridor alignment. The recommended corridor alignment begins at the proposed Monterey Branch Line Light Rail station at 8<sup>th</sup> Street and continues along 8<sup>th</sup> Street to 2<sup>nd</sup> Avenue. The corridor continues up 2<sup>nd</sup> Avenue to Imjin Parkway and along Imjin Parkway through Marina to Reservation Road. The corridor turns down Reservation Rd to the East Garrison Development, runs through the East Garrison development, and continues on Reservation Rd. to Davis Rd. The County plans to widen Davis Road and construct a new Davis Road Bridge, and is currently in the preliminary design/environmental phase. At the intersection of Davis Road and Blanco Road, the corridor shifts East on Blanco Road and accesses the MST Station in Salinas and the future Intermodal Transit Center via W. Alisal Street and Lincoln Avenue.

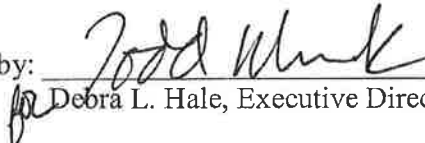
Although Blanco Road has not been identified as part of the long-term regional multimodal corridor, it is recommended that it serve as an interim multimodal corridor until the Reservation Road/Davis Road sections are developed. Blanco Road will remain a long-term regional bicycle

route. Some potential short-term improvements to Blanco Rd that could improve conditions for all modes are: center turn pockets, defined and paved access points for trucks and agricultural vehicles to reduce bicycle lane maintenance, and bus prioritization at the intersection of Davis Road and Blanco Road.

### ***Opportunities & Constraints***

An evaluation of the opportunities and constraints associated with each potential segment of the corridor is summarized in the attached matrix. The major constraints associated with the recommended corridor alignment are the cost of roadway widening, impacts to agricultural land along Reservation Road and Davis Rd, and maintaining acceptable Level of Service along Imjin Parkway through Marina. The major opportunities are that the corridor will provide high-quality transit service to major employment areas, affordable housing, the Veterans Affairs Clinic, universities and regional transit connections. The Davis Road Bridge and Widening project is still in design phase and can incorporate enhanced bicycle and transit facilities. West Alisal Road serves major transit destinations Hartnell College and the Government Center, and can be redesigned to accommodate the multimodal corridor without widening. Providing better accommodations for bicyclists and pedestrians along W. Alisal Road is consistent with the City of Salinas Vibrancy Plan. Lincoln Avenue will provide access to the existing Monterey-Salinas Transit Center, Salinas Rail Station and future Intermodal Transit Center.

County Planning Commission, Fort Ord Subcommittee, City of Marina, City of Salinas, County Board of Supervisors and Transportation Agency Board all voted to support the recommended multimodal corridor alignment in April through June 2014. Staff will seek input on the proposed corridor alignment from FORA in July 2014. Once a preferred alignment has been agreed upon by all parties, the next phase of the planning process is to identify the preferred conceptual roadway design features along the agreed upon corridor route. Some features that will be considered are bicycle facilities, sidewalks or paths, transit stops/shelters, transit prioritization at signalized intersections, dedicated bus rapid transit facilities and pedestrian and equestrian crossing enhancements.

Approved by:   
for Debra L. Hale, Executive Director

Date signed: 6/30/14

### **Attachments:**

1. Marina Salinas Multimodal Corridor Recommended Alignment Map
2. Resolution Supporting the Recommended Multimodal Corridor Alignment

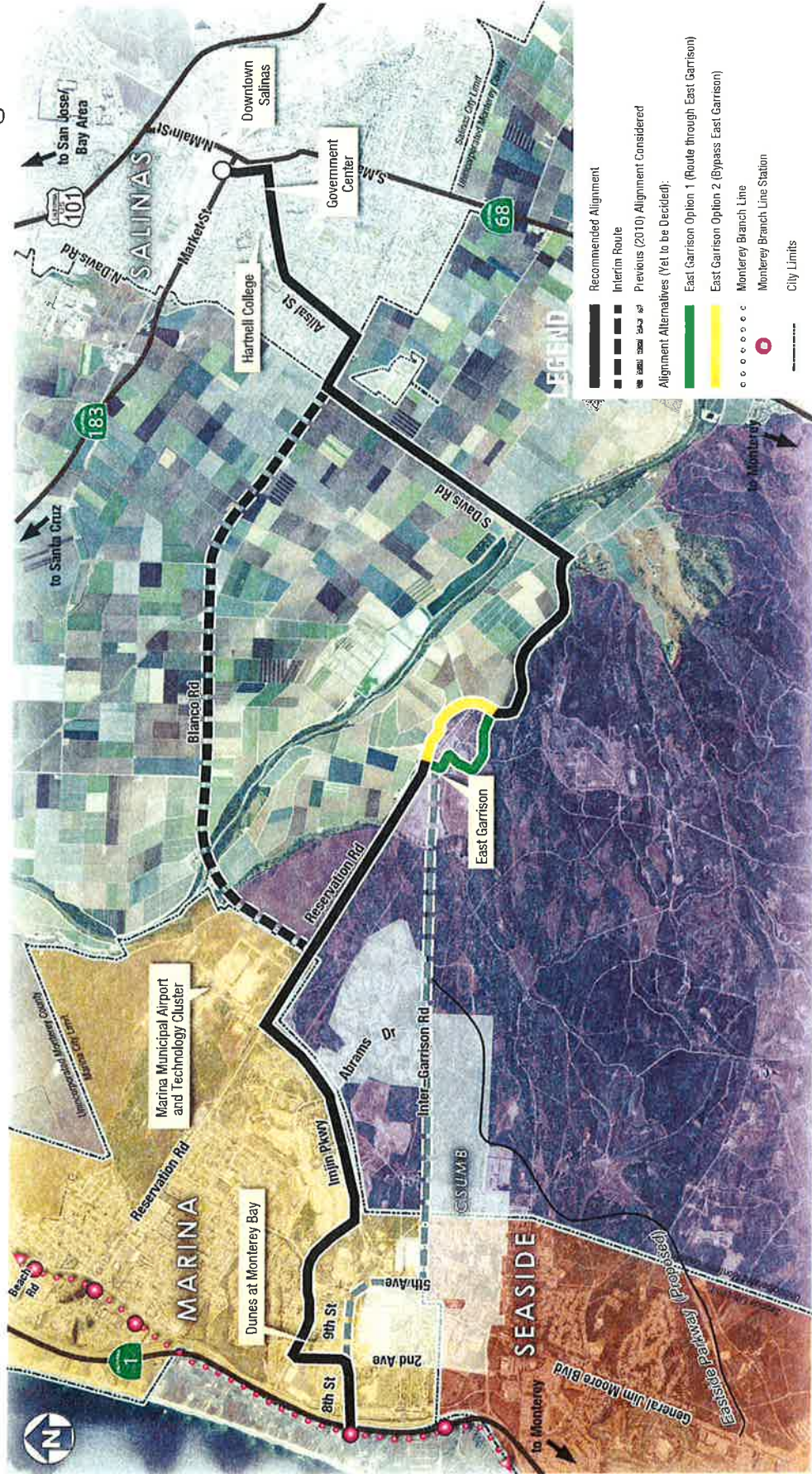
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# Marina-Salinas Multimodal Corridor Conceptual Plan



## Recommended Alignment



ATTACHMENT # 2

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**ATTACHMENT 3**

**RESOLUTION 2015-03 SUPPORTING THE RECOMMENDED  
MULTIMODAL CORRIDOR ALIGNMENT  
BETWEEN MARINA AND SALINAS**

WHEREAS, on January 27, 2014, the Monterey-Salinas Transit Board received a presentation from the Transportation Agency for Monterey County (TAMC) describing the planning effort for the multimodal regional corridor; and

WHEREAS, TAMC has worked with staff from member jurisdictions and has held community meetings in Salinas and Marina to receive input on the Marina-Salinas Multimodal Corridor Plan; and

WHEREAS, taking into account the feedback received from jurisdictions and the community, a preferred alignment has been proposed for the Marina-Salinas Multimodal Corridor; and

WHEREAS, on June 9, 2014, the Monterey-Salinas Transit Board received a project update on the Marina-Salinas Multimodal Corridor Plan;

THEREFORE, BE IT RESOLVED that the Board of Directors of Monterey-Salinas Transit support the recommended multimodal corridor alignment; and

BE IT FURTHER RESOLVED that the Monterey-Salinas Transit Board encourages TAMC to continue with the corridor planning and report back as appropriate.

THE BOARD OF DIRECTORS OF MONTEREY-SALINAS TRANSIT PASSED AND ADOPTED RESOLUTION 2015-03 this 14th day of July, 2014.

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Libby Downey  
Chairperson

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Carl G. Sedoryk  
Secretary

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To: Board of Directors

From: Michael Hernandez, Assistant General Manager/COO

Subject: Authorize the Purchase of Electronic Signs

**RECOMMENDATION:**

Authorize the purchase of two electronic information signs from Trapeze Software Group for South County intercity service.

**FISCAL IMPACT:**

Not to exceed \$37,500. This purchase is 100% funded as follows: 88.53% or \$33,198.75 through FTA's Section 5311(f) Intercity Bus Program; and the remaining 11.47%, or \$4,286.25 through Transportation Development Credits (Toll Credits) which is administered by Caltrans.

**POLICY IMPLICATIONS:**

Your Board approves all purchases that exceed \$25,000.

**DISCUSSION:**

These two Trapeze "OnStreet" electronic signs are for new transit service between King City and Paso Robles that will also serve the communities of Greenfield, San Lucas and San Ardo.

The electronic signs will be installed in new passenger shelters in San Lucas and San Ardo and will be solar-powered. The OnStreet signs will display "real time" bus arrival information from MST's Advanced Vehicle Locating/Global Position System (AVL/GPS) notifying passengers what time the next bus will arrive. They are equipped with vendor proprietary software that is linked to AVL/GPS data from buses in order to display accurate bus arrival time at the passenger shelters.

MST currently has 58 OnStreet signs from the same vendor installed within our service area. This is considered a sole source purchase.

PREPARED BY: Michael Hernandez REVIEWED BY: Carl Sedoryk  
Michael Hernandez Carl Sedoryk

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APPRECIATION FOR SERVICES RENDERED  
BY MARIA OROZCO

WHEREAS, Maria Orozco has served on the Board of Directors of Monterey-Salinas Transit from January 2004-January 2007 and from November 2008- present; and

WHEREAS, Maria Orozco served as the Chair of the Board of Monterey-Salinas Transit from July 2012 to June 2014; and

WHEREAS, As Chair of the Board of Monterey-Salinas Transit Maria Orozco served on the Planning and Operations and Marketing Committees encouraging staff to provide additional outreach to, and gain additional community participation from, Spanish speaking members of the community; and

WHEREAS, As Chair of the Board of Monterey-Salinas Transit Maria Orozco advocated for issues important to Monterey-Salinas Transit by taking time to attend numerous conferences and participating in state and federal lobbying efforts in Washington, D.C., and Sacramento; and

WHEREAS, As Chair of the MST Board of Directors Maria Orozco led a Strategic Planning Workshop to develop the three-year Strategic Plan identifying MST's mission, strategic priorities, and objectives.

THEREFORE, BE IT RESOLVED that the Board of Directors gives Maria Orozco its sincerest thanks and appreciation for her service as Board Chair and her continued dedication to Monterey-Salinas Transit and the communities we serve.

THE BOARD OF DIRECTORS OF MONTEREY-SALINAS TRANSIT PASSED AND ADOPTED RESOLUTION 2015-04 this 14<sup>th</sup> day of July, 2014.

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Libby Downey  
Chairperson

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Carl Sedoryk  
Secretary

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**Human Resources Committee**

1 Ryan Ranch Rd.  
Monterey, CA 93940

**Minutes**

June 9, 2014

**Present:** Directors: Clark, Cohen, Stephens, Edwards  
**Absent:** None.  
**Staff:** Hunter Harvath, Asst. GM of Finance and Administration; Kelly Halcon, Director of Human Resources; Heidi Quinn, General Counsel; Tom Hicks, CTSA Manager; Deanna Smith, Executive Assistant/Clerk to the Board  
**Public:** None.

**1. Call to Order.**

Director Clark called the meeting to order at 9:01 am and roll call was taken.

**2. Public Comments on matters not on the agenda.**

No public comments.

**3. General Manager/CEO Contract Extension.**

**Director Stephens made a motion to recommend that the MST Board authorize initiating contract negotiations with the General Manager/CEO and was seconded by Director Cohen. The motion passed unanimously.**

**Director Clark moved to Closed Session.**

**4. Closed Session.**

- 4-1. Conference with Labor Negotiators – Monterey-Salinas Transit Employees' Association (MSTEA), and MST (D. Laredo, K. Halcon) (§54957.6) (Enclosure)
- 4-2. Request for settlement authority – Patricia Wightman. (D. Laredo, C. Sedoryk, K. Halcon)(Enclosure)

**5. Return to Open Session.**

General Counsel, Heidi Quinn reported that items 4-1 and 4-2 were discussed, but no reportable action was taken.

**6. Adjourn.**

**There being no further business, Director Clark adjourned the meeting at 9: 15am.**

Prepared by:



Deanna Smith, Deputy Secretary



To: Board of Directors

From: Michael Hernandez, Assistant General Manager/COO

Subject: Authorize the Purchase of One Bus for South County Service

**RECOMMENDATION:**

Authorize the purchase of one medium bus from Creative Bus Sales for South County intercity service.

**FISCAL IMPACT:**

Not to exceed \$133,000. This purchase is 100% funded as follows: 88.53% percent, up to \$117,744.90 through FTA's Section 5311(f) Intercity Bus Program; and the remaining 11.47%, or up to \$15,255.10 through Transportation Development Credits (Toll Credits) which is administered by Caltrans.

**POLICY IMPLICATIONS:**

Your Board approves all purchases that exceed \$25,000.

**DISCUSSION:**

This vehicle is intended for new service in south Monterey County which will directly connect King City and Paso Robles to the rural communities of Greenfield, San Lucas and San Ardo, providing a service that does not currently exist. The new line 84 will provide express service between Greenfield and Paso Robles and operate seven days a week. This grant will also provide for operating assistance for the new route.

MST is authorized to purchase vehicles through the CalAct/ Morongo Basin Transit Authority Purchasing Cooperative. The Cooperative previously solicited competitive pricing from vehicle manufacturers and has established itself as a one-stop shopping option for transit properties for the purchase of buses, vans and shelters. The use of the Cooperative eliminates the need for MST to develop our own specifications and manage a lengthy procurement process. The vehicle operating on this service will be a medium-duty bus with seating for approximately 25 passengers. It is designed to have a service life of seven years or 200,000 miles.

PREPARED BY: Michael Hernandez REVIEWED BY: Carl Sedoryk  
Michael Hernandez Carl Sedoryk

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To: Board of Directors  
From: C. Sedoryk, General Manager/CEO  
Subject: Update on Proposed Sales Tax

**RECOMMENDATION:**

Receive update on ongoing outreach related to the proposed November 2014 sales tax measure, timeline, and budget of activities and provide direction.

**FISCAL IMPACT:**

None. Funding for public information and engagement, and ballot measure development activities are included in the FY 2014 Operating Budget.

**POLICY IMPLICATIONS:**

Your Board may request that a countywide local sales tax measure be placed on the November 2014 ballot.

**DISCUSSION:**

At the meeting of January 27, 2014, your Board directed staff to undertake activities related to outreach, education, and other activities to advance the development of a ballot measure to support special transit services for veterans, seniors, and persons with disabilities. At your March 3, 2014, meeting your board authorized \$100,000 of previously approved funding to conduct public information, engagement, and ballot measure development activities.

During the intervening months, staff has had dozens of meetings and conversations with community leaders, business associations, and representatives of groups who advocate for veterans, seniors, and persons with disabilities to gather their input regarding a proposed sales tax. At your meeting of May 12, 2014, your Board received a timeline of public information and engagement activities related to the measure, ballot measure development tasks, as well as the likely activities that a privately-funded campaign would undertake once a decision is made to place this matter on the ballot.

At your meeting of July 14, 2014, your Board will receive an update on the results of the most recent polling related to the measure, as well as an update on continued outreach and education activities.

