



FYs 2011–2013 Triennial Performance Audit of Monterey-Salinas Transit (MST)

December 2014



Submitted to:

Transportation Agency for Monterey County

Prepared by:



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Section I

Introduction

California's Transportation Development Act (TDA) requires that a triennial performance audit be conducted of public transit entities that receive TDA revenues. The performance audit serves to ensure accountability in the use of public transportation revenue.

The Transportation Agency for Monterey County (TAMC) engaged PMC to conduct the TDA triennial performance audit of the public transit operators under its jurisdiction in Monterey County. This performance audit is conducted for the Monterey-Salinas Transit District (MST) covering the most recent triennial period, fiscal years (FY) 2010–11 through 2012–13.

The purpose of the performance audit is to evaluate MST's effectiveness and efficiency in its use of TDA funds to provide public transportation in its service area. This evaluation is required as a condition for continued receipt of these funds for public transportation purposes. In addition, the audit evaluates MST's compliance with the conditions specified in the California Public Utilities Code (PUC). This task involves ascertaining whether MST is meeting the PUC's reporting requirements. Moreover, the audit includes calculations of transit service performance indicators and a detailed review of the transit administrative functions. From the analysis that has been undertaken, a set of recommendations has been made which is intended to improve the performance of transit operations.

In summary, this TDA audit affords the opportunity for an independent, constructive, and objective evaluation of the organizations and their operations that otherwise might not be available. The methodology for the audit included in-person interviews with management, collection, and review of agency documents, data analysis, and on-site observations. The *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities* published by the California Department of Transportation (Caltrans) was used to guide in the development and conduct of the audit.

Overview of the Transit System

MST was created on July 1, 2010, pursuant to state Assembly Bill (AB) 644 (The Monterey-Salinas Transit District Act), which established the special district and dissolved the Monterey-Salinas Transit Joint Powers Agency (JPA). The JPA had been created in 1972 and encompassed the cities and communities located on the Monterey Peninsula. In 1981, the JPA was expanded and amended as Monterey-Salinas Transit (MST) when Monterey Peninsula Transit absorbed the Salinas Transit System. Eight member jurisdictions comprised the MST Board of Directors between 1981 and June 2010. The newly configured MST encompasses the cities of Gonzales, Greenfield, King City, Sand City, and Soledad in addition to the cities and communities served under the JPA.

Transit Service Area

Monterey County is located along the central coast region of California and forms the southern portion of Monterey Bay. The county is bordered by San Benito County to the east, San Luis Obispo County to the south, Fresno and Kings Counties to the southeast, and Santa Cruz County to the north. Established in 1850, the county was one of the original counties in California. The county derives its name from Monterey Bay, which was named in honor of the Conde de Monterey (Count of Monterey) by Sebastián Vizcaíno in 1602. Parts of Monterey County were ceded to San Benito County in 1874. Agriculture, education, government services, health care, military operations, and tourism are mainstays of the local economy. Major highways traversing Monterey County include US Highway 101 (US 101) and State Routes (SR) 1, 68, 146, 156, 183, and 198. US 101 is the main north-south highway that runs through the Salinas Valley and connects the county with the Bay Area and San Luis Obispo. SR 1 is the main coastal highway connecting the cities of Carmel-by-the-Sea, Monterey, and Seaside as well as the scenic Big Sur coastline to the south. SR 68 is the main east-west highway connecting Salinas and the Monterey Peninsula. A demographic snapshot of key cities and the county is presented in Table I-1:

**Table I-1
Monterey County Demographics**

| City/Jurisdiction | 2010 US Census Population | Change from 2000 US Census % | Population 65 Years & Older % | Land Area (in square miles) |
|------------------------------|---------------------------|------------------------------|-------------------------------|-----------------------------|
| Carmel-by-the-Sea | 3,722 | -9.9% | 35.68% | 1.08 |
| Del Rey Oaks | 1,624 | -1.6% | 18.97% | 0.48 |
| Gonzales | 8,187 | +8.6% | 5.99% | 1.92 |
| Greenfield | 16,330 | +29.8% | 2.70% | 2.14 |
| King City | 12,874 | +16.0% | 5.90% | 3.85 |
| Marina | 19,718 | -21.4% | 11.38% | 8.88 |
| Monterey | 27,810 | -6.4% | 15.45% | 8.47 |
| Pacific Grove | 15,041 | -2.8% | 21.57% | 2.87 |
| Salinas | 150,441 | -0.6% | 7.48% | 23.18 |
| Sand City | 334 | +28.0% | 2.69% | 0.56 |
| Seaside | 33,025 | +4.2% | 8.61% | 9.24 |
| Soledad | 25,738 | +124.8% | 4.61% | 4.41 |
| Unincorporated Area | 100,213 | +0.6% | 13.14% | 3,254.87 |
| Total Monterey County | 415,057 | +3.3% | 10.70% | 3,321.95 |

Source: 2010 US Census

The City of Salinas is the county seat and largest city. The county and its incorporated cities saw either negative or modest growth between the 2000 and 2010 US Census. The exceptions were the South County cities with Soledad exhibiting the highest percentage increase in population. The senior citizen population, comprising residents aged 65 and over, is 10.7 percent countywide. The 2014 population for Monterey County is estimated to be 425,756 as reported by the California Department of Finance.

Transit System Characteristics

MST operates local and regional service connected by a series of transit centers with timed connections to help speed travel and provide quick and easy transfers. Regional services connect major urban areas such as the Monterey Peninsula and Salinas, as well as connect with the Santa Cruz Metropolitan Transit District (Santa Cruz METRO) transit center in Watsonville and Caltrain and Santa Clara Valley Transportation Authority (VTA) buses in Gilroy, Morgan Hill, and San José.

Public transit modes encompass bus rapid transit (BRT), express, fixed route, seasonal trolley, and Americans with Disabilities Act (ADA) paratransit within Monterey County as well as to neighboring counties. The main transit centers are the Marina Transit Exchange, Monterey Transit Plaza, Salinas Transit Center, and the Sand City Station. MST has mobility management centers located in Monterey and Salinas, which in addition to providing customer service and transit connections, offer travel training services.

Most routes operate seven days a week with varying service hours based on the mode. Limited service is operated on New Year's Day, Thanksgiving Day, and Christmas Day. Service operated on Martin Luther King Jr. Day, President's Day, Memorial Day, Independence Day, Labor Day, Veterans Day (observed), Christmas Eve, and New Year's Eve operates on the Sunday schedule. A summary of MST services are presented as follows:

- **The MST Trolley:** The MST Trolley operates from downtown Monterey along Cannery Row to the Monterey Bay Aquarium, providing residents and visitors with convenient connections to parking lots and transit centers. The service runs from Memorial Day to Labor Day.
- **Bus Rapid Transit (BRT):** MST received funding for a "Small Starts" BRT corridor project between Sand City, Seaside and Monterey. MST's BRT service JAZZ is designed to be a high frequency service with bus stop and traffic priority amenities designed to ease passenger boarding and reduce dwell times and trip times through congested corridors.
- **Big Sur:** MST operates daily summer service along the Big Sur coast highway, providing one of the most spectacular public transportation journeys in America.
- **On Call:** MST provides "On Call" service in the cities of Marina, Gonzales, Greenfield, Soledad, and King City for areas that are best served by demand-response service or for passengers in smaller rural cities. Passengers using On-Call phone MST one hour in advance, and are then directed to the closest pickup point. On-Call has limited time points and provides scheduling flexibility for passengers outside a fixed-route service area.
- **Accessible Taxis:** In the summer of 2012, MST placed accessible taxicabs into service in Monterey County. These vehicles were purchased using a New Freedom grant to help expand transportation options beyond ADA requirements for individuals with disabilities.

These vehicles are leased to Monterey County Regional Taxi Authority members and used to assist persons with disabilities and other travel challenges to find same-day transportation to and from their desired destinations, and are also used to support MST’s senior shuttle expansion.

A summary of MST’s fixed-route service is presented in Table I-2.

**Table I-2
MST Fixed Route Services**

| Route Number | Description | Key Destinations/Timepoints |
|---------------------|--|--|
| JAZZ | BRT Aquarium-Sand City (A-B-C Lines) | <ul style="list-style-type: none"> ▪ Sand City Station ▪ MPC Quad ▪ Fremont & Aguajito ▪ Monterey Transit Plaza ▪ Aquarium |
| 1 | Asilomar-Monterey | <ul style="list-style-type: none"> ▪ Monterey Transit Plaza ▪ Aquarium-Foam & Irving ▪ Pacific Grove-Lighthouse & Fountain ▪ Asilomar & Sinex ▪ Pacific Grove Golf Course |
| 2 | Pacific Grove-Del Monte Center | <ul style="list-style-type: none"> ▪ Del Monte Center ▪ Monterey Transit Plaza ▪ Aquarium-Foam & Irving ▪ Pacific Grove-Forest & Forest Hill ▪ Pacific Grove-Lighthouse & Fountain |
| 3 | CHOMP-Monterey | <ul style="list-style-type: none"> ▪ Monterey Transit Plaza ▪ Franklin & High ▪ Via Gayuba & Via Paraiso ▪ CHOMP |
| 7 | Del Rey Oaks-Monterey | <ul style="list-style-type: none"> ▪ Monterey Transit Plaza ▪ Del Monte Center ▪ Glenwood Circle ▪ Monterey Regional Airport ▪ CTB McGraw Hill ▪ Del Rey Oaks-Via Verde & Canyon Del Rey |
| 8 | Ryan Ranch-Sand City (via Seaside & Del Rey Oaks) | <ul style="list-style-type: none"> ▪ Sand City Station ▪ Seaside-Broadway & Noche Buena ▪ Seaside-Kimball & Noche Buena ▪ Del Rey Oaks-Via Verde & Canyon Del Rey ▪ CTB McGraw Hill ▪ Ryan Ranch Upper Ragsdale & Lower Ragsdale |
| 11 | Carmel-Sand City | <ul style="list-style-type: none"> ▪ Sand City Station ▪ Laguna Plaza ▪ Yosemite & Ord Grove ▪ Broadway & Noche Buena ▪ Fremont & Francis |