PREPARED BY: Carey Sabatini

To: Board of Directors

From: Carl Sedoryk, General Manager/CEO

Subject: Conduct a public hearing to consider adopting Resolution 2015-05, Ordinance 2015-01, and final ballot language authorizing the November 2014 Monterey-Salinas Transit Local Transit Funding for Senior Citizens, Veterans and People with Disabilities sales tax measure to be placed on the November 2014 ballot.

**RECOMMENDATION:**

1. Conduct public hearing to adopt Resolution 2015-05 ordering an election, requesting County Elections to conduct the election, and requesting consolidation of the election.
2. Adopt Ordinance 2015-01 imposing a transactions and use tax to be administered by the State Board of Equalization.
3. Adopt final Ballot Language.

**FISCAL IMPACT:**

None.

**POLICY IMPLICATIONS:**

It is appropriate for your board to conduct a public hearing to allow members of the public an opportunity to address any concerns they may have regarding this issue.

**DISCUSSION:**

At your meeting of January 27, 2014, your Board directed staff to undertake activities related to outreach, education, and other activities to advance the development of a ballot measure to support special transit services for veterans, seniors, and persons with disabilities. At your March 3, 2014, meeting your board authorized \$100,000 of previously approved funding to conduct public information, engagement, and ballot measure development activities. At your meeting of June 9, 2014, your board received a presentation on the timeline of activities related to public information and engagement, ballot measure development, as well as the likely activities that a privately-funded campaign would undertake. Your Board also reviewed

and provided comment on draft language for a resolution ordering an election, and draft language for the ordinance imposing the sales tax. In order for this item to be placed on the November 4, 2014, ballot your Board will need to take action following a public hearing to adopt a resolution ordering an election, requesting Monterey County Elections Department to conduct the election, and requesting consolidation of the election; adopt ordinance language imposing a transaction and use tax to be administered by the state Board of Equalization; and adopt the final 75-word ballot language. Once these items are completed, the Monterey County Board of Supervisors may move forward at its meeting of July 22, 2014, to direct the county Elections Department staff to place this measure on the ballot.

ATTACHMENT 1: Resolution 2015-05

ATTACHMENT 2: Ordinance 2015-01

ATTACHMENT 3: Final Ballot Language

Prepared by:   
Carl Sedoryk

## **ATTACHMENT 1**

### **RESOLUTION 2015-05**

#### **RESOLUTION ORDERING AN ELECTION, REQUESTING COUNTY ELECTIONS TO CONDUCT THE ELECTION, AND REQUESTING CONSOLIDATION OF THE ELECTION**

#### **MONTEREY-SALINAS TRANSIT DISTRICT**

WHEREAS, public transit provides a lifeline for senior citizens and people with disabilities. They depend on it for independent living, such as getting to doctor's appointments, the pharmacy, and the grocery store. In fact, Monterey-Salinas Transit District ("MST" or the "District") logged over 1.25 million miles last year alone providing the vital service of transporting seniors and people with disabilities; and

WHEREAS, many military veterans in Monterey County, including disabled veterans, rely on public transit to access health care, housing, and job placement services. Our veterans have sacrificed for our country, and we owe them such basic services as transportation when they need it; and

WHEREAS, in recent years, state government has cut more than 30 million dollars in funding for transit services in Monterey County, and now the federal government is eliminating a number of transit programs dedicated to seniors and the disabled, and a grant program to assist veterans in finding transit services has expired. To continue local transit services for our seniors, veterans and people with disabilities, we must have a local revenue source that cannot be taken away by state or federal government; and

WHEREAS, this measure will require annual performance and financial audits as well as citizen oversight to ensure that the revenue raised is properly used; and

WHEREAS, even with major budget cuts, MST has run an efficient operation and has continued to provide reliable service to the thousands of people who take it every day; and

WHEREAS, California Public Utilities Code Section 106060 authorizes MST to levy a local transactions and use (sales) tax, subject to voter approval; and

WHEREAS, at a public hearing on July 14, 2014, the District Board of Directors considered calling a special election to seek voter approval of a local sales tax to maintain funding for essential programs that provide transit services for senior citizens, veterans and the disabled; and

WHEREAS, after that hearing, the District Board of Directors concluded that all of the information presented indicated that, to create an additional source of revenue to assist with funding for programs that provide transit services for senior citizens, veterans and the disabled,

the District Board of Directors should call an election to ask the voters of the District to approve a local transactions and use tax of one-eighth of a cent per dollar (0.125%); and

WHEREAS, consistent with the requirements of Public Utilities Code section 106060, a majority of MST member jurisdictions have expressed concurrence with the District submitting this transactions and use tax measure to the voters for approval; and

WHEREAS, on the basis of the foregoing, the District Board of Directors determined that it was appropriate to place a measure regarding a local sales tax before the voters at the November 4, 2014, election; and

WHEREAS, the tax to be submitted, if approved, would be imposed on the sale of tangible personal property and the storage, use or other consumption of such property. The tax rate would be one-eighth of one percent (0.125%) (one eighth of a penny for each dollar) of the sales price. The tax revenue would be collected by the State Board of Equalization and remitted to the District. The tax shall be approved if the measure receives at least a two-thirds majority of those voting on the measure; and

WHEREAS, pursuant to Elections Code Section 10002, the governing body of the District may, by resolution, request the Board of Supervisors to permit the county elections official to render specified services to the District relating to the conduct of an election; and

WHEREAS, the resolution of the governing body of the District shall specify the services requested; and

WHEREAS, pursuant to Elections Code Section 10002, the District shall reimburse the county in full for the services performed upon presentation of a bill to the District; and

WHEREAS, pursuant to Elections Code Section 10400, whenever two or more elections, including bond elections, of any legislative or congressional district, public district, city, county, or other political subdivision are called to be held on the same day, in the same territory, or in territory that is in part the same, they may be consolidated upon the order of the governing body or bodies or officer or officers calling the elections; and

WHEREAS, pursuant to Elections Code Section 10400, such elections for cities and special districts may be either completely or partially consolidated; and

WHEREAS, pursuant to Elections Code Section 10403, whenever an election called by a district, city or other political subdivision for the submission of any question, proposition or office to be filled is to be consolidated with a statewide election, and the question, proposition or office to be filled is to appear upon the same ballot as that provided for that statewide election, the district, city or other political subdivision shall, at least 88 days prior to the date of the election, file with the board of supervisors, and a copy with the elections official, a resolution of its governing board requesting the consolidation, and setting forth the exact form of any question, proposition or office to be voted upon at the election, as it is to appear on the ballot. Upon such request, the Board of Supervisors may order the consolidation; and



WHEREAS, the resolution requesting the consolidation shall be adopted and filed at the same time as the adoption of the ordinance, resolution or order calling the election; and

WHEREAS, various district, county, state and other political subdivision elections may be or have been called to be held on November 4, 2014.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED THAT THE governing body of the Monterey-Salinas Transit District hereby orders an election be called and consolidated with any and all elections also called to be held on November 4, 2014, insofar as said elections are to be held in the same territory or in territory that is in part the same as the territory of the requests the Board of Supervisors of the County of Monterey to order such consolidation under Elections Code Section 10401 and 10403.

BE IT FURTHER RESOLVED AND ORDERED that the District Board of Directors hereby requests the Board of Supervisors to permit the Monterey County Elections Department to provide any and all services necessary for conducting the election and agrees to pay for said services, and

BE IT FURTHER RESOLVED AND ORDERED that the Monterey County Elections Department shall conduct the election for the following measure to be voted on at the November 4, 2014, election:

Shall Monterey-Salinas Transit, also known as MST, provide, maintain and protect transit services for Monterey County senior citizens, veterans and people with disabilities, including trips to vital medical appointments and veterans' job training/ placement services, by enacting a one-eighth of one cent per dollar sales tax, to replace eliminated federal and state funding with local revenue to be dedicated only to these specific purposes, subject to citizen oversight and annual independent financial and performance audits?

BE IT FURTHER RESOLVED AND ORDERED THAT the measure text to be submitted to the voters proposes the enactment of a special transactions and use tax. It specifies that the rate of the transactions tax shall be one-eighth of one percent (0.125%) of the gross receipts of any retailer from the sale of all tangible personal property sold at retail in Monterey County; it specifies that the rate of the use tax shall be one-eighth of one percent (0.125%) of the sales price of tangible personal property stored, used or otherwise consumed in Monterey County. The State Board of Equalization shall collect the tax from retailers subject to the tax and remit the funds to the District. The measure includes an expenditure plan, which authorizes use of revenue from the measure to fund services that support transportation planning, specialized equipment and operating expenses required to meet the special mobility needs of veterans, senior citizens and persons with disabilities, including trips required for vital medical appointments and for veterans' job training/placement services, as well as to pay for the District's costs of the election necessary to obtain voter approval for the measure. The District Board of Directors hereby approves the submission to the ordinance to the voters of Monterey County at the November 4, 2014, election, as required by Revenue and Taxation Code section 7285.5, which requires the affirmative votes of two-thirds of the voters voting on the measure for approval; and

BE IT FURTHER RESOLVED AND ORDERED THAT the deadlines for submitting direct arguments for and against the measure and rebuttal arguments to the direct arguments shall be as established by the Monterey County Elections Department; and

BE IT FURTHER RESOLVED AND ORDERED THAT the Chairperson of the District is hereby authorized to prepare and file a written argument in favor of the proposed measure, not to exceed three hundred (300) words, or in the alternative to delegate this responsibility to the District Chief Executive Officer, on behalf of the Board of Directors. At the Chairperson's (or Chief Executive Officer's) discretion, the argument may also be signed by members of the Board of Directors or bona fide associations or by individual voters who are eligible to vote on the measure. In the event that an argument is filed against the measure, the Chairperson (or Chief Executive Officer) is also authorized to prepare and file a rebuttal argument on behalf of the Board of Directors, which may also be signed by members of the Board of Directors or bona fide associations or by individual voters who are eligible to vote on the measure; and

BE IT FURTHER RESOLVED AND ORDERED THAT the District's Board of Directors finds that this resolution is exempt from the California Environmental Quality Act (Public Resources Code §§ 21000 et seq., "CEQA," and 14 Cal. Code Reg. §§ 15000 et seq., "CEQA Guidelines"). The transactions and use tax to be submitted to the voters is a special tax that can only be used to fund transit services for senior citizens, veterans and the disabled. As such, under CEQA Guidelines section 15378(b)(4), the tax is not a project within the meaning of CEQA because it creates a government funding mechanism that does not involve any commitment to any specific project that may result in a potentially significant physical impact on the environment. If revenue from the tax were used for a purpose that would have either such effect, the District would undertake the required CEQA review for that particular project. Therefore, under CEQA Guidelines Section 15060 review under CEQA is not required. The District shall perform CEQA analysis for any project funded by the revenue from the tax prior to approving the project, if the project requires analysis under CEQA; and

BE IT FURTHER RESOLVED AND ORDERED THAT the District Chief Executive Officer and District General Counsel are each authorized to complete all acts necessary to enable this election be called and consolidated with any and all elections also called to be held on November 4, 2014. This may include, but shall not be limited to, preparing an impartial analysis of the ballot measure.

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Libby Downey  
Chairperson

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Carl Sedoryk  
Secretary

PASSED AND ADOPTED BY THE MONTEREY-SALINAS TRANSIT DISTRICT BOARD  
OF DIRECTORS THIS \_\_th day of \_\_\_\_\_, 2014, by the following vote:

AYES: Directors:

NOES: Directors:

ABSENT: Directors:

ATTEST:

\_\_\_\_\_  
Board Secretary (Deputy)

2281008.5

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## ATTACHMENT 2

### ORDINANCE 2015-01

#### AN ORDINANCE OF THE MONTEREY-SALINAS TRANSIT DISTRICT IMPOSING A TRANSACTIONS AND USE TAX TO BE ADMINISTERED BY THE STATE BOARD OF EQUALIZATION

WHEREAS, public transit provides a lifeline for senior citizens and people with disabilities. They depend on it for independent living, such as getting to doctor's appointments, the pharmacy, and the grocery store. In fact, Monterey-Salinas Transit District ("MST" or the "District") logged over 1.25 million miles last year alone providing the vital service of transporting seniors and people with disabilities; and

WHEREAS, many military veterans in Monterey County, including disabled veterans, rely on public transit to access health care, housing, and job placement services. Our veterans have sacrificed for our country, and we owe them such basic services as transportation when they need it; and

WHEREAS, in recent years, state government has cut more than 30 million dollars in funding for transit services in Monterey County, and now the federal government is eliminating a number of transit programs dedicated to seniors and the disabled, and a grant program to assist veterans in finding transit services has expired. To continue local transit services for our seniors, veterans and people with disabilities, we must have a local revenue source that cannot be taken away by state or federal government; and

WHEREAS, this measure will require annual performance and financial audits as well as citizen oversight to ensure that the revenue raised is properly used; and

WHEREAS, even with major budget cuts, MST has run an efficient operation and has continued to provide reliable service to the thousands of people who take it every day; and

WHEREAS, California Public Utilities Code Section 106060 authorizes MST to levy a local transactions and use (sales) tax, subject to voter approval; and

WHEREAS, at a public hearing on July 14, 2014, the District Board of Directors considered calling a special election to seek voter approval of a local sales tax to maintain funding for essential programs that provide transit services for senior citizens, veterans and the disabled; and

WHEREAS, after that hearing, the District Board of Directors concluded that all of the information presented indicated that, to create an additional source of revenue to assist with funding for programs that provide transit services for senior citizens, veterans and the disabled, the District Board of Directors should call an election to ask the voters of the District to approve a local transactions and use tax of one-eighth of a cent per dollar (0.125%); and

WHEREAS, consistent with the requirements of Public Utilities Code section 106060, a majority of MST member jurisdictions have expressed concurrence with the District submitting this transactions and use tax measure to the voters for approval; and

WHEREAS, on the basis of the foregoing, the District Board of Directors determined that it was appropriate to place a measure regarding a local sales tax before the voters at the November 4, 2014, election; and

WHEREAS, the tax to be submitted, if approved, would be imposed on the sale of tangible personal property and the storage, use or other consumption of such property. The tax rate would be one-eighth of one percent (0.125%) (one eighth of a penny for each dollar) of the sales price. The tax revenue would be collected by the State Board of Equalization and remitted to the District. The tax shall be approved if the measure receives at least a two-thirds majority of those voting on the measure.

NOW, THEREFORE, the Monterey-Salinas Transit District Board of Directors does ordain as follows:

Section 1. TITLE. This ordinance shall be known as the Local Transit Funding for Senior Citizens, Veterans and People with Disabilities Ordinance. The Monterey-Salinas Transit District hereinafter shall be called "District." This ordinance shall be applicable in the incorporated and unincorporated territory of the County of Monterey, hereinafter called "County."

Section 2. OPERATIVE DATE. "Operative Date" means the first day of the first calendar quarter commencing more than 110 days after the adoption of this ordinance, the date of such adoption being as set forth below.

Section 3. PURPOSE. This ordinance is adopted to achieve the following, among other purposes, and directs that the provisions hereof be interpreted in order to accomplish those purposes:

A. To impose a retail transactions and use tax in accordance with the provisions of Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code and Section 7285.5 of Part 1.7 of Division 2 which authorizes the District to adopt this tax ordinance which shall be operative if two-thirds (2/3) of the electors voting on the measure vote to approve the imposition of the tax at an election called for that purpose.

B. To adopt a retail transactions and use tax ordinance that incorporates provisions identical to those of the Sales and Use Tax Law of the State of California insofar as those provisions are not inconsistent with the requirements and limitations contained in Part 1.6 of Division 2 of the Revenue and Taxation Code.

C. To adopt a retail transactions and use tax ordinance that imposes a tax and provides a measure therefor that can be administered and collected by the State Board of Equalization in a manner that adapts itself as fully as practicable to, and requires the least possible deviation from,

the existing statutory and administrative procedures followed by the State Board of Equalization in administering and collecting the California State Sales and Use Taxes.

D. To adopt a retail transactions and use tax ordinance that can be administered in a manner that will be, to the greatest degree possible, consistent with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code, minimize the cost of collecting the transactions and use taxes, and at the same time, minimize the burden of record keeping upon persons subject to taxation under the provisions of this ordinance.

Section 4. CONTRACT WITH STATE. Prior to the operative date, the District shall contract with the State Board of Equalization to perform all functions incident to the administration and operation of this transactions and use tax ordinance; provided, that if the District shall not have contracted with the State Board of Equalization prior to the operative date, it shall nevertheless so contract and in such a case the operative date shall be the first day of the first calendar quarter following the execution of such a contract.