| Route Number | Description | Key Destinations/Timepoints |
|--------------|-------------------------------------|--|
| | | <ul style="list-style-type: none"> ▪ Del Monte Center ▪ Carmel-6th & Mission |
| 12 | The Dunes-NPS | <ul style="list-style-type: none"> ▪ Monterey Transit Plaza ▪ NPS-Sloat & 9th Street ▪ Broadway & Noche Buena ▪ Fitch Park-Ardenes & Aachen ▪ Fitch Park-Ardenes & Hatten ▪ DOD Annex-Gigling & 6th ▪ The Dunes Shopping Center |
| 14 | La Mesa-NPS | <ul style="list-style-type: none"> ▪ Monterey Transit Plaza ▪ NPS-Sloat Avenue & 9th ▪ La Mesa-Bergin & Ride Share ▪ La Mesa-Spruance & Fechteler |
| 16 | Marina-Monterey (via CSUMB) | <ul style="list-style-type: none"> ▪ Del Monte Center Gate 3 ▪ Monterey Transit Plaza ▪ Sand City Station ▪ Noumea & Luzon ▪ CSUMB Alumni & Visitor's Center ▪ Schoonover & White Court ▪ Preston & Ready ▪ Reservation & Beach ▪ Marina Transit Exchange |
| 17 | CSUMB-Marina | <ul style="list-style-type: none"> ▪ Marina Transit Exchange ▪ The Dunes Shopping Center ▪ CSUMB Alumni & Visitors Center ▪ CSUMB Library |
| 20 | Salinas-Monterey (via Marina) | <ul style="list-style-type: none"> ▪ Monterey Transit Plaza ▪ Sand City Station ▪ Marina Transit Exchange ▪ Salinas Transit Center |
| 21 | Pebble Beach-Salinas <i>Express</i> | <ul style="list-style-type: none"> ▪ Salinas Transit Center ▪ Marina Transit Center ▪ Dunes Shopping Center ▪ Sand City Station ▪ Monterey Transit Plaza ▪ Monterey Conference Center ▪ Aquarium ▪ Inn at Spanish Bay ▪ Lodge at Pebble Beach |
| 22 | Big Sur-Monterey | <ul style="list-style-type: none"> ▪ Price Fitness Center ▪ Rifle Range Bldg 627 ▪ Monterey Conference Center ▪ Monterey Transit Plaza ▪ Del Monte Center ▪ Carmel-6th & Mission ▪ Point Lobos |

| Route Number | Description | Key Destinations/Timepoints |
|--------------|--|---|
| | | <ul style="list-style-type: none"> ▪ Andrew Molera State Park ▪ Big Sur River Inn ▪ Big Sur Nepenthe |
| 23 | Salinas-King City | <ul style="list-style-type: none"> ▪ Hartnell College ▪ Salinas Transit Center ▪ Chualar-Grant & South ▪ Gonzales Center ▪ Soledad-Front & San Vicente ▪ Soledad-Mission Shopping Center ▪ Greenfield-Santa Lucia Square ▪ King City-Mee Memorial ▪ King City-1st & Pearl |
| 24 | Monterey-Carmel Valley Grapevine Express (via Carmel) | <ul style="list-style-type: none"> ▪ Tyler & Franklin ▪ Monterey Transit Plaza ▪ Del Monte Center ▪ Del Monte Center Gate 3 ▪ Carmel-6th & Mission ▪ Carmel Rancho ▪ Chateau Julien ▪ Mid Valley Center ▪ Rippling River |
| 25 | CSUMB-Salinas | <ul style="list-style-type: none"> ▪ Salinas Transit Center ▪ Preston & Ready ▪ CSUMB Alumni & Visitor's Center |
| 26 | CSUMB-East Campus Express | <ul style="list-style-type: none"> ▪ CSUMB Alumni & Visitor's Center ▪ Manassas & Wilderness ▪ Bunker Hill & Yorktown |
| 27 | Watsonville-Marina | <ul style="list-style-type: none"> ▪ Marina Transit Exchange ▪ Moro Cojo-Esperanza & Vista de Tierra ▪ Castroville-Merritt & Union ▪ Moss Landing-Hwy 1 & Dolan Road ▪ Watsonville Transit Center |
| 28 | Watsonville-Salinas (via Castroville) | <ul style="list-style-type: none"> ▪ Salinas Transit Center ▪ Castroville-Merritt & Union ▪ Moss Landing-Hwy 1 & Dolan Road ▪ Watsonville Transit Center |
| 29 | Watsonville-Salinas (via Prunedale) | <ul style="list-style-type: none"> ▪ Salinas Transit Center ▪ N. Main & Laurel ▪ Northridge Mall ▪ Prunedale Park & Ride ▪ Prunetree Center ▪ Watsonville Transit Center |

| Route Number | Description | Key Destinations/Timepoints |
|--------------|--|---|
| 36 | Laguna Seca-Carmel | <ul style="list-style-type: none"> ▪ Laguna Seca Regional Park ▪ Carpenter & Valley ▪ 6th & Mission ▪ Carmel Rancho ▪ Carmel Valley Village |
| 37 | Laguna Seca-Seaside | <ul style="list-style-type: none"> ▪ Laguna Seca Regional Park ▪ Casa Verde & Fremont ▪ Fremont & Canyon Del Rey ▪ Embassy Suites |
| 38 | Laguna Seca-Monterey | <ul style="list-style-type: none"> ▪ Laguna Seca Regional Park ▪ MPC Parking ▪ Monterey Transit Plaza ▪ Monterey Conference Center |
| 39 | Laguna Seca-Salinas | <ul style="list-style-type: none"> ▪ Laguna Seca Regional Park ▪ S. Main & Nissen/Plaza ▪ Salinas Transit Center |
| 41 | Northridge-Salinas (via East Alisal) | <ul style="list-style-type: none"> ▪ Salinas Transit Center ▪ E. Alisal & Towt ▪ Natividad Medical Center ▪ Northridge Mall |
| 43 | South Salinas-Salinas (via SVMH) | <ul style="list-style-type: none"> ▪ Salinas Transit Center ▪ SVMH ▪ Brunken & Malarin ▪ S. Main & Stephanie ▪ S. Main & Plaza |
| 44 | Northridge-Salinas (via Westridge) | <ul style="list-style-type: none"> ▪ Salinas Transit Center ▪ Post & Davis ▪ Westridge ▪ Northridge Mall |
| 45 | Northridge-Salinas (via East Market) | <ul style="list-style-type: none"> ▪ Salinas Transit Center ▪ Sanborn & Market ▪ Sanborn & Del Monte ▪ Independence & Nantucket ▪ Boronda & San Juan Grande ▪ Northridge Mall |
| 47 | Hartnell-Alisal Campus | <ul style="list-style-type: none"> ▪ Hartnell College Circle ▪ Salinas Transit Center ▪ Alisal & Towt ▪ Hartnell College Alisal Campus |
| 48 | Salinas-Salinas Airport Business Center | <ul style="list-style-type: none"> ▪ Salinas Transit Center ▪ Salinas Adult School ▪ Natividad Medical Center ▪ Salinas Airport Business Center |

| Route Number | Description | Key Destinations/Timepoints |
|--------------|--|---|
| 49 | Salinas-Santa Rita (via Northridge) | <ul style="list-style-type: none"> ▪ Salinas Transit Center ▪ N. Main & Laurel ▪ Northridge Mall ▪ Boronda & San Juan Grade |
| 55 | Monterey-San José Express | <ul style="list-style-type: none"> ▪ Monterey Transit Plaza ▪ Sand City Station ▪ Prunedale Park & Ride ▪ Gilroy Caltrain Station ▪ San José Diridon Station |
| 56 | Salinas-Monterey | <ul style="list-style-type: none"> ▪ Price Fitness Center ▪ Rifle Range Bldg 627 ▪ Patton & 15th Infantry ▪ Tyler & Franklin ▪ Monterey Transit Plaza ▪ Monterey Regional Airport ▪ Ryan Ranch-Wilson & Ragsdale ▪ Hwy 68 & Laguna Seca ▪ Portola & Creekside ▪ Salinas Transit Center ▪ Davis & Larkin ▪ N. Main & Boronda ▪ Constitution & Independence |
| 69 | Presidio-Del Monte Center | <ul style="list-style-type: none"> ▪ Del Monte Center ▪ Del Monte Center Gate 3 ▪ Monterey Transit Plaza ▪ Private Bolio Gate ▪ Rifle Range Bldg 619 ▪ Price Fitness Center |
| 70 | Presidio-La Mesa | <ul style="list-style-type: none"> ▪ La Mesa-Bergin & Ride Share ▪ La Mesa-Spruance & Fechteler ▪ Glenwood Circle ▪ Pacific & Buena Vista ▪ Franklin Gate ▪ Private Bolio Gate ▪ Rifle Range Bldg 619 ▪ Price Fitness Center |
| 71 | Presidio-Marina Express | <ul style="list-style-type: none"> ▪ Marina Transit Exchange ▪ Bostick & Larson ▪ Reindollar & Del Monte ▪ Tyler & Franklin ▪ Franklin Gate ▪ Price Fitness Center |

| Route Number | Description | Key Destinations/Timepoints |
|--------------|---------------------------------------|--|
| 74 | Presidio-Preston Park Express | <ul style="list-style-type: none"> ▪ Torero & Portola ▪ Portola & Creekside ▪ Preston & Ready ▪ Schoonover & White ▪ DOD Annex-Gigling & 6th ▪ Tyler & Franklin ▪ Franklin Gate ▪ Price Fitness Center |
| 75 | Presidio-Marshall Park Express | <ul style="list-style-type: none"> ▪ Marshall Park-Malmedy & Kalborn ▪ Fitch Park-Ardenes & Aachen ▪ Fitch Park-Ardenes & Hatten ▪ Stillwell Park-Monterey & Normandy ▪ Stillwell Park-Noumea & Luzon ▪ Hayes Park-Monterey & Buna ▪ Sand City Station ▪ Tyler & Franklin ▪ Franklin Gate ▪ Private Bolio Gate ▪ Rifle Range & Bldg 619 ▪ Price Fitness Center |
| 76 | Presidio-Stilwell Park Express | <ul style="list-style-type: none"> ▪ Noumea & Luzon ▪ Monterey Road & Normandy ▪ Monterey Road & Buna ▪ Sand City Station ▪ Tyler & Franklin ▪ Franklin Gate ▪ Private Bolio Gate ▪ Rifle Range & Bldg 619 ▪ Price Fitness Center |
| 77 | Presidio-Seaside | <ul style="list-style-type: none"> ▪ Coe & Sea Ridge ▪ Broadway & Yosemite ▪ Broadway & Noche Buena ▪ Euclid & Casanova ▪ Tyler & Franklin ▪ Franklin Gate ▪ Private Bolio ▪ Price Fitness Center |

| Route Number | Description | Key Destinations/Timepoints |
|--------------|--|---|
| 78 | Presidio-Santa Cruz Express | <ul style="list-style-type: none"> ▪ Price Fitness Center ▪ Rifle Range Bldg 627 ▪ Patton Ave., 15th Infantry ▪ Tyler & Franklin ▪ Monterey Transit Plaza ▪ Sand City Station ▪ Marina-Del Monte & Palm ▪ Castroville-Merritt & Union ▪ Salinas Road Park & Ride ▪ Aptos-Soquel Drive & State Park Drive ▪ Cabrillo College ▪ Dominican Hospital ▪ Santa Cruz Metro Center Lane 3 |
| 82 | Fort Hunter Liggett-Salinas Express | <ul style="list-style-type: none"> ▪ Hwy 68 & Laureles Grade ▪ Salinas Transit Center ▪ Soledad-Mission Shopping Center ▪ Greenfield-Santa Lucia Square ▪ King City-1st & Pearl ▪ King City-Mee Memorial ▪ Fort Hunter Liggett-Infantry Road & HQ Bldg |
| 83 | Fort Hunter Liggett-Paso Robles Express | <ul style="list-style-type: none"> ▪ Fort Hunter Liggett-Infantry & HQ Bldg ▪ Lockwood-Jolon & Interlake ▪ San Miguel-Mission & 4th ▪ Paso Robles-Niblick & WalMart ▪ Paso Robles Transit Center |
| 91 | Sand City-Pacific Meadows | <ul style="list-style-type: none"> ▪ Pacific Meadows ▪ Carmel Foundation ▪ Del Monte Center ▪ Monterey Sports Center ▪ Monterey Transit Plaza ▪ Monterey-Cass St. & El Dorado ▪ Sand City Station |
| 92 | CHOMP-Pacific Meadows (via Carmel) | <ul style="list-style-type: none"> ▪ Pacific Meadows ▪ Carmel Rancho-Save Mart ▪ Crossroads Shopping Center ▪ Crossroads Safeway ▪ Carmel Foundation ▪ Carmel-6th & Mission ▪ CHOMP |
| 93 | Monterey-Pacific Meadows (via Carmel) | <ul style="list-style-type: none"> ▪ Pacific Meadows ▪ Carmel Rancho-Save Mart ▪ Crossroads Shopping Center ▪ Crossroads Safeway ▪ Carmel-6th & Mission ▪ Del Monte Center ▪ Monterey Transit Plaza |