Section 5. TRANSACTIONS TAX RATE. For the privilege of selling tangible personal property at retail, a tax is hereby imposed upon all retailers in the incorporated and unincorporated territory of the County at the rate of one-eighth of one percent (0.125%) of the gross receipts of any retailer from the sale of all tangible personal property sold at retail in said territory on and after the operative date of this ordinance.

Section 6. PLACE OF SALE. For the purposes of this ordinance, all retail sales are consummated at the place of business of the retailer unless the tangible personal property sold is delivered by the retailer or his agent to an out-of-state destination or to a common carrier for delivery to an out-of-state destination. The gross receipts from such sales shall include delivery charges, when such charges are subject to the state sales and use tax, regardless of the place to which delivery is made. In the event a retailer has no permanent place of business in the State or has more than one place of business, the place or places at which the retail sales are consummated shall be determined under rules and regulations to be prescribed and adopted by the State Board of Equalization.

Section 7. USE TAX RATE. An excise tax is hereby imposed on the storage, use or other consumption in the District of tangible personal property purchased from any retailer on and after the operative date of this ordinance for storage, use or other consumption in said territory at the rate of one-eighth of one percent (0.125%) of the sales price of the property. The sales price shall include delivery charges when such charges are subject to state sales or use tax regardless of the place to which delivery is made.

Section 8. ADOPTION OF PROVISIONS OF STATE LAW. Except as otherwise provided in this ordinance and except insofar as they are inconsistent with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code, all of the provisions of Part 1 (commencing with Section 6001) of Division 2 of the Revenue and Taxation Code are hereby adopted and made a part of this ordinance as though fully set forth herein.

Section 9. LIMITATIONS ON ADOPTION OF STATE LAW AND COLLECTION OF USE TAXES. In adopting the provisions of Part 1 of Division 2 of the Revenue and Taxation Code:

A. Wherever the State of California is named or referred to as the taxing agency, the name of the District shall be substituted therefor. However, the substitution shall not be made when:

1. The word "State" is used as a part of the title of the State Controller, State Treasurer, State Board of Control, State Board of Equalization, State Treasury, or the Constitution of the State of California;

2. The result of that substitution would require action to be taken by or against the District or any agency, officer, or employee thereof rather than by or against the State Board of Equalization, in performing the functions incident to the administration or operation of this Ordinance.

3. In those sections, including, but not necessarily limited to sections referring to the exterior boundaries of the State of California, where the result of the substitution would be to:

a. Provide an exemption from this tax with respect to certain sales, storage, use or other consumption of tangible personal property which would not otherwise be exempt from this tax while such sales, storage, use or other consumption remain subject to tax by the State under the provisions of Part 1 of Division 2 of the Revenue and Taxation Code, or;

b. Impose this tax with respect to certain sales, storage, use or other consumption of tangible personal property which would not be subject to tax by the state under the said provision of that code.

4. In Sections 6701, 6702 (except in the last sentence thereof), 6711, 6715, 6737, 6797 or 6828 of the Revenue and Taxation Code.

B. The word "District" shall be substituted for the word "State" in the phrase "retailer engaged in business in this State" in Section 6203 and in the definition of that phrase in Section 6203.

Section 10. PERMIT NOT REQUIRED. If a seller's permit has been issued to a retailer under Section 6067 of the Revenue and Taxation Code, an additional transactor's permit shall not be required by this ordinance.

Section 11. EXEMPTIONS AND EXCLUSIONS.

A. There shall be excluded from the measure of the transactions tax and the use tax the amount of any sales tax or use tax imposed by the State of California or by any city, city and county, or county pursuant to the Bradley-Burns Uniform Local Sales and Use Tax Law (Article



19 of the Revenue and Taxation Code) or the amount of any state-administered transactions or use tax.

B. There are exempted from the computation of the amount of transactions tax the gross receipts from:

1. Sales of tangible personal property, other than fuel or petroleum products, to operators of aircraft to be used or consumed principally outside the County in which the sale is made and directly and exclusively in the use of such aircraft as common carriers of persons or property under the authority of the laws of this State, the United States, or any foreign government.

2. Sales of property to be used outside the County which is shipped to a point outside the County, pursuant to the contract of sale, by delivery to such point by the retailer or his agent, or by delivery by the retailer to a carrier for shipment to a consignee at such point. For the purposes of this paragraph, delivery to a point outside the County shall be satisfied:

a. With respect to vehicles (other than commercial vehicles) subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, and undocumented vessels registered under Division 3.5 (commencing with Section 9840) of the Vehicle Code by registration to an out-of-County address and by a declaration under penalty of perjury, signed by the buyer, stating that such address is, in fact, his or her principal place of residence; and

b. With respect to commercial vehicles, by registration to a place of business out-of-County and declaration under penalty of perjury, signed by the buyer, that the vehicle will be operated from that address.

3. The sale of tangible personal property if the seller is obligated to furnish the property for a fixed price pursuant to a contract entered into prior to the operative date of this ordinance.

4. A lease of tangible personal property which is a continuing sale of such property, for any period of time for which the lessor is obligated to lease the property for an amount fixed by the lease prior to the operative date of this ordinance.

5. For the purposes of subparagraphs (3) and (4) of this section, the sale or lease of tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.

C. There are exempted from the use tax imposed by this ordinance, the storage, use or other consumption in the County of tangible personal property:

1. The gross receipts from the sale of which have been subject to a transactions tax under any state-administered transactions and use tax ordinance.

2. Other than fuel or petroleum products purchased by operators of aircraft and used or consumed by such operators directly and exclusively in the use of such aircraft as common carriers of persons or property for hire or compensation under a certificate of public convenience and necessity issued pursuant to the laws of this State, the United States, or any foreign government. This exemption is in addition to the exemptions provided in Sections 6366 and 6366.1 of the Revenue and Taxation Code of the State of California.

3. If the purchaser is obligated to purchase the property for a fixed price pursuant to a contract entered into prior to the operative date of this ordinance.

4. If the possession of, or the exercise of any right or power over, the tangible personal property arises under a lease which is a continuing purchase of such property for any period of time for which the lessee is obligated to lease the property for an amount fixed by a lease prior to the operative date of this ordinance.

5. For the purposes of subparagraphs (3) and (4) of this section, storage, use, or other consumption, or possession of, or exercise of any right or power over, tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.

6. Except as provided in subparagraph (7), a retailer engaged in business in the District shall not be required to collect use tax from the purchaser of tangible personal property, unless the retailer ships or delivers the property into the District or participates within the District in making the sale of the property, including, but not limited to, soliciting or receiving the order, either directly or indirectly, at a place of business of the retailer in the District or through any representative, agent, canvasser, solicitor, subsidiary, or person in the District under the authority of the retailer.

7. "A retailer engaged in business in the District" shall also include any retailer of any of the following: vehicles subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, or undocumented vessels registered under Division 3.5 (commencing with Section 9840) of the Vehicle Code. That retailer shall be required to collect use tax from any purchaser who registers or licenses the vehicle, vessel, or aircraft at an address in the District.

D. Any person subject to use tax under this ordinance may credit against that tax any transactions tax or reimbursement for transactions tax paid to a county imposing, or retailer liable for a transactions tax pursuant to Part 1.6 of Division 2 of the Revenue and Taxation Code with respect to the sale to the person of the property the storage, use or other consumption of which is subject to the use tax.

Section 12. AMENDMENTS. All amendments subsequent to the effective date of this ordinance to Part 1 of Division 2 of the Revenue and Taxation Code relating to sales and use taxes and which are not inconsistent with Part 1.6 and Part 1.7 of Division 2 of the Revenue and Taxation Code, and all amendments to Part 1.6 and Part 1.7 of Division 2 of the Revenue and Taxation Code, shall automatically become a part of this ordinance, provided however, that no such amendment shall operate so as to affect the rate of tax imposed by this ordinance.

Section 13. ENJOINING COLLECTION FORBIDDEN. No injunction or writ of mandate or other legal or equitable process shall issue in any suit, action or proceeding in any court against the State or the District, or against any officer of the State or the District, to prevent or enjoin the collection under this ordinance, or Part 1.6 of Division 2 of the Revenue and Taxation Code, of any tax or any amount of tax required to be collected.

Section 14. SEVERABILITY. If any provision of this ordinance or the application thereof to any person or circumstance is held invalid, the remainder of the ordinance and the application of such provision to other persons or circumstances shall not be affected thereby.

Section 15. EFFECTIVE DATE. This ordinance relates to the levying and collecting of the District's transactions and use taxes and shall take effect immediately.

Section 16. TERMINATION DATE. The authority to levy the tax imposed by this ordinance shall expire on the fifteenth anniversary of the operative date.

Section 17. EXPENDITURE PLAN. The expenditure plan required by Revenue and Taxation Code Section 7285.5 for the revenue from the tax approved by this Ordinance is set forth in Attachment 1 to this Ordinance. The District Board may amend this Expenditure Plan from time-to-time provided each amendment is consistent with the purposes of funding transit services for senior citizens, veterans, and the people with disabilities, including the acquisition of necessary specialized equipment and related operating expenses.

Section 18. OVERSIGHT COMMITTEE. There shall be a committee of members of the public to review and report on the revenue and expenditure of funds from the tax adopted by this Ordinance. The membership of the committee shall be appointed by the District Board of Directors and shall consist, at a minimum, of a representative of each the following:

- The Salinas Urbanized Area, to include a representative from the City of Salinas;
- The Seaside-Marina-Monterey Urbanized Area, to include a representative from among the cities of Carmel-by-the-Sea, Monterey, Pacific Grove, Seaside, Del Rey Oaks, Sand City, and Marina;
- The Non-Urbanized Areas, to include a representative from among the cities of Gonzales, Greenfield, Soledad, and King City;
- The County of Monterey, to include a representative from an unincorporated area of Monterey County; and
- A bona fide non-profit organization that represents the interests of taxpayers in the County; and

- The District's existing Mobility Advisory Committee, to include two members of the Mobility Advisory Committee.

The geographical areas referred to above shall have the same meaning as in the District's By-Laws.

Prior to the operative date, the District Board of Directors shall adopt a resolution establishing the composition of the committee, defining the scope of its responsibilities, and setting the term for each member. Also prior to the operative date, the District Board of Directors shall appoint at least a quorum of the members of the committee; the District Board of Directors shall complete the appointment of members of the committee by the end of fiscal year 2015.

Section 19. ANNUAL INDEPENDENT AUDIT. Annually the District shall retain an independent auditor to conduct an audit of and provide audited financial statements for revenue received from the tax approved by this Ordinance and expenditures thereof. The auditor's report shall be presented to the District Board of Directors and the oversight committee created by Section 18 of this Ordinance and shall be made available to the public.

Section 20. AMENDMENT OF THIS ORDINANCE. The following amendments to this Ordinance must be approved by the voters of the District: increasing the tax rate or revising the methodology for calculating the tax such that a tax increase would result; imposing the tax on transactions and uses not previously subject to the tax (unless such amendment occurs automatically by operation of Section 12); or extending the tax. The District Board of Directors may otherwise amend this Ordinance without submitting the amendment to the voters for approval.

Section 21. APPROPRIATIONS LIMIT. Pursuant to Article XIII B of the Constitution of the State of California and applicable laws, the appropriations limit for the District is hereby increased by the aggregate sum authorized to be levied by this special tax for fiscal year 2015-16 and each year thereafter.

Section 22. SUPPORTING ACTION. The District Chief Executive Officer, or his designee, is authorized to complete all acts necessary to implement this measure as approved by the voters of the District.

Section 23. VOTER APPROVAL REQUIRED. This Ordinance shall become effective only if approved by at least a two-third's majority of the eligible voters voting on the Ordinance at the November 4, 2014, election.

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Libby Downey  
Chairperson

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Carl Sedoryk  
Secretary

PASSED AND ADOPTED BY THE MONTEREY-SALINAS TRANSIT DISTRICT BOARD  
OF DIRECTORS THIS \_\_th day of \_\_\_\_\_, 2014, by the following vote:

AYES: Directors:

NOES: Directors:

ABSENT: Directors:

ATTEST:

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Board Secretary (Deputy)

2281007.5

**MONTEREY-SALINAS TRANSIT DISTRICT  
LOCAL TRANSIT FUNDING FOR SENIOR CITIZENS, VETERANS AND  
PEOPLE WITH DISABILITIES ORDINANCE  
EXPENDITURE PLAN**

After receiving feedback from residents throughout Monterey County on their priorities for the Monterey-Salinas Transit District, the District Board of Directors has determined that the community places a high priority on ensuring that public transit services remain available to senior citizens, people with disabilities and veterans. With federal and state funding and programs that support such services being cut or eliminated, a local source of funds dedicated to serving senior citizens, people with disabilities, and veterans is essential and is addressed with the proceeds from the Local Transit Funding for Senior Citizens, Veterans, and People with Disabilities Ordinance (the “Ordinance”).

Funds from the Local Transit Funding for Senior Citizens, Veterans and People with Disabilities Ordinance will be dedicated solely to services that support transportation planning, specialized equipment and operating expenses required to meet the special mobility needs of veterans, senior citizens and persons with disabilities, including trips required for vital medical appointments and for veterans’ job training/placement services. Funds may also be used to pay for the District’s costs of conducting the election to obtain required voter approval for the Ordinance.

## **ATTACHMENT 3**

### **Proposed Ballot Language for the “Monterey-Salinas Transit Local Transit Funding for Senior Citizens, Veterans and People with Disabilities” Sales Tax:**

Shall Monterey-Salinas Transit, also known as MST, provide, maintain and protect transit services for Monterey County senior citizens, veterans and people with disabilities, including trips to vital medical appointments and veterans’ job training/ placement services, by enacting a one-eighth of one cent per dollar sales tax, to replace eliminated federal and state funding with local revenue to be dedicated only to these specific purposes, subject to citizen oversight and annual independent financial and performance audits?

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To: Board of Directors

From: Michael Hernandez, Assistant General Manager/COO

Subject: Authorize the lease of office space in downtown Monterey

**RECOMMENDATIONS:**

Authorize MST to execute a three-year lease for office space in downtown Monterey at 201 Pearl Street, opposite the Monterey Transit Plaza (Simoneau Plaza).

**FISCAL IMPACT:**

An average cost of \$38,280 per year, with a total cost of \$114,840 over the three year lease period. Funding was specifically set aside for this lease in the FY2015 Operating Budget.

**POLICY IMPLICATIONS:**

Your Board approves contracts and purchases over \$25,000.

**DISCUSSION:**

MST currently leases approximately 2,000 feet of office space at the Bus Stop Shop located at 150 Del Monte Avenue. The lease at this facility extends through November 2017 and is currently funded into 2015 through a Federal 5317 New Freedom grant. This location is used as MST's downtown Customer Service office and Mobility Management Center and supports the administration of the RIDES program including client certifications; and MST's Mobility Management functions including travel training, processing taxi vouchers, and various outreach efforts to seniors and passengers with disabilities. This location has been plagued with numerous water leaks and was closed for three weeks in late 2013 due to a major water leak resulting in more than \$8,000 in damage and significant hardship for MST customers who routinely use this office.

During the past year staff has looked for office space closer to the Transit Plaza, MST's busiest transit hub. Office space is currently available at 201 Pearl Street, which is located at the corner of Tyler Street, directly across the street from the Transit Plaza. This location has approximately 2,200 feet of office space and is an ideal location for MST's downtown Customer Service center. The location provides customers with convenient and easy access for transit information and ticket/pass sales.

In addition, the location also has a dedicated restroom and break area that can be used by more than 80 coach operators and supervisory staff during the approximately 20 hours of daily transit service operating through the Monterey Transit Plaza. The availability of adequate restroom facilities and shelter during inclement weather at MST's transit centers has been an ongoing morale issue with our coach operators; this location will address this concern in downtown Monterey. The office will also be utilized as a field office for MST Operations Supervisors, other MST staff, and will also serve as a conference/training room.

Prices for several rental properties in the immediate area range from \$1.25 to \$2.00 per square foot, with an average rate of \$1.72 per square foot. The cost for this location is \$1.40 per square foot for year one, \$1.45 for year two and \$1.50 in year three; with an average annual cost of \$38,280 over the life of the lease. The lease provides an option for two additional one-year extensions, for up to five total years.