| Route Number | Description | Key Destinations/Timepoints |
|--------------|------------------------------|--|
| 94 | Sand City-Carmel Rancho | <ul style="list-style-type: none"> ▪ Carmel Rancho ▪ Santa Lucia & Monte Verde ▪ Carmel-6th & Mission ▪ CHOMP ▪ Del Monte Center ▪ Monterey Transit Plaza ▪ Euclid & Casanova ▪ Hilby & Wheeler ▪ Villa Del Monte ▪ Sand City Station |
| 95 | Williams Ranch-Northridge | <ul style="list-style-type: none"> ▪ Northridge Mall ▪ Regency Circle ▪ N. Main & Laurel ▪ Salinas Transit Center ▪ SVMH ▪ Blanco Circle ▪ Williams & E. Alisal ▪ Mesquite & Tumbleweed |
| Presidio | Presidio Shuttle | <ul style="list-style-type: none"> ▪ Patton Avenue & 15th Infantry ▪ Rifle Range & Bldg 619 ▪ Price Fitness Center |
| MST On Call | MST On Call Marina | <ul style="list-style-type: none"> ▪ Marina Neighborhoods |
| MST On Call | MST On Call South County | <ul style="list-style-type: none"> ▪ Gonzales ▪ Greenfield ▪ King City ▪ Soledad |
| Trolley | MST Trolley Monterey | <ul style="list-style-type: none"> ▪ Monterey Transit Plaza ▪ Downtown Parking Garage ▪ Pacific & Del Monte ▪ Fisherman's Wharf ▪ Cannery Row ▪ Monterey Bay Aquarium |
| Special | Del Rey Oaks Special Service | <ul style="list-style-type: none"> ▪ Monterey Conference Center ▪ Tyler & Franklin Parking Garage ▪ Sand City Station ▪ Canyon Del Rey & Fremont ▪ Canyon Del Rey & Carlton Drive ▪ Canyon Del Rey & The Oaks ▪ Canyon Del Rey & Del Rey Gardens |

Source: MST

MST RIDES - ADA Paratransit

MST RIDES provides curb-to-curb paratransit services within a 3/4-mile on either side of an MST fixed-route line for those individuals with disabilities who cannot access the regular MST fixed-route service. Service is provided in the Monterey Peninsula and Salinas urbanized areas, rural north county areas, the SR 68 corridor, and the US 101 corridor between Salinas and King City. Under a contractual arrangement with the County of Monterey, the MST RIDES ST (Special Transit) program serves individuals who live beyond the 3/4-mile zone in communities in northern Monterey County as well as in areas between 3/4-mile and one mile of US-101 between Salinas and King City. Beyond King City, the RIDES ST program is available to anyone living within a mile of US 101 as far south as San Ardo, San Lucas, and Bradley. In addition, MST RIDES offers a reimbursed taxi program, as well as out-of-county specialized medical transportation twice monthly for persons with disabilities.

MST RIDES operates in concert with the service hours and days of operation of the MST fixed-route service. Reservation requests are received until 5:00 p.m. daily for next-day service and can be received up to seven days in advance. One registered personal care attendant accompanying a fare-paying passenger may ride free of charge. The MST RIDES fare structure is based on miles traveled, one-way. Ticket books are available and may be purchased from MST customer service locations. The MST RIDES fare schedule is shown in Table I-3:

**Table I-3
MST RIDES Fare Schedule**

| Distance/Fare Media | Fare |
|-----------------------------|-------------|
| One-way, = or < 2.7 miles | \$3.00 |
| One-way, = or < 19.7 miles | \$5.00 |
| One-way, > 19.7 miles | \$7.00 |
| Ticket Books | Fare |
| Books of 30, \$1.00 tickets | \$30.00 |
| Books of 10, \$5.00 tickets | \$50.00 |

Source: MST

Fares

MST fixed-route fare media comprise cash and several pass options based on the number of consecutive days utilized. Discounted fares are applicable for following passenger categories:

- 18 years and under
- 65 years and older
- Individuals with disabilities
- Medicare card holders

Proof of age, an MST Courtesy Card, or Medicare card is required upon boarding. MST honors discount courtesy cards issued by other transit systems. The current fare structure for MST is summarized in Table I-4:

**Table I-4
MST Fare Schedule**

| Fare/Pass Category | Regular | Discount |
|--|-----------------|-----------------|
| Local | \$1.50 | \$0.75 |
| Primary (Base) | \$2.50 | \$1.25 |
| Regional | \$3.50 | \$1.75 |
| Commuter | \$12.00 | \$6.00 |
| Children (46 inches and under) | Free | |
| GoPasses (Consecutive Days) | | |
| 31 Day Super | \$190.00 | \$95.00 |
| 31 Day Basic | \$95.00 | \$47.00 |
| 7 Day Super | \$50.00 | \$25.00 |
| Day Pass (available onboard) | \$10.00 | \$5.00 |
| Summer Youth (June 1–August 31) | \$38.00 | |

Source: MST

The 31 Day Super, 7 Day Super, and Summer Youth GoPasses are valid on all MST bus routes. The 31 Day Basic GoPasses are valid on Primary and Local routes. A GoCard is a stored value card that is used like a debit card, which requires a \$10 minimum purchase. Fares are automatically deducted from the card balance. Passengers receive an additional 10 percent value each time the card is reloaded. Organizations with at least three riders receive a discount on 31 Day Super and 31 Day Basic GoPasses.