MST will continue to staff 150 Del Monte Avenue for MST RIDES and Mobility Management functions for the foreseeable future. We will consider subleasing this location when other viable office locations for RIDES/Mobility staff become available, and seek other remedies with the building owner if incidents of flooding/damage are not satisfactorily resolved.

Approval of this item will allow staff to enter into a three year contract for the lease of office space at 201 Pearl Street; exercising the extension for two additional option years will come back to your Board for approval.

PREPARED BY: Michael Hernandez REVIEWED BY: Carl G. Sedoryk  
Michael Hernandez Carl G. Sedoryk

To: Board of Directors

From: Hunter Harvath, Assistant General Manager – Finance & Administration

Subject: Cal State University-Monterey Bay (CSUMB) University Pass Program

**RECOMMENDATION:**

Authorize staff to sign a contract with CSUMB for the 2014-2015 academic year to continue the University Pass Program.

**FISCAL IMPACT:**

Approximately \$250,000 in revenue for the fourth year of the program.

**POLICY IMPLICATIONS:**

Your Board authorizes staff to sign contracts in excess of \$25,000.

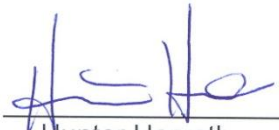
**DISCUSSION:**

In January of 2008, MST and CSUMB entered into a partnership to implement a “free fare zone” at the campus on the former Fort Ord. The free fare zone allowed anyone boarding at stops on CSUMB’s Central Campus or in the East Campus Housing areas to do so without paying a fare. To return to campus, the passenger paid the full fare. In effect, the free fare zone was an easy way of offering students, faculty and staff a 50% discount on their travel on MST to and from campus. CSUMB reimbursed MST for the lost fares based on the number of boardings counted at each stop. For the first two years of the program, the Monterey Bay Unified Air Pollution Control District (Air District) funded a portion of the free fare zone payments.

Building on the success of the free fare zone program, CSUMB and MST developed a University Pass partnership in June of 2011, through which MST assumed the role of transit provider for the University, including MST RIDES ADA Paratransit services. In return for the funds paid by CSUMB to MST to operate the campus shuttle (and other associated transit programs as mutually agreed to), all CSUMB students, faculty and staff can board MST buses for free anywhere in the system, not just in the campus free fare zone. The additional revenue received through the contract offsets losses to fare revenue, while ridership around campus increases now that transit service is free for CSUMB students, faculty and staff. And, because MST’s federal grant funding levels are tied directly to the number of passengers it carries, the

additional boardings that are generated by the University Pass program would most likely bring additional federal funds to MST under current formulas.

With the success of the University Pass program, CSUMB has requested that MST continue the partnership for a fourth year. Given the lessons learned over the first three years of the project, MST and CSUMB staff members continually work together to streamline and redeploy transit services to ensure better utilization of buses by the campus community. In addition, the approximately \$250,000 in revenues for MST also include funds to support an intern, a customer brochure, and, if the budget permits, an additional real-time electronic passenger information sign. As such, staff recommends approval of this contract for the CSUMB University Pass Program for the 2014-2015 academic year.

PREPARED BY:   
Hunter Harvath

REVIEWED BY:   
Carl G. Sedoryk

To: Board of Directors

From: C. Sedoryk, General Manager/CEO

Subject: Monthly Report – May 2014

Attached are a summary of monthly performance statistics for the Transportation, Maintenance, and Administration departments for May 2014 (Attachments 1-4).

May 3-6, I travelled to the American Public Transit Association Bus and Paratransit Conference in Kansas City, MO. While at the conference, I participated in a number of committee meetings including the Legislative, Bus and Paratransit CEO's, and Mobility Management Committee meetings. I also attended sessions including:

- Innovative Business Models in Bus Service
- Real Time Information
- Building Strong Towns -- Overhauling the Way We Think about Transportation & Development
- USDOT Update Featuring Dorval R. Carter Jr., chief counsel, Federal Transit Administration
- Building Support for Public Transportation
- CEOs Report - State of the U.S. Bus Industry

In addition to those sessions, I spent some time touring the Kansas City MAX Bus Rapid Transit system and attended the Bus Display and Products/Services Showcase.

May 27-28, I attended the California Transit Association Executive Committee and Transit Lobby Day in Sacramento. Among the highlights was the luncheon keynote presentation by Senate President Pro Tempore Darrell Steinberg, who discussed his proposal for allocations of revenues from the state's Cap and Trade system. Facing the conclusion of his term in the Senate at the end of this year, Steinberg emphasized that one of his highest priorities over the coming months was to establish "a permanent source of funding for public transit."

Attendees also heard from Brian Kelly, secretary of the California State Transportation Agency, about Gov. Jerry Brown's vision for the future of public transit in California, both near- and long-term. While the state's planned high-speed rail system remains one of Governor Brown's highest priorities, Kelly noted that connectivity with existing local transit in an integrated network is vital to the success of the high-speed rail project.

Additional program segments featured experts from the legislative and regulatory realms discussing the latest approaches and priorities on hot topics such as sustainable communities, infrastructure financing, bus axle weight laws and zero emission bus regulations. Attendees also heard the latest information about litigation over the withholding of federal transit grants due to the controversy regarding application of the Federal Transit Act's "13(c)" provisions to California's Public Employee Pension Reform Act (PEPRA).

At the June MST Board meeting, several members of the public from the City of Marina made public comments regarding MST fixed route services, MST On-Call services, and safety issues related to MV contracted services. After talking to MST staff, we can report that the service change to take effect later this month will make some fixed route services more convenient; we have removed an MST sign in Preston Park that provided incorrect information, and MV management has provided appropriate discipline to the employees identified as engaging in unsafe behavior. Unfortunately, we will not be able to resolve issues related to the lack of Line 25 service during the summer periods until additional funding sources are identified, as this line is funded by CSUMB to run only during the school term.

Attachment #1 – Dashboard Performance Statistics

Attachment #2 – Operations Dept. Report – May 2014

Attachment #3 – Facilities & Maintenance Dept. Report – May 2014

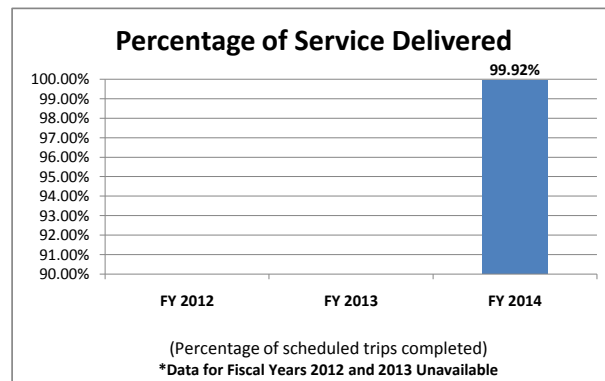
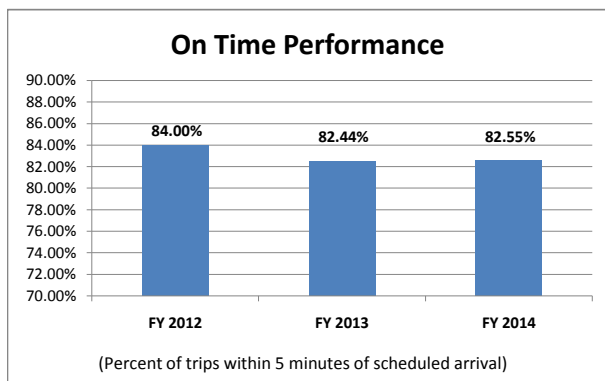
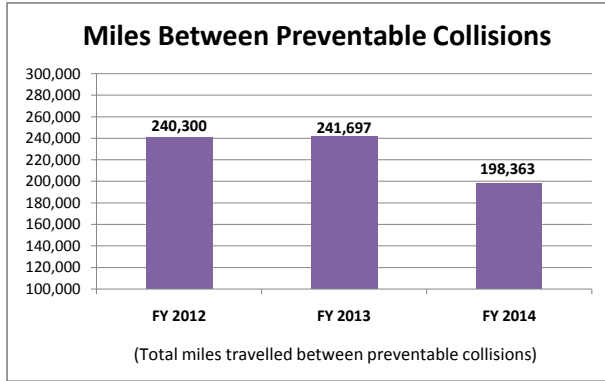
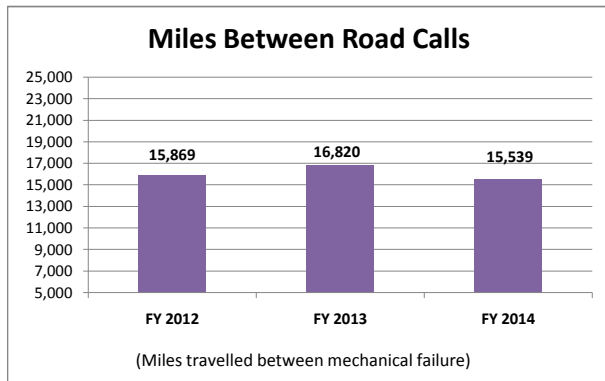
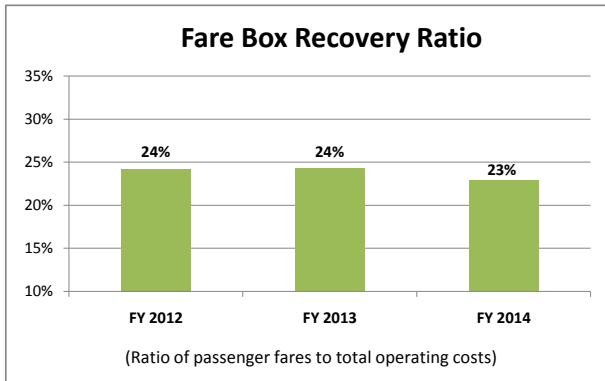
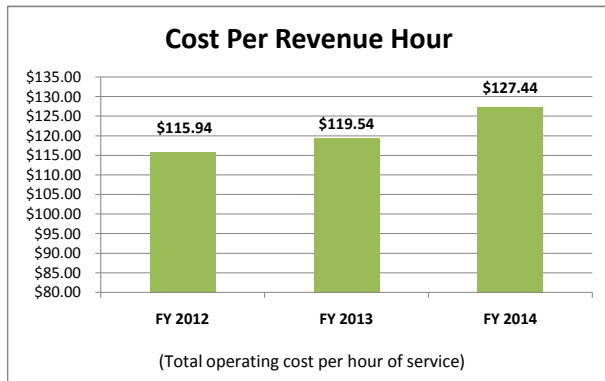
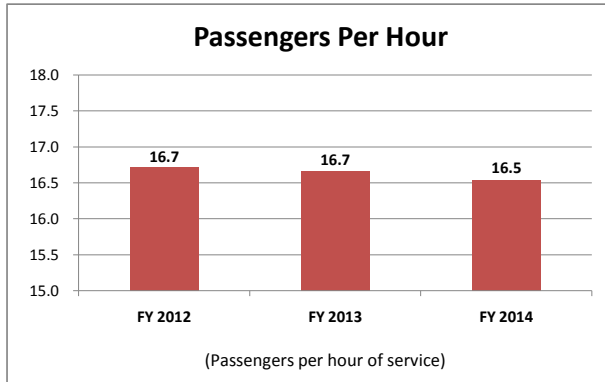
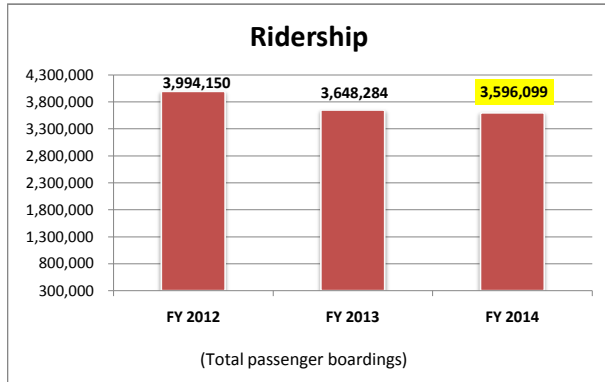
Attachment #4 – Administration Dept. Report – May 2014

A complete detail of Monthly Performance Statistics can be viewed within the GM Report at <http://www.mst.org/about-mst/board-of-directors/board-meetings/>

PREPARED BY: 

# MST Fixed Route - REVISED

## YTD Dashboard Performance Comparative Statistics July through May Fiscal Years 2012-2014



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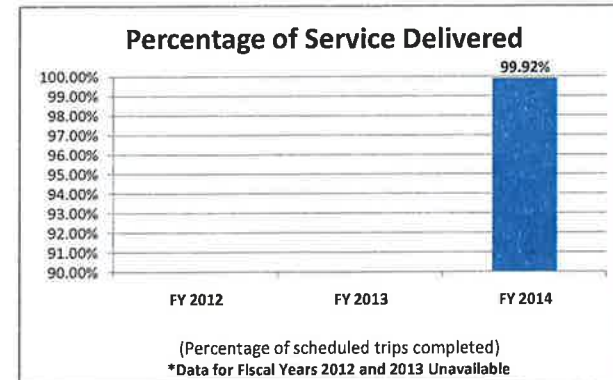
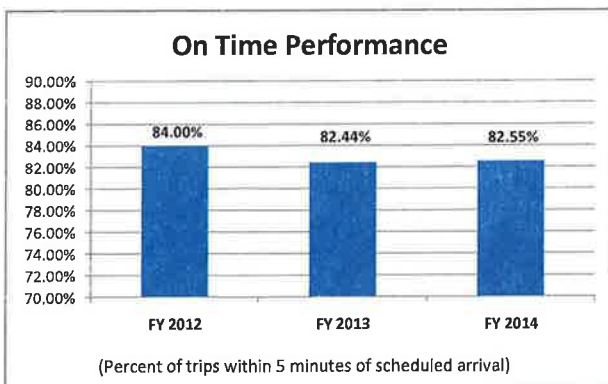
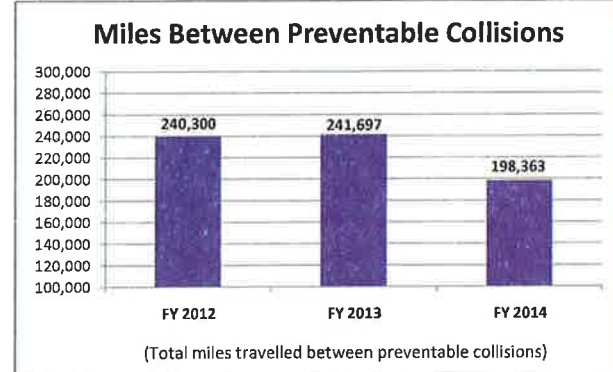
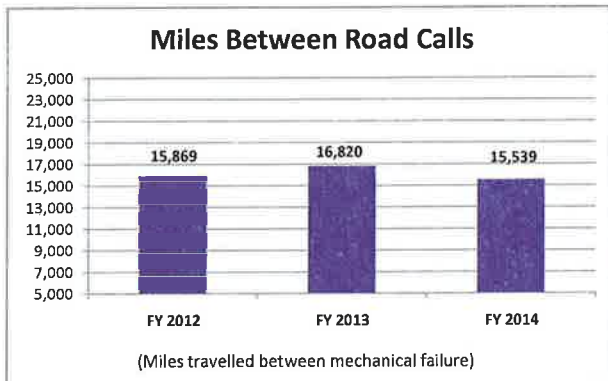
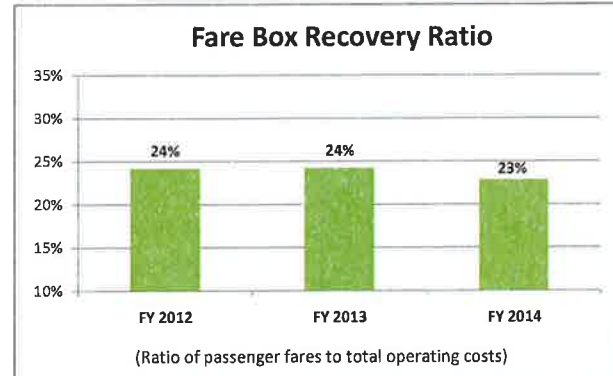
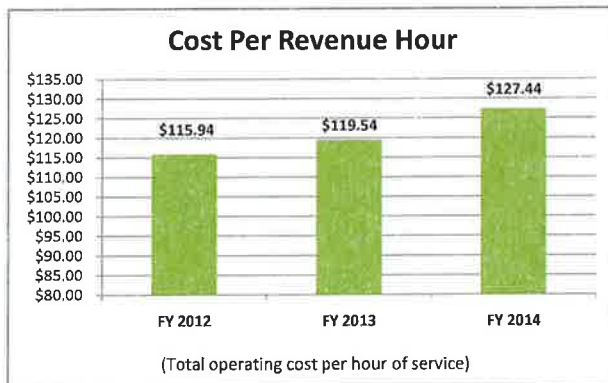
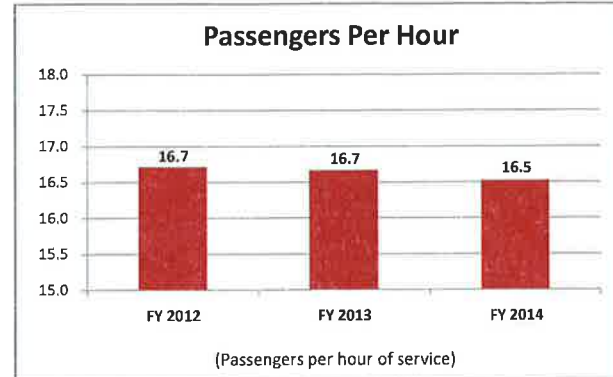
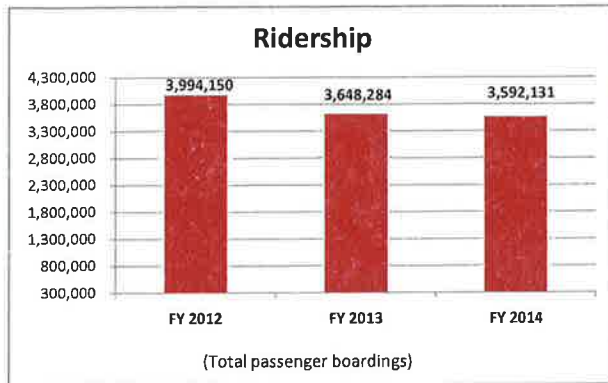


# MST Fixed Route

## YTD Dashboard Performance Comparative Statistics

### July through May

### Fiscal Years 2012-2014

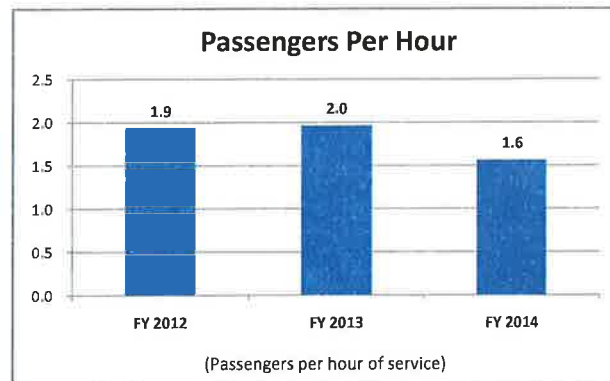
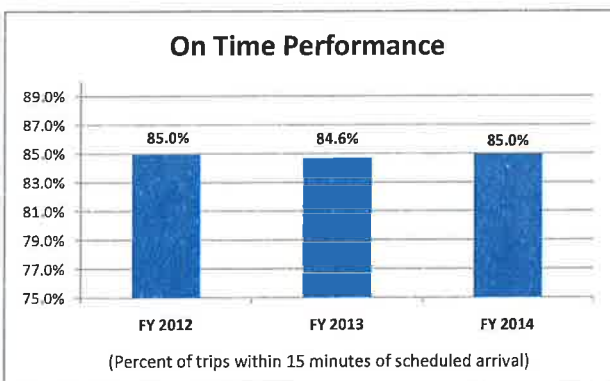
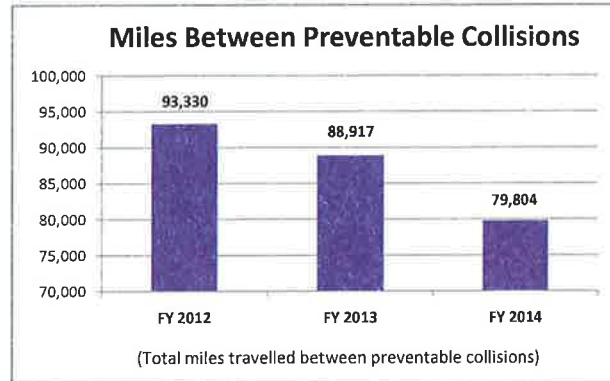
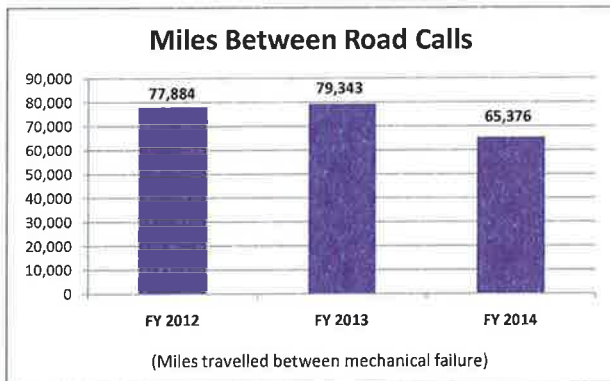
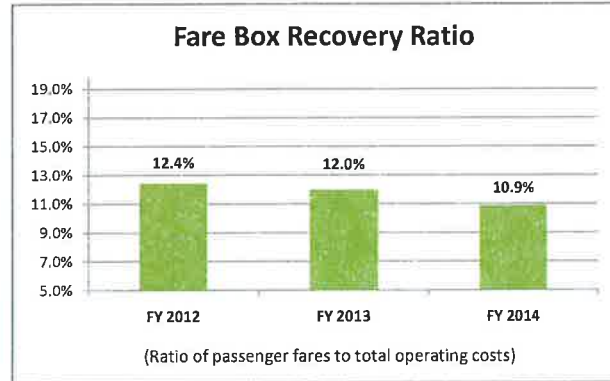
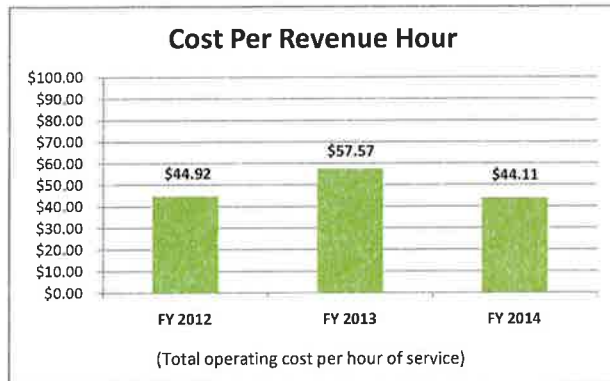
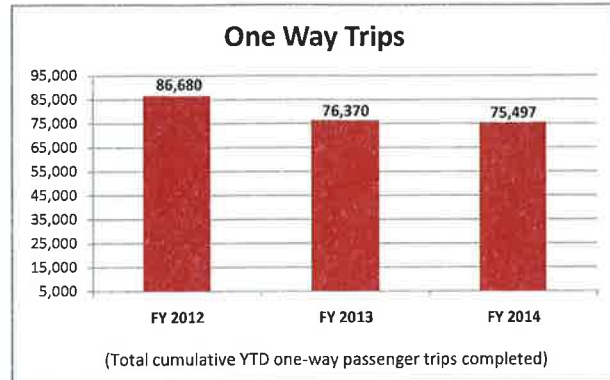
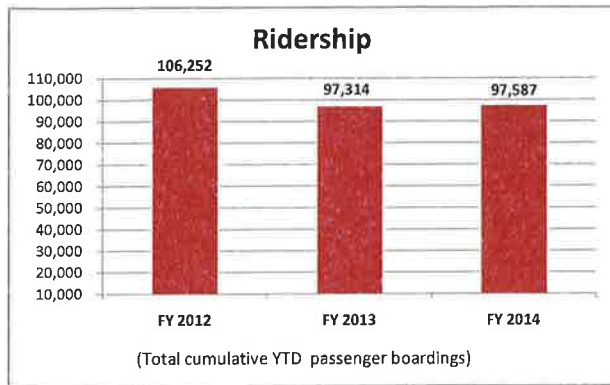


# MST RIDES

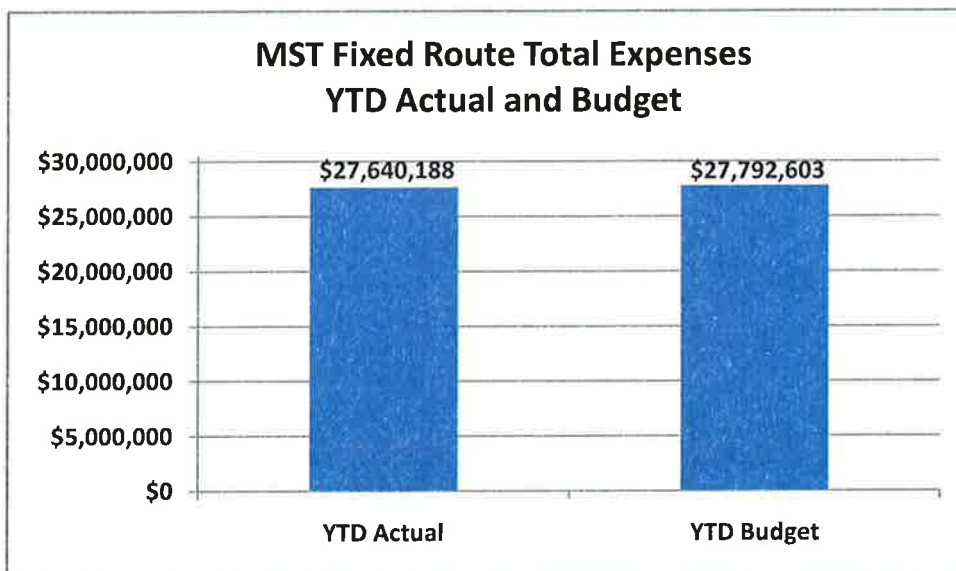
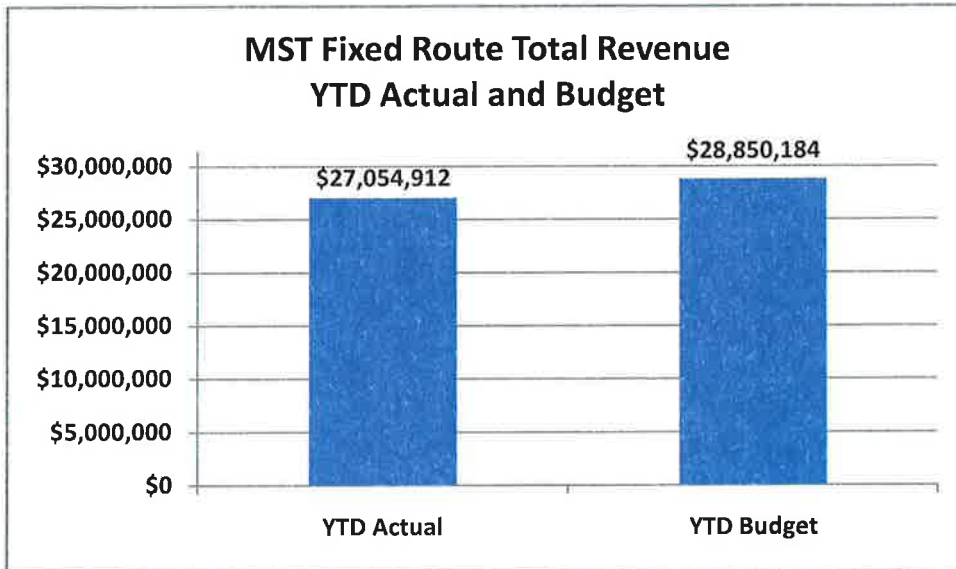
## YTD Dashboard Performance Comparative Statistics

### July through May

### Fiscal Years 2012-2014

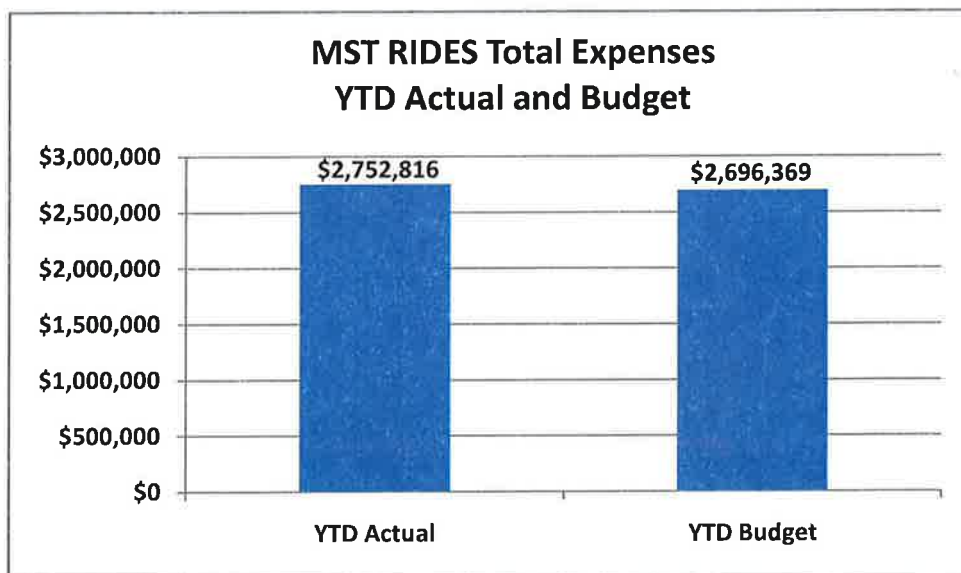
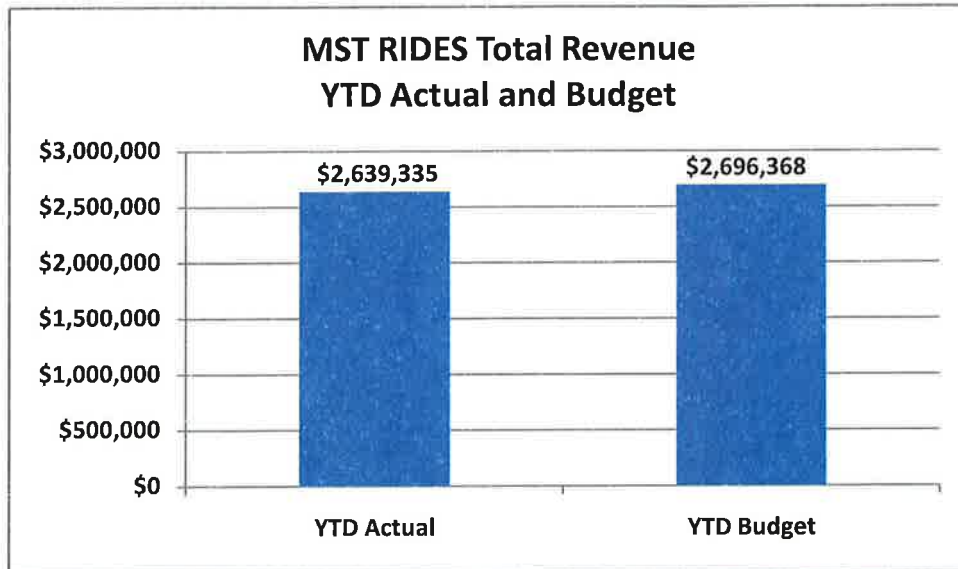


**MST Fixed Route**  
**Revenue Performance Comparative Statistics**  
**July through May**  
**Fiscal Year 2014**



# MST RIDES

## Expense Performance Comparative Statistics July through May Fiscal Year 2014



## ATTACHMENT 2

July 2, 2014

To: Mike Hernandez, Assistant General Manager / C.O.O.  
From: Robert Weber, Director - Transportation Services  
Cc: MST Board of Directors  
Subject: **Transportation Department Monthly Report – May 2013**

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### **FIXED ROUTE BUS OPERATIONS:**

#### **System Wide Service: (Fixed Route & On Call Services):**

Preliminary boarding statistics indicate that ridership decreased by 2.21% in May 2014, (331,206), as compared to May 2013, (338,675). Fiscal year-to date, this represents a 1.54% decrease in passenger boardings from last fiscal year.