Fleet

There were 140 vehicles in the MST fleet during the audit period. The majority of directly operated fixed-route vehicles are diesel-powered whereas most paratransit and contract-operated vehicles are gas-powered. In September 2013, six model year 2000 Gillig Phantom buses were removed from service, with three designated as spare vehicles and the remaining three decommissioned. These deactivated buses are a result of service reductions and the addition of four new hybrid buses and one new low-floor Gillig commuter bus placed into service during the summer of 2013. All vehicles are wheelchair-accessible with tie-downs in compliance with ADA. Table I-5 shows the vehicle fleet information for the MST fixed-route service:

**Table I-5
MST Fixed-Route Transit Fleet**

| Year | Make/Model | Quantity | Seating Capacity/Wheelchair | Fuel Type |
|--------------|------------------------------|------------|-----------------------------|-----------|
| 2000 | Gillig Phantom Transit 1100 | 15 | 35 (2 W/C) | Diesel |
| 2002 | Gillig Low Floor 1700 | 12 | 37 (2 W/C) | Diesel |
| 2002 | Gillig Phantom Suburban 1800 | 4 | 39 (2 W/C) | Diesel |
| 2003 | Gillig Phantom Transit 1100 | 8 | 39 (2 W/C) | Diesel |
| 2003 | Gillig Low Floor 1700 | 12 | 36 (2 W/C) | Diesel |
| 2003 | Gillig Phantom Suburban 1800 | 4 | 39 (2 W/C) | Diesel |
| 2003 | Optima Trolley 1900 | 8 | 27 (2 W/C) | Diesel |
| 2007 | Gillig Low Floor 2000 | 10 | 31 (2 W/C) | Diesel |
| 2007 | El Dorado Aerotech (23-foot) | 8 | 16 (2 W/C) | Gas |
| 2007 | El Dorado Aerotech (24-foot) | 1 | 16 (2 W/C) | Gas |
| 2008 | Gillig Low Floor 1700 | 5 | 37 (2 W/C) | Diesel |
| 2008 | Aerotech (23-foot) | 3 | 16 (2 W/C) | Gas |
| 2008 | Aerotech (24-foot) | 1 | 14 (2 W/C) | Gas |
| 2009 | MCI Suburban 4500 | 2 | 57 (2 W/C) | Diesel |
| 2009 | Aerotech (23-foot) | 3 | 16 (2 W/C) | Gas |
| 2010 | MCI Suburban 4500 | 1 | 57 (2 W/C) | Diesel |
| 2011 | Aerotech (24-foot) | 6 | 18 (2 W/C) | Gas |
| 2012 | MCI Suburban 4500 | 1 | 57 (2 W/C) | Diesel |
| 2013 | Gillig Low Floor Commuter | 1 | 39 (2 W/C) | Diesel |
| 2013 | El Dorado AeroElite | 4 | 30 (2 W/C) | Hybrid |
| Total | | 109 | | |

Source: MST Fleet & Facilities Management Plan, December 2013; National Transit Database, 2013

MST RIDES Paratransit Fleet

MST RIDES operates a fleet of 31 unleaded gasoline-powered vehicles. The fleet varies in type and passenger capacity. All vehicles are wheelchair-accessible with tie-downs in compliance with ADA. Table I-6 summarizes the MST fleet.

**Table I-6
MST RIDES Fleet**

| Year | Make/Model | Quantity | Seating Capacity | Fuel Type |
|--------------|-------------------|-----------------|-------------------------|------------------|
| 2001 | Aerotech | 1 | 13 | Gas |
| 2005 | Aerotech | 3 | 10 | Gas |
| 2006 | Aerotech | 3 | 10 | Gas |
| 2007 | Starcraft Allstar | 5 | 10 | Gas |
| 2008 | Aerotech | 1 | 10 | Gas |
| 2008 | Starcraft Allstar | 8 | 10 | Gas |
| 2010 | Starcraft Allstar | 6 | 10 | Gas |
| 2010 | Dodge Caravan | 3 | 7 | Gas |
| 2012 | Aerotech | 1 | 10 | Gas |
| Total | | 31 | | |

Source: MST, National Transit Database, 2013

Section II

Operator Compliance Requirements

This section of the audit report contains the analysis of MST’s ability to comply with state requirements for continued receipt of TDA funds. The evaluation uses the guidebook, *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Agencies, September 2008* (third edition), which was developed by Caltrans to assess transit operators. The guidebook contains a checklist of eleven measures taken from relevant sections of the PUC and the California Code of Regulations. Each of these requirements is discussed in the table below, including a description of the system’s efforts to comply with the requirements. In addition, the findings from the compliance review are described in the text following the table.