Productivity decreased from 16.8 passengers per hour (May 2013), to 15.5 PPH in May of this year.

#### **Supplemental / Special Services:**

May 17 2014; MST provided trolley shuttle service on the CSUMB campus during the University's annual Commencement Ceremony. The service transported 167 passengers during this event.

May 31, 2014: MST provided supplemental services on its Jazz Lines in support of the Artichoke Festival held at the Monterey County Fair Grounds. The service transported 1,360 passengers during this two day event.

#### **System Wide Statistics:**

- Ridership: 331,206
- Vehicle Revenue Hours: 21,352
- Vehicle Revenue Miles: 352,157
- System Productivity: 15.5 Passengers Per Vehicle Revenue Hour
- One-Way Trips Deployed: 29,937

**Time Point Adherence:** Of 108,008 total time-point crossings sampled for the month of May, the TransitMaster™ system recorded 17,232 delayed arrivals to MST’s published time-points system-wide. This denotes that **84.05%** of all scheduled arrivals at published time-points were on time. (See *MST Fixed-Route Bus ~ On Time Compliance Chart FY 2014.*)

Service arriving later than **5** minutes beyond the published time point is considered late. The on-time compliance chart, (attached), reflects system wide “on-time performance” as a percentage to the total number of reported time-point crossings.

**Cancelled Trips:** As listed below, there were a total of twelve (12) cancelled trips for the month of May for both directly operated and contracted services.

<b>Total One - Way Trips Deployed May: 29,937</b>			
<b>Reason</b>	<b>MST</b>	<b>MV</b>	<b>% Of All Missed</b>
Mechanical	3	0	25.00%
Collision (MST Involved)	1	0	8.33%
Traffic	2	0	16.67%
Passenger Boarding	2	0	16.67%
<sup>1</sup> Contractor Error	0	4	33.33%
<b>Totals</b>	<b>8</b>	<b>4</b>	<b>100.00%</b>

<sup>1</sup> Liquidated damages have been assessed to the Contractor.

**Documented Occurrences:** MST Coach Operators are required to complete an occurrence report for any unusual incident that occurs during their work day. The information provided within these reports is used to identify trends, which often drive changes in policy or standard operating procedures. The following is a comparative summary of reported incidents for the month(s) of May 2013 and 2014:

<b>Occurrence Type</b>	<b>May-13</b>	<b>May-14</b>
Collision: MST Involved	13	6
Medical Emergency	1	3
Object Hits Coach	0	0
Passenger Conflict	2	2
Passenger Fall	3	3
Passenger Injury	0	1
Employee Injury	1	0
Other	1	3
Near Miss	0	0
Unreported Damage	1	0
Fuel / fluid Spill	0	3
<b>Total Occurrences</b>	<b>22</b>	<b>21</b>

## **CONTRACTED SERVICES:**

### **MST RIDES ADA / ST Paratransit Program:**

Preliminary boarding statistics for the MST RIDES program reflect that for the month of May there were 10,165 passenger boardings. This denotes a 13.23% increase in passenger boardings from May of 2013, (8,977) .For Fiscal 2014 year to date, this represents a 0.15% decrease in passenger boardings from the previous fiscal year.

- For the month of May, 83.54 % of all scheduled trips for the MST RIDES Program arrived on time, decreasing from 85.76 % in May of 2013. (See *MST RIDES ~ On Time Compliance Chart **FY 2014.***)
- Productivity for May of this year was at 1.90 passengers per hour, which has decreased slightly from May of 2013, (1.92).

### **COMMUNICATIONS CENTER:**

In May, the Communications Center summoned public safety agencies on *ten* (10) separate occasions to MST's transit vehicles and facilities:

<b>Agency Type</b>	<b>Incident Type</b>	<b>Number Of Responses</b>
Police	Passenger Incident / Other	5
Emergency Medical Services	Medical Emergency	5

Robert Weber

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## ATTACHMENT 3

June 24, 2014

To: Carl G. Sedoryk, General Manager/CEO

From: Michael Hernandez, Assistant General Manager/COO

Subject: Monthly Maintenance Report for May 2014

This monthly report summarizes information about fuel prices and the activities of the Maintenance and Facilities Departments during the past month.

### Fuel Prices:

<b>FY14 Budget: Diesel: \$3.60 Gas: \$3.90</b>	<b>May Fuel Average</b>	<b>Fuel Average: FY2014</b>
<b>Diesel:</b>	<b>\$3.35</b>	<b>\$3.36</b>
<b>Gasoline:</b>	<b>\$3.62</b>	<b>\$3.40</b>

### Fleet Status:

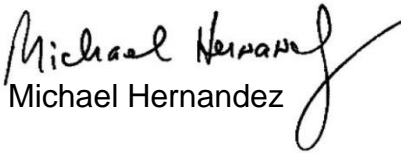
<b>Operating Cost Per Mile:</b>		<b>Road Call Rate Goal: 7,000 Miles</b>	<b>Miles Between Road Calls:</b>
<b>May 2014:</b>	<b>\$1.21</b>	<b>May 2014:</b>	<b>20,856</b>
FY2014 - Year To Date:	\$1.21	FY2014 - Year to Date:	15,539
FY2013:	\$1.17	FY2013 YTD Comparison:	17,103

### Department Activities/Comments:

During the month of April there were 16 road calls, fourteen were categorized as “major mechanical” and two were related to minor or other non-mechanical issues. The highest road calls were for electrical issues.

During the month of April the AssetWorks maintenance system was off-line for two days due to a server issue; one MST maintenance technician participated in technical training at San Mateo County Transit Districts and MST provided farebox technical training to MV.

Facility repairs during the month included bus washer repairs at CJW and the installation of a passenger shelter in Salinas. The Salinas Transit Center received additional security lighting near gate 7 to illuminate the corner seating area.

  
Michael Hernandez

## ATTACHMENT 4

Date: July 14, 2014

To: C. Sedoryk, General Manager/CEO

From: Hunter Harvath, Assistant General Manager – Finance & Administration; Angela Williams, General Accounting & Budget Manager; Mark Eccles, Director of Information Technology; Kelly Halcon, Director of Human Resources/Risk Management; Zoe Shoats, Marketing Manager; Sonia Bannister, Customer Service Supervisor.

Subject: **Administration Department** Monthly Report – May 2014

The following significant events occurred in Administration work groups for the month of May 2014:

### Human Resources

A total employment level for May 2014 is summarized as follows:

<b>Positions</b>	<b>Budget FY14</b>	<b>Actual</b>	<b>Difference</b>
Coach Operators / Trainees	128	138	10
C/O on Long Term Leave *	3	0	-3
Coach Operators Limited Duty	2	1	-1
Operations Staff	26	24	-2
Maintenance & Facilities	43	44	1
Administration (Interns 2 PT)	26	24	-2
<b>Total</b>	<b>228</b>	<b>231</b>	<b>3</b>

\*Total budget numbers do not include the C/O on Long Term Leave as those numbers are already reflected in the Coach Operators/Trainees number.

<b><i>April Worker's Compensation Costs</i></b>	
<i>Indemnity (paid to employees)</i>	<b>\$18,087.67</b>
<i>Other (includes Legal)</i>	<b>\$3,456.74</b>
<i>Medical includes Case Mgmt, UR, Rx &amp; PT</i>	<b>\$8,734.47</b>
<i>TPA Administration Fee</i>	<b>\$5,000.00</b>
<i>Excess Insurance</i>	<b>\$7,341.08</b>
<b><i>Total Expenses</i></b>	<b><i>\$42,619.96</i></b>
<b><i>Reserves</i></b>	<b><i>\$1,616,760.04</i></b>
<b><i>Excess Reserved</i></b>	<b><i>(\$563,735.60)</i></b>
<i># Ending Open Claims</i>	<b>44</b>

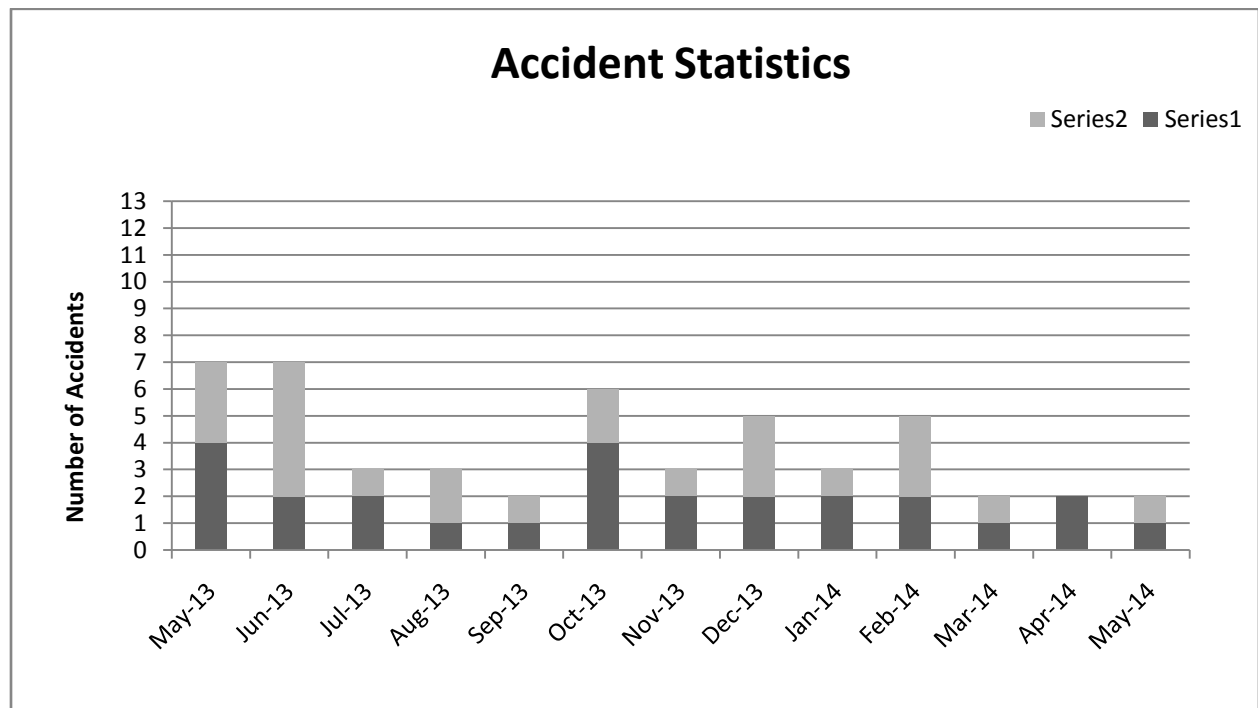
## Training

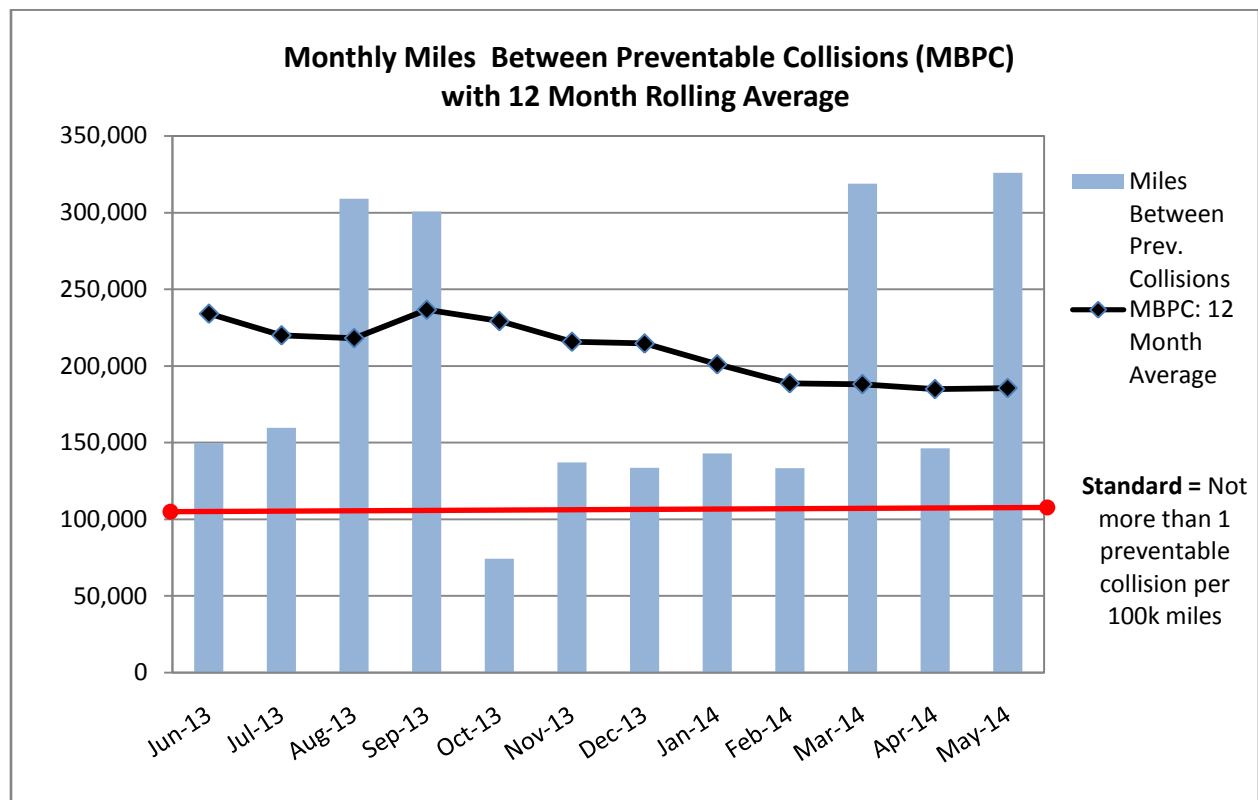
Description	Attendees
Annual VTT Training	15
Line Instructor Training	

## Risk Management Update

Description	May 2014 Preventable		May 2013 Preventable	
	Yes	No	Yes	No
Vehicle hits bus	0	1	0	3
Bus hit stationary object	1	0	4	0
<b>TOTAL</b>	<b>1</b>	<b>1</b>	<b>4</b>	<b>3</b>

During the month of May, there was 1 preventable collision.





There were no claim recoveries during this period and no claims paid.

### Customer Service Update

Service Report Type	MST	*Other Provider	# of valid reports	% of reports received	May '13	% of reports received
Employee Compliment	0	0		0.0%	5	10.6%
Service Compliment	0	0		0.0%	0	0.00%
Improper Employee Conduct	2	0		5.0%	4	8.5%
Improper Driving	1	1		5.0%	10	21.3%
Request To Add Service	1	1		5.0%	3	6.4%
No Show	1	0		2.5%	1	2.1%
Passed By	1	0		2.5%	5	10.6%
Early Departure	4	0		10.0%	2	4.3%
Late Arrival	2	4	2*	15.0%	2	4.3%
Passenger Conduct	0	0		0.0%	1	2.1%
Fare / Transfer Dispute	0	1		2.5%	1	2.1%
Late Departure	1	0	1	2.5%		

Routing	1	0		2.5%		
Bus Stop Amenities	0	1		2.5%	2	4.3%
Employee Other	4	2	1	15.0%	3	6.4%
Agency Policy	2	0		5.0%		
Passenger Injury	1	0		2.5%	1	2.1%
Service Other	2	5	2*	17.5%	3	6.4%
Unsafe Conditions	0	0		0.0%	1	2.1%
Inaccurate Public Information	1	0	1	2.5%	3	6.4%
Service Schedule	1	0		2.5%		
<b>Total</b>	<b>25</b>	<b>15</b>		<b>100.0%</b>	<b>47</b>	<b>100.0%</b>

## Finance Update

### **Payroll**

Updated payroll schedules and rosters for new CO sign-up effective April 26. Routine changes and adjustments to payroll records were maintained along with filing of all federal, state, and retirement reports and payments on a timely basis. Payroll continued to provide hours and earnings reports upon request to MST department.

### **Grants**

During the month of May, staff submitted the FTA Section 5311(f) grant application for new service in south Monterey County, as well as continued funding of Lines 82 and 83. The annual FTA Section 5311 application for rural operating assistance was submitted on time. Staff worked with AMBAG staff to program funds for inclusion in the Metropolitan Transportation Improvement Plan (MTIP) that is being updated this summer. MST's 2014-2016 Title VI Plan Update was submitted to FTA and Caltrans.