| Table II-1 Operator Compliance Requirements Matrix | | |
|---|--------------------------------------|---|
| Operator Compliance Requirements | Reference | Compliance Efforts |
| The transit operator submitted annual reports to the RTPA based upon the Uniform System of Accounts and Records established by the State Controller. Report is due 90 days after end of fiscal year (Sept. 28/29), or 110 days (Oct. 19/20) if filed electronically (Internet). | Public Utilities Code, Section 99243 | <p>Completion/submittal dates:</p> <p><i>For MST:</i></p> <p>FY 2011: October 18, 2011 FY 2012: November 14, 2012 FY 2013: October 11, 2013</p> <p><i>For MST RIDES: (Specialized Service)</i></p> <p>FY 2011: October 18, 2011 FY 2012: November 14, 2012 FY 2013: October 13, 2013</p> <p>The FY 2012 Transit Operator Financial Transactions Reports for the MST fixed-route and specialized services were submitted after the statutory due dates.</p> <p>Conclusion: Partial Compliance.</p> |
| The operator has submitted annual fiscal and compliance audits to the RTPA and to the | Public Utilities Code, Section 99245 | Completion/submittal dates: |

| Table II-1 Operator Compliance Requirements Matrix | | |
|---|--|---|
| Operator Compliance Requirements | Reference | Compliance Efforts |
| State Controller within 180 days following the end of the fiscal year (Dec. 27), or has received the appropriate 90-day extension by the RTPA allowed by law. | | <p>FY 2011: December 28, 2011 FY 2012: December 28, 2012 FY 2013: January 31, 2014</p> <p>Source: FY 2011–2013 MST Comprehensive Annual Financial Reports (CAFRs)</p> <p>Conclusion: Complied.</p> |
| The CHP has, within the 13 months prior to each TDA claim submitted by an operator, certified the operator’s compliance with Vehicle Code Section 1808.1 following a CHP inspection of the operator’s terminal. | Public Utilities Code, Section 99251 B | <p>MST participates in the California Highway Patrol (CHP) Transit Operator Compliance Program in which the CHP has conducted inspections within the 13 months prior to each TDA claim.</p> <p>Inspections were conducted at the MST facility located at One Ryan Ranch Road, Monterey:</p> <p>Inspection dates applicable to the audit period were March 9-11, 2011; March 6-8, 2012; October 3, 2012; and March 6-8, 2013.</p> <p>Inspections were found to be satisfactory.</p> <p><i>For contract operated vehicles:</i></p> <p>Inspections were conducted at the MV Transportation facility located at 1375 Burton Avenue in Salinas:</p> <p>Inspection dates applicable to the audit period were March 9-11, 2011; March 6-8, 2012; October 3, 2012; and March 6-8, 2013.</p> |

| Table II-1 Operator Compliance Requirements Matrix | | |
|---|--|--|
| Operator Compliance Requirements | Reference | Compliance Efforts |
| | | Conclusion: Complied. |
| The operator’s claim for TDA funds is submitted in compliance with rules and regulations adopted by the RTPA for such claims. | Public Utilities Code, Section 99261 | <p>Since becoming a transit district, MST has received a majority of the TDA funds allocated to Monterey County on behalf of its constituent agencies. Therefore, MST no longer submits annual claims for Local Transportation Funds (LTF) and State Transit Assistance (STA) to the RTPA. Prior to this change, claims for TDA funds were submitted in compliance with the rules and regulations adopted by the TAMC. However, as a best practice measure, it is recommended that MST work with TAMC to reinstate formal claims procedures to maintain documented funding allocations between the two agencies.</p> <p>Conclusion: Complied.</p> |
| If an operator serves urbanized and non-urbanized areas, it has maintained a ratio of fare revenues to operating costs at least equal to the ratio determined by the rules and regulations adopted by the RTPA. | Public Utilities Code, Section 99270.1 | <p>Since becoming a transit district and expanding its service area into non-urbanized areas, MST is subject to an intermediate ratio of no less than 15 percent as adopted by TAMC, and as stated in the Financial Highlights section of the MST CAFR. The audited farebox ratios for MST were as follows:</p> <p>FY 2011: 29.13% FY 2012: 27.02% FY 2013: 24.55%</p> |

| Table II-1 Operator Compliance Requirements Matrix | | |
|---|---|--|
| Operator Compliance Requirements | Reference | Compliance Efforts |
| | | Conclusion: Complied. |
| The operator’s operating budget has not increased by more than 15% over the preceding year, nor is there a substantial increase or decrease in the scope of operations or capital budget provisions for major new fixed facilities unless the operator has reasonably supported and substantiated the change(s). | Public Utilities Code, Section 99266 | <p>Percentage increase in the MST operating budget:</p> <p>FY 2011: -4.6%</p> <p>FY 2012: +4.7%</p> <p>FY 2013: +8.9%</p> <p>Source: FY 2010-2013 MST Annual Budgets</p> <p>Conclusion: Complied.</p> |
| The operator’s definitions of performance measures are consistent with Public Utilities Code Section 99247, including (a) operating cost, (b) operating cost per passenger, (c) operating cost per vehicle service hour, (d) passengers per vehicle service hour, (e) passengers per vehicle service mile, (f) total passengers, (g) transit vehicle, (h) vehicle service hours, (i) vehicle service miles, and (j) vehicle service hours per employee. | Public Utilities Code, Section 99247 | <p>MST’s definition of performance is consistent with PUC Section 99247.</p> <p>Conclusion: Complied.</p> |
| If the operator serves an urbanized area, it has maintained a ratio of fare revenues to operating costs at least equal to one-fifth (20 percent), unless it is in a county with a population of less than 500,000, in which case it must maintain a ratio of fare revenues to operating costs of at least equal to three- | Public Utilities Code, Sections 99268.2, 99268.3, 99268.12, 99270.1 | <p>MST is subject to the intermediate ratio for operators that serve both urbanized and non-urbanized areas.</p> <p>Conclusion: Not Applicable.</p> |