### **Purchasing**

During the month of May, staff worked to negotiate agreements to reduce OEM (Original Equipment Manufacturer) and MRO (Maintenance, Repair and Operation) supplies spend while balancing inventory for maximum parts coverage. Parts purchased for our aging fleet increased an average of 15% for the months of April and May over March, as more expensive components have begun to fail on high mileage buses. Inventory value has remained steady although it has increased slightly over the past three months.

### **Accounting**

The accounting department is preparing for MST's June 30<sup>th</sup> fiscal year-end close by completing general ledger account reconciliations and analysis. Vavrinek, Trine, Day & Co., LLP (the CPA firm conducting our annual audit) will be onsite at MST during the week of July 14<sup>th</sup> to begin the Interim portion of the audit.

## **IT Update**

Staff configured the Trapeze Group TransitMaster system software and hardware. Staff continued to monitor and configure software and hardware for the Trapeze Enterprise Asset Management (EAM) maintenance system. Staff continued to support the users of the Serenic Navision accounting/payroll system. Staff continued to configure data for the GIRO DDAM timekeeping system. Staff updated software on workstations. Staff monitored the functionality of the Customer Service database.

Staff liaised with the County of Monterey Information Technology department regarding the new radio hardware to be installed in Santa Cruz County to extend Data/Radio coverage up to San Jose. Staff continued working on the configuration of the virtual computer system. Staff arranged and configured the transition of the Exchange email server.

Staff worked with Maintenance Department installing AVL equipment into new vehicles. Staff liaised with MV Transportation for installation and configuration of the IVR telephone system to organize the RIDES vehicle arrival system. Staff continued to support MST staff as needed, proactively ensuring MST staff was supported fully with their IT needs.

## **Marketing and Sales Update**

Published news stories include: "Monterey-Salinas Transit: JAZZ BRT" (Passenger Transport, 5/5/14); "MST pone a la venta Pases de Verano para juvenes" (El Sol, 5/19/14); "MST Summer Youth GoPasses now on sale" (The Californian, 5/19/14); "Business Digest: Unlimited Rides" (Monterey Herald, 5/22/14);

Press releases sent include: "Amgen Tour to Cause Major Service Delays and Cancellations" (5/9/2014); "MST's Inexpensive Summer Youth GoPass On Sale Now" (5/19/14); "MST Bus Service on Memorial Day" (5/20/14).

Marketing activities: Continued working on special events, including Artichoke Festival and "Viva la Familia" concert; continued collaborating with staff on the outreach and education efforts for the proposed sales tax; managed MST website content, Facebook page and Twitter account.

## **Planning**

During the month of May, staff wrapped up details of the April 26<sup>th</sup> service change and began planning for summer service reductions to routes serving the Presidio of Monterey. These reductions would be required because Congress allowed the expanded federal transit benefit to be reduced by nearly 50% effective December 2013. In addition, staff continued working closely with CSUMB to discuss new route and schedule concepts for the fall 2014 semester, as well as with representatives of Fort Hunter Liggett to improve the logistics of MST's partnership with that military installation. Staff also began planning efforts for a new bus route connecting the rural communities of Paso Robles, San Ardo, San Lucas, and King City.

Staff received word from the Federal Transit Administration that all documentation for the second phase of the agency's Bus Rapid Transit program along the Del Monte/Highway 1 corridor was received and ready to be evaluated to enter Project Development, with the exception of securing a 20% local match for the project. Staff will be discussing this matter with the Finance Committee of your Board at its July 14, 2014 meeting.

Staff met with representatives of Greyhound Bus Lines to discuss the financial viability of selling the inter-city bus company's tickets and processing freight packages at the new Salinas Intermodal Center, scheduled for opening later this year. Staff attended a celebration of the City of Salinas' Community Development Block Grant program, which included funding for a new bus shelter in East Salinas.

Staff traveled to Kansas City, Missouri, to participate in the American Public Transportation Association's 2014 Bus and Paratransit Conference and to view the community's MAX Bus Rapid Transit program. In addition, staff continued participation with the Fort Ord Multimodal Corridor planning team and the Salinas Downtown Vibrancy planning process as well in meetings with various local agencies, including the Fort Ord Reuse Authority, Transportation Agency for Monterey County, Carmel Foundation, Santa Cruz Metropolitan Transportation District, Association of Monterey Bay Area Governments, and the Monterey County Hospitality Association.



**Monterey-Salinas Transit**  
*Washington, D.C. Office*

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July 2, 2014

TO: Carl Sedoryk

FROM: Thomas P. Walters

The following report summarizes actions taken on behalf of Monterey-Salinas Transit in June.

Although the end of June marks the half-way point in the calendar year, Congress is actually rapidly closing in on the end of the legislative year. When Congress returns from the Independence Day Work Period, there will be an estimated 28 working days left in the legislative year before the 2014 elections. This limited time and the difficulty in achieving closure on key legislative issues raises the possibility of missed deadlines or else short-term interim fixes or even a possible post-election lame duck session of Congress.

**FY 2015 Budget**

The appropriations process for fiscal year 2015 transportation funding appeared to be moving ahead when Senate Leaders announced their plan in early June to move three funding bills, including the *FY 2015 Transportation, HUD and Related Agencies Appropriations Act*, together as a “minibus” package. This approach has been used previously to get funding bills through the extensive amendment process in the Senate by obtaining “Unanimous Consent” on a set number of amendments to debate. The wide-open amendment process under Senate rules often attracts numerous unrelated proposals, particularly from those in the minority party seeking an opportunity to be heard. However, Senate Majority Leader Reid (D-NV) was not able to obtain the agreement needed to move forward, which has stalled individual funding bills. It is now very likely that some sort of interim funding through a Continuing Resolution (CR) will be needed.

It is important to remember that FTA does not apportion funds for under a one-half of a fiscal year. So even if Congress adopts a short-term CR through the end of the calendar year, MST will not receive federal funds until an appropriation for a period at least through March 31, 2015 is completed.

### **Highway Trust Fund**

We have contacted the House and Senate Delegation and Committee staff to support action to rescue the Highway Trust Fund and to provide them with information on the impacts on MST if the Trust Fund runs out of money. The Highway Trust Fund is essentially insolvent because the revenues that are being deposited into the Account from motor fuels taxes are not sufficient to cover the spending on highway and transit programs. This has required transfers from the General Fund into the Trust Fund in order to cover the spending authorized by MAP-21. This persistent problem has reached a crisis point this summer, with the Congressional Budget Office reporting on June 27 that an additional \$8 billion is needed to meet the obligations to highway and transit programs through the end of the year. The insolvency of the Trust Fund is a direct threat to the FTA formula programs that MST relies upon, with a potential impact of \$7.5 million in FY 2015 funds to MST being held up if the Trust Fund runs out of money.

The Senate Finance Committee met on June 26 to consider a draft Highway Trust Fund bailout package from Chairman Wyden (D-OR), that would provide the \$8 billion in new revenue to allow the Trust Fund to meet its financial obligations through December 31. However, after requests from Ranking Minority Member Hatch (R-UT) to be given more time to develop alternatives, Chairman Wyden suspended the meeting until after the July 4 recess.

Even if Congress is able to cobble together a short-term solution to the Highway Trust Fund crisis, there will still be a need for a long-term solution to the funding problem. Senators Murphy (D-CT) and Corker (R-TN) have proposed legislation that would increase Federal motor fuels excise taxes by 12 cents per gallon over two years and indexing them for inflation in future years. This would raise an estimated \$190 billion for the Trust Fund over ten years. Their plan calls for offsetting the tax increases with other taxes cuts, such as permanently extending legislation to increase employer-provided transit benefits to the same level as parking benefits. So far, this approach has not been supported by the House Ways and Means Committee, but Senators Murphy and Corker hope that they can provide a rallying point for future revenue increases to the Trust Fund.

### **Surface Transportation Legislation Reauthorization**

One of the other deadlines looming is the expiration of the Moving Ahead for Progress in the 21st Century (MAP-21) Act on September 30. Meeting this deadline for a surface transportation legislation reauthorization has been directly impacted by the Highway Trust Fund crisis, because of the need for sufficient funding to maintain Federal programs.

Senate Environment and Public Works Committee Chair Boxer has led the way with development of a six-year reauthorization proposal that would fund programs at current levels, with an inflation adjustment. The Environment and Public Works Committee moved quickly to mark up the bill on May 15, but the Committee only has jurisdiction over highway programs. Thus, the Senate Banking Committee must still act to add the transit portions, with the Finance Committee given the task of identifying the tax provisions needed to pay for the legislation. Meeting that target, however, would require an additional \$100 billion in revenues into the Highway Trust Fund on top of the

revenues currently projected, which has stalled the Senate bill from progressing further. On the House side, Transportation and Infrastructure Committee Chairman Shuster (R-PA) has indicated that action in the House will be delayed, which makes interim legislation to preserve program funding for the next fiscal year very likely.

### **Commuter Tax Benefits**

We continued to lobby for legislation to set pre-tax benefits for rail and bus commuters at the same level as pre-tax parking benefits. Providing parity for transit is important for MST's military commuter service routes. Although we continue to advocate for stand-alone tax legislation to continue the authority, the program has traditionally been dealt with by Congress together with other temporary provisions collectively known as "tax-extendors."

Following the mark-up by the Senate Finance Committee of tax extender legislation on April 3, Senate Majority Leader Reid attempted to bring the bill to the floor of the full Senate for an up or down vote. The Senate approved an initial motion to proceed on May 13, but subsequent action has been delayed indefinitely over the amendment process for the bill.

In the House, Ways and Means Committee Chairman Camp (R-MI) is moving tax extendors on an individual basis, rather than as a package and is seeking permanent extension of some of the provisions. Because Congressman Grimm (R-NY), who is the lead sponsor of H.R. 2288, the *Commuter Parity Act of 2013*, has been indicted for mail, wire and tax fraud, we have been working with APTA and other interested stakeholders to identify a new House Republican sponsor. We have also contacted the General Services Administration and the Department of Defense to discuss transit and parking policies for Federal workers in order to explore if there are alternatives to obtain the funding needed to continue the service under existing law.

### **Lobbying Strategies/Opportunities**

In order to meet the key deadlines on appropriations, surface transportation reauthorization and Highway Trust Fund rescue, Congress must accelerate its action on legislation in July to position issues for completion in the fall. It is likely that some of these key issues will not be finished in time, thus necessitating interim, short-term fixes along the lines of a continuing appropriations resolution. Because of the importance of these issues, we are recommending additional Washington, DC, meetings for MST staff in order to maintain your advocacy message during this time when so many transportation issues are in play. These meetings will supplement our efforts in Washington, DC, to weigh in on behalf of MST on tax, transportation and budget issues through our direct contacts with Congress and the Administration.

TPW:dwg

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To: Board of Directors

From: C. Sedoryk, General Manager/CEO

Subject: State Legislative Update

On June 20th, Governor Brown signed 2014-15 state budget, formalizing a permanent source of funding for public transit by way of revenues from the state's Cap and Trade program.

The budget allocates \$832 million in Cap and Trade revenues for 2014-15 to modernize the state's rail system, including high-speed rail and public transit, and encourage local communities to develop in a sustainable manner. Of that, \$50 million is directed to transit capital and operations expenses, \$130 million to sustainable communities with a focus on transit-oriented development and active transportation projects, and \$200 million to low-carbon transportation, including zero-emission buses. In future years, 15 percent of Cap and Trade revenues are dedicated to transit capital and operations, with another 20 percent to sustainable communities.

Bills of interest to MST include Senate Bill 1433 (Hill) and Assembly Bill 1720 (Bloom) in both progressing through the legislative process and sit two steps short of reaching the Governor's desk at the time this memo was composed.

SB 1433 would eliminate the sunset date on the design-build authority for transit operators. Additionally, this bill would clarify that a county transportation commission or a regional transportation planning agency, not generally considered a "transit operator," can utilize design-build to construct a transit project, as well as remove cost thresholds for the use of design-build. The measure was approved today by the Assembly Transportation Committee. It will now be referred to the Assembly Appropriations Committee. In progressing through the Senate and gaining approval from two Assembly policy committees, the bill has not attracted a single "no" vote.

AB 1720 would extend for one more year – until January 1, 2016 – existing provisions in law that allow public transit systems to procure buses of the same (or lesser) weight than those they are replacing, and/or buses that fulfill a need based on findings approved by the governing board. The measure now stands eligible for a full Senate floor vote. Because the bill was amended on the Senate side, if passed by that house it would return to the Assembly for concurrence. AB 1720 has likewise passed without opposition at every step along its path through the legislative process.

Prepared by: Carl A. Sabatelli



July 1, 2014

To: Carl Sedoryk

From: Hunter Harvath, AICP – Assistant General Manager – Finance & Administration

**Subject: TRIP REPORT – May 2014**

From May 2<sup>nd</sup> to May 7<sup>th</sup>, I traveled to Kansas City, Missouri, to participate in the American Public Transportation Association's 2014 Bus and Paratransit Conference. During the conference I participated in the following meetings and sessions:

- APTA Bus & Paratransit CEO's Committee
- APTA Legislative Committee
- Building Livable and Sustainable Communities
- US Department of Transportation Update
- Complete Streets / Complete Trip
- Building Strong Towns – overhauling the Way We Think about Transportation & Development
- Implementing Title VI and Environmental Justice
- BRT Tuesday
- Transit Agency & Community Transportation Partnerships

In addition to those sessions, I attended a mobile workshop tour of the Kansas City MAX Bus Rapid Transit system as well as the Bus Display and Products / Services Showcase.

Hunter Harvath

June 23, 2014

To: Carl Sedoryk, General Manager/CEO

From: Michael Hernandez, Assistant General Manager/COO

**Subject: TRIP REPORT – APTA Bus & Paratransit Conference**

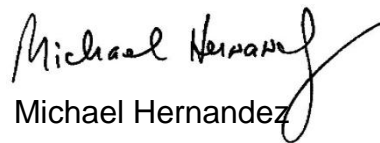
I attended the Annual APTA Bus & Paratransit Conference in Kansas City from May 3 – 6<sup>th</sup> and attended the following sessions:

- Bus Safety Committee
- Maintenance Committee
- Human Resource Committee
- “Maintenance Monday:” including sessions on Asset Management/Map 21; Training & Certification; Condition based Maintenance
- Small Operators: Opportunities for Training & Development
- BRT: Vehicle Design and WAVE Induction Charging
- Capital Project Updates & Innovative Facility Designs
- Workplace Safety
- General Session
- Products Showcase

Points of interest during the conference included a presentation on mechanic apprenticeship programs. There were several interesting sessions about facility design, included a presentation from Utah Transit on a planned renovation project to turn a 100 year old rail building into administrative offices; and a review by Phoenix Transit on their major facility renovation project, while continuing daily operations from the same site.

There were several presentations on transit security and use of cameras and other security systems on board buses to help deter crime and investigate incidents. Speakers reviewed training programs for coach operators with emphasis on helping coach operators de-escalate passenger confrontations.

I met with several vendors at the products showcase and was specifically able to resolve details on MST’s contract with MCI, which allowed staff to finalize specifications for our current bus order with MCI.

  
Michael Hernandez





THE SECRETARY OF TRANSPORTATION  
WASHINGTON, DC 20590

June 19, 2014

Dear Colleague:

The approaching Highway Trust Fund shortfall matter is of great concern to all of us who are engaged in the work of building and maintaining our Nation's transportation infrastructure, particularly because the Highway Trust Fund through the Mass Transit Account supplies a significant portion of the funds that transit agencies and States depend upon for critical infrastructure repairs, new construction, and, in some cases, daily operating expenses. Given its imperiled position, I am writing to give you a brief status report and to alert you to the steps we may need to take in the coming months, if Congress does not act to restore solvency.

I know first-hand the difficulties that each of you face in trying to plan construction work on significant transit projects, and even routine maintenance work, without a clear sense of how—or even whether—that work will be funded.

When Congress adopted the Moving Ahead for Progress in the 21<sup>st</sup> Century Act (MAP-21) in the summer of 2012, it was expected that sufficient funds would be deposited into the Highway Trust Fund to support all of our Nation's transportation investments through the end of the current fiscal year ending September 30, 2014. It now appears that the Highway Account of the Highway Trust Fund may face insolvency as soon as August with the Mass Transit Account facing insolvency before the end of December. The reason is simple—not enough revenue is coming into the fund to support the ongoing work necessary to maintain our transit systems, roads, and bridges.

Since January, we have published a “Highway Trust Fund Ticker” to show our latest projections on the looming insolvency. The enclosed charts, which also can be found on the DOT website at <http://www.dot.gov/highway-trust-fund-ticker>, show the current status of the Highway Account and the Mass Transit Account of the Highway Trust Fund and the funding trajectory through the end of the Federal fiscal year.

As you can see from the chart, the Highway Account of the trust fund is likely to dip below the critical \$4 billion cash balance as soon as July with shortfall predicted as early as August, and the Mass Transit Account is projected to fall below \$1 billion sometime in October. The charts will be updated monthly as new information becomes available.

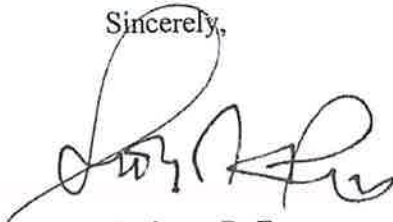
It also is my responsibility to let you know of the measures that the DOT and the Federal Transit Administration will be required to take in the coming months if Congress does not take action to replenish the Highway Trust Fund.

While we will take every step possible to continue to fully reimburse your transit agency for as long as possible, these measures will effectively require us to delay reimbursements that are owed to your agency. In the coming months, I will continue to keep you apprised of our specific cash management plans and when they are likely to go into effect.

As you may know, I and many members of the Administration have been sounding the alarm on this concern for several months. President Obama recently spoke publicly about this threat and called upon Congress to significantly increase investments in transportation so that you can continue to address the many transit needs in your community.

We plan to take an active role in helping Congress commit to a longer term agreement on surface transportation funding on a bipartisan basis.

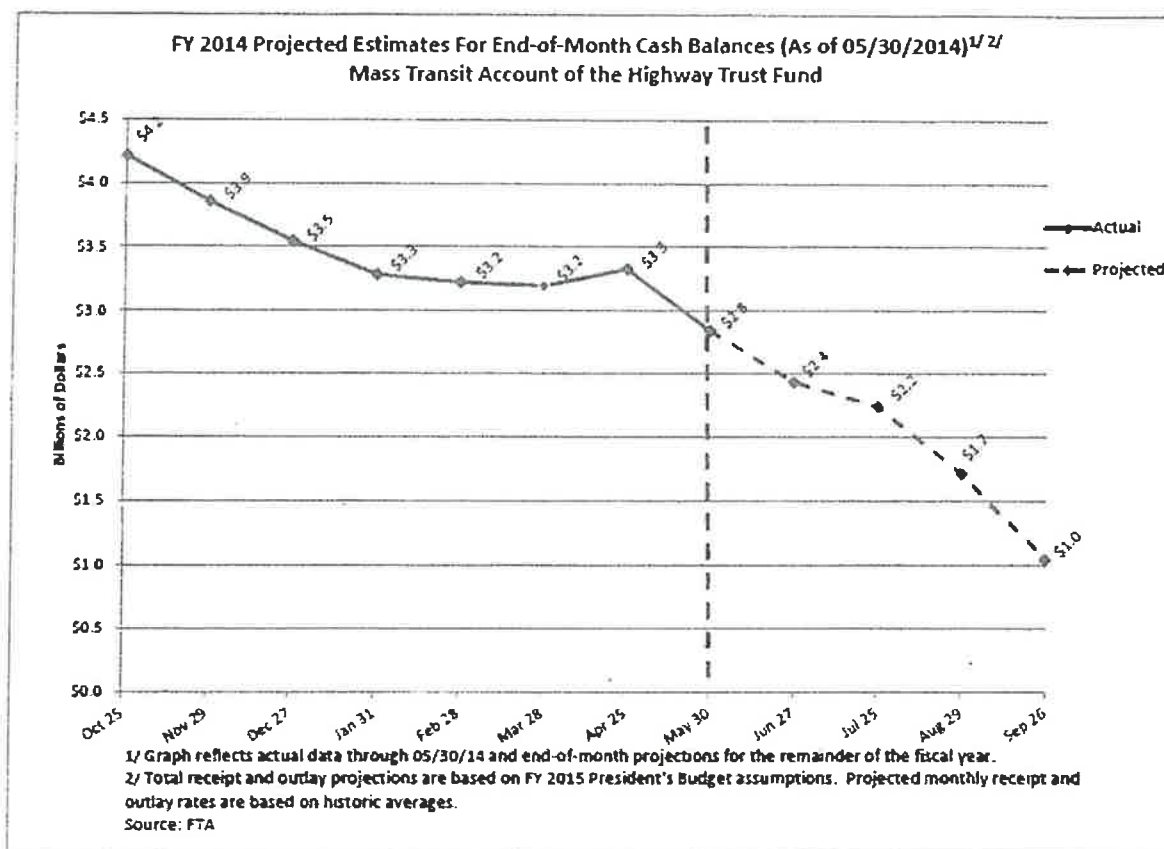
Sincerely,

A handwritten signature in black ink, appearing to read 'Anthony R. Foxx', with a large, stylized initial 'A'.

Anthony R. Foxx

Enclosures

## Mass Transit Account

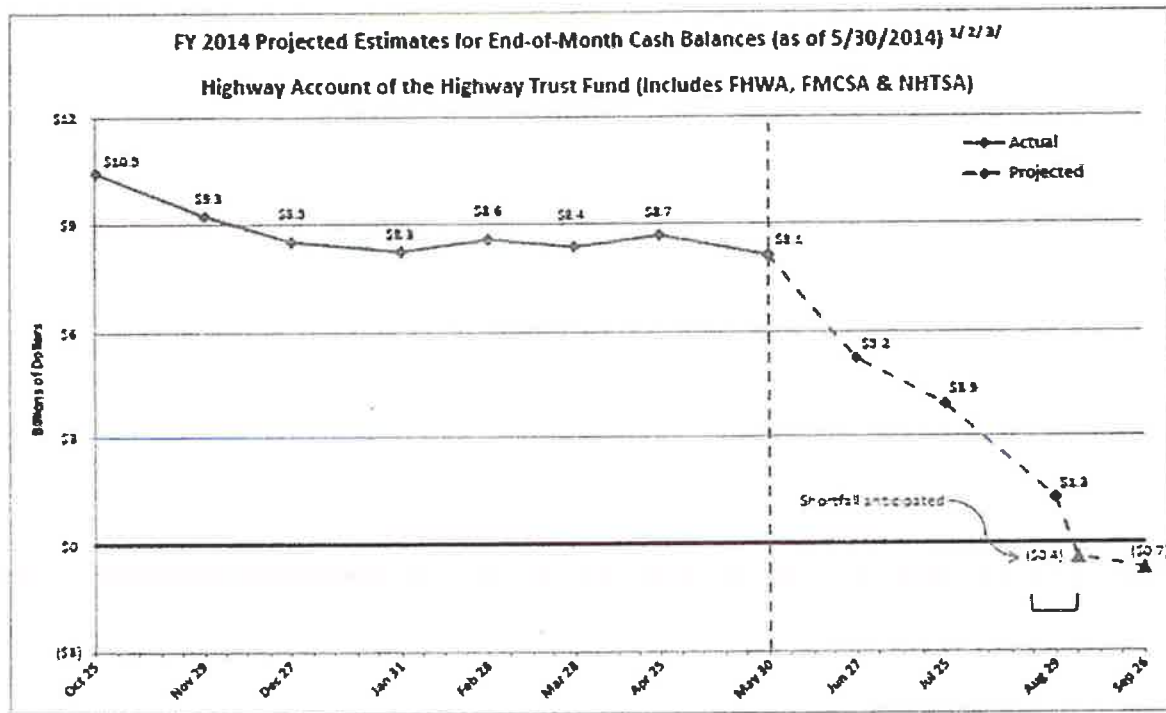


**Based on current spending and revenue trends, the U.S. Department of Transportation estimates that the Mass Transit Account of the Highway Trust Fund will have a balance of approximately \$1 billion at the end of FY 2014.**

- The Mass Transit Account began FY 2014 with approximately \$2.5 billion in cash.
- A \$2 billion transfer from the General Fund to the Mass Transit Account was processed shortly after the start of the fiscal year (\$2.2 billion authorized in MAP-21, reduced by sequestration).
- The cash balance has dropped by nearly \$1.7 billion since the General Fund transfer occurred. As of May 30, 2014, the Mass Transit Account cash balance was \$2.8 billion.

Updated: Tuesday, June 17, 2014

## Highway Account



Based on current spending and revenue trends, the U.S. Department of Transportation estimates that the Highway Account of the Highway Trust Fund will encounter a shortfall before the end of fiscal year (FY) 2014.

- The Highway Account began FY 2014 with approximately \$1.6 billion in cash.
- A \$9.7 billion transfer from the General Fund to the Highway Account was processed shortly after the start of the fiscal year (\$10.4 billion authorized in MAP-21, reduced by sequestration).
- The cash balance has dropped by nearly \$3.8 billion since the General Fund transfer occurred. As of May 30, 2014, the Highway Account cash balance was \$8.1 billion.

Updated: June 17, 2014

## **MST readies sales-tax measure, Presidio service cuts**

*By Larry Parsons lparsons@montereyherald.com @LParsons69 on Twitter Monterey County Herald*

*Posted: Thu Jun 05 17:55:12 MDT 2014*

MontereyHerald.com

**MONTEREY &GT;&GT;** Monterey-Salinas Transit is readying a sales-tax measure for the November ballot that would help transportation service for veterans and others. At the same time, a funding crunch threatens deep cuts in bus service to the Presidio of Monterey.

At their Monday meeting, MST directors likely will schedule a formal July 14 vote to put a one-eighth-cent, county-wide sales tax before Monterey County voters in the general election.

"We have been doing a lot of outreach throughout the community ... and we have not seen any organized opposition," agency general manager Carl Sedoryk said Thursday.

He said people appear to realize the local tax would provide money for programs that have lost federal funding but serve "very vulnerable members of the community."

If the proposed tax measure failed, the transit agency would likely cut some of the special services, but keep those required by the Americans with Disabilities Act and pay for them from general operating funds, Sedoryk said. That would cause other service cuts, he said.

More immediately, the agency put the Army on notice that because of federal funding cuts MST services to the Presidio's Defense Language Institute may be sharply reduced July 12. Services include bus passes, shuttles and special, peak-hour routes to neighborhoods with heavy populations of staff and service members.

The Presidio contract, one of three the transit agency has with county military installations, is popular and has been viewed as a model partnership between a civilian transit agency and a military base.

"We have thousands of people signed up, and it was recognized two years ago by the secretary of the Army as a best practice to be emulated," Sedoryk said.

The federal transit benefit for federal workers — the funding mechanism for MST's military partnership — was cut by Congress by nearly 50 percent in December — from \$245 to \$130. That reduced the money available for a program that costs MST \$1.8 million annually to about \$1 million.

"We've been trying to hold out, thinking Congress would fix us ... but nothing seems to be happening in Congress," he said.

Presidio officials are looking for ways to offset the commuter benefit cuts, and Congressman Sam Farr, D-Carmel, "has been trying to make things happen," Sedoryk said. "No one wants this,"

But it likely will be the fall before Congress addresses the issue, he said.

Presidio spokesman Dan Carpenter said, "Obviously cuts to the transportation funding, and ultimately the local bus service, will increase commuting costs for our work force and students."

He said the Presidio is working with MST "to increase awareness of the transportation program within our work force in order to keep enrollment up and maintain as much of the service."

MST services to the Naval Postgraduate School and Fort Hunter Liggett aren't facing similar cuts because their costs are fully covered, Sedoryk said.

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## Ride-shares warned by regulators: no airport runs

Carolyn Said

Updated 7:51 am, Thursday, June 12, 2014

California regulators are threatening to revoke permits for on-demand ride companies UberX, Lyft, Sidecar, Summon and Wingz unless they stop giving rides to and from airports within two weeks.

The move could lead to the state shutting down the companies' operations.

"We have heard numerous complaints that (our) safety rules are being ignored," Michael Peevey, president of the California Public Utilities Commission, wrote on Wednesday in an unusually stern letter to the transportation network companies, or TNCs.

The companies' citizen drivers give paid rides to and from airports in San Francisco, Oakland, San Jose, Los Angeles and San Diego without permission from the airports, he wrote. Taxi and limo services are required to pay for permits to operate at airports. Peevey cited an SFO report about TNC drivers, mainly affiliated with UberX, lacking airport permits, as well as lacking proper "trade dress" on their vehicles and lacking proof of insurance.

Flouting the airport rules also flouts regulations that the CPUC set up for the new generation of ride companies to operate in California. In a clear rebuttal to an argument often made by the ride companies, Peevey wrote: "These safety requirements should not hinder your creativity nor should they impede your innovation."

Uber said in a statement that it has been working for months to obtain airport permits.

"We have spent countless hours with airport managers and their staff to help develop requirements that are aligned with CPUC regulations and embrace the spirit of ride-sharing," said spokeswoman Eva Behrend. "The tone of the majority of these conversations has been mutually respectful and productive. It's unfortunate the CPUC is not allowing the airport process they designed to proceed by allowing ride-sharing companies to continue working with California airport authorities on their permitting process."

Peevey said his staff will start random audits of the ride companies' operations. Enforcement actions, including revoking their permits, will occur "if immediate action is not taken to bring your operation (and the actions of your contractors) into compliance," he wrote.

If the companies continued to operate after their permits were revoked, the CPUC could not only fine them "but also work with law enforcement to ensure a company ceases operations," said CPUC spokeswoman Terrie Prosper in an e-mail.

California was the first state to create an operating framework for the smartphone-summoned ride companies, issuing rules in September about driver background checks, driver training, car inspections and insurance.

Uber and Lyft are both rapidly expanding their operations, fueled by huge amounts of venture capital. They've faced strong opposition from both local regulators and taxi drivers who see their business disrupted.

On Tuesday, the PUC issued a proposed rule to expand insurance requirements for the companies, including covering the time while drivers wait to be matched with a ride.

*Carolyn Said is a San Francisco Chronicle staff writer. E-mail: csaid@sfgchronicle.com Twitter: @csaid*

### The End of the "Made-In-China" Era

The 21st century industrial revolution has already begun. All because of an incredible invention that's made in America.

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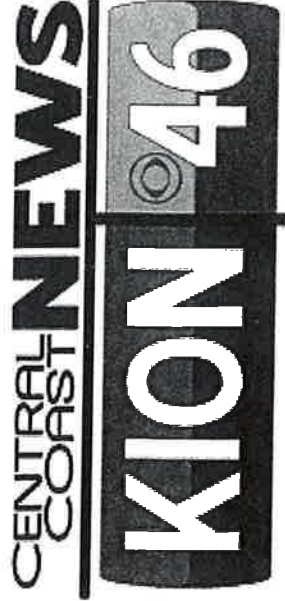
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6/16/2014

Cities to decide on new sales tax measure for voters | Local News - Central Coast News KION/KCBA

With several cities already considering new sales tax measures for the November ballot, the question remains whether TAMC will be able to get its own 1/8 cent sales tax measure approved to go before voters for Monterey Salinas Transit.

Monterey is already considering a half cent sales tax measure as well as Salinas.

Pacific Grove city council will be asked next Wednesday if it agrees with four other jurisdictions like Gonzales, Monterey, Marina and Sand City, to grant approval for the tax measure to be placed on the ballot.

MST requires a majority of member jurisdictions to agree to submit a ballot measure for voter consideration. A two-thirds vote will be required for passage because it is considered a special purpose tax.

The additional revenue that could be generated by the measure will be used specifically to provide services and equipment for veterans, seniors and persons with disabilities. The District manager states that without this additional revenue, current MST services to those special groups will be discontinued.

Pacific Grove already participates in the taxi voucher program by subsidizing the cost of the vouchers.

Some argue higher sales taxes can have a negative impact on local business. The higher the sales tax required to be paid, the more money could be shifted to on-line sales, shopping in neighboring counties, or other uses.

But Pacific Grove city officials said, based on neighboring city tax rates and increased taxation of on-line sales, this potential impact to Pacific Grove should be negligible.

If the measure is successful, it would raise the tax rate within City limits to 8.625 percent.