| Table II-1 Operator Compliance Requirements Matrix | | |
|---|---|--|
| Operator Compliance Requirements | Reference | Compliance Efforts |
| twentieths (15 percent), if so determined by the RTPA. | | |
| If the operator serves a rural area, or provides exclusive services to elderly and disabled persons, it has maintained a ratio of fare revenues to operating costs at least equal to one-tenth (10 percent). | Public Utilities Code, Sections 99268.2, 99268.4, 99268.5 | MST is subject to the intermediate ratio for operators that serve both urbanized and non-urbanized areas. Conclusion: Not Applicable. |
| The current cost of the operator’s retirement system is fully funded with respect to the officers and employees of its public transportation system, or the operator is implementing a plan approved by the RTPA which will fully fund the retirement system within 40 years. | Public Utilities Code, Section 99271 | MST contributes toward its employees’ retirement through California Public Employees’ Retirement System (CalPERS). Employees are required to contribute 7 percent of covered salary to CalPERS. Contractual employees’ retirement is provided through a 401K Retirement Savings Plan. Conclusion: Complied. |
| If the operator receives state transit assistance funds, the operator makes full use of funds available to it under the Urban Mass Transportation Act of 1964 before TDA claims are granted. | California Code of Regulations, Section 6754(a)(3) | MST receives State Transit Assistance Funds in addition to federal funds that are available to the district as reported in the federal NTD reports: FY 2011: Operations (\$7,882,494) FY 2012: Operations (\$8,381,215) Capital (\$320,713) FY 2013: Operations (\$10,082,052) Capital (\$2,769,839) |

| Table II-1 Operator Compliance Requirements Matrix | | |
|---|-----------|--|
| Operator Compliance Requirements | Reference | Compliance Efforts |
| | | Source: National Transit Database Conclusion: Complied. |

Findings and Observations from Operator Compliance Requirements Matrix

1. Of the compliance requirements pertaining to MST, the operator fully complied with eight out of the nine applicable requirements. MST was in partial compliance with regard to the timely submittal of its FY 2012 Transit Operator Financial Transactions Reports to the State Controller. Two compliance requirements did not apply to the operator (i.e., exclusive urbanized and rural farebox recovery ratios).
2. MST is subject to a 15 percent system-wide farebox standard pursuant to the PUC. During the audit period, MST exceeded the standard and attained a system-wide ratio of 29.13 percent in FY 2011; 27.02 percent in FY 2012; and 24.55 percent in FY 2013. The average farebox ratio during the period was 26.90 percent. Although the prior audit found that MST was subject to the farebox recovery ratio for an urbanized area operator, since becoming a transit district and expanding its service area into non-urbanized areas, MST is subject to an intermediate ratio of no less than 15 percent pursuant to rules and regulations adopted by TAMC. The Financial Highlights section of the MST CAFR states that “operating income from patron fares and/or local transaction and use taxes must cover at least 15 percent of applicable operating expenses to be eligible for the State of California Transportation Development Act (TDA).”
3. Both MST and its contract operator MV Transportation participate in the CHP Transit Operator Compliance Program and received vehicle inspections within the 13 months prior to each TDA claim. Satisfactory ratings were made for all inspections conducted during the audit period.
4. The operating budgets for MST exhibited modest fluctuations during the audit period and did not increase by more than 15 percent over the prior year. The FY 2011 budget decreased 4.6 percent followed by increases of 4.7 percent and 8.9 percent in FY 2012 and FY 2013, respectively.

Section III

Prior Triennial Performance Recommendations

MST's efforts to implement the recommendations made in the prior triennial audit are examined in this section of the report. Separate prior triennial audits were prepared for the cities of Greenfield, King City, and Soledad, which also included recommendations. Those cities' transit systems have since been consolidated into MST. For this purpose, each prior recommendation for each agency is described, followed by a discussion of MST and the other Monterey County transit operators' efforts to implement the recommendation. Conclusions concerning the extent to which the recommendations have been adopted by the agency are then presented.

Prior Recommendation 1 (MST)

Ensure fiscal audits are submitted on time.

Actions taken by MST

The prior audit found that MST had submitted its FY 2007–08 fiscal audit beyond the 180-day window following the end of the fiscal year. Pursuant to PUC Section 99245, MST is required to submit annual fiscal and compliance audits to TAMC and to the State Controller within 180 days following the end of the fiscal year or request a 90-day extension by TAMC as allowed by law. TDA Article 4 funds are accounted for in MST's CAFR.

The FY 2010–11 and FY 2011–12 CAFRs were submitted within the 180-day time frame. The FY 2012–13 CAFR was submitted beyond the 180-day period, but within the 90-day extension period allowed by law.

Conclusion

This recommendation has been implemented.

Prior Recommendation 2 (MST)

Begin reporting Full-time Equivalent (FTEs) according to PUC guidelines.

Actions taken by MST

This recommendation was prompted by a finding that MST was utilizing a headcount of total employees to calculate FTEs. It was recommended that MST begin including the correct FTE calculation in its Transit Operator Financial Transaction Reports submitted to the State Controller. State law requires that transit operators provide the full count of FTEs in the annual Transit Operator Financial Transaction Reports for any hours devoted toward the transit system. An FTE is derived by dividing total work hours of employees by 2,000 hours.

MST provides a breakdown of FTEs for both directly employed and contract staffs by dividing the number of employee labor hours by 2,000. A review of the Transit Operator Financial Transaction Reports prepared during the audit period shows that the FTE calculations do not take into consideration contracted employees. MST has been accounting for its FTEs for both directly and contracted operated services. However, this count is not reflected in its external reporting to the state. It is recommended that MST accounting staff ensure better FTE accuracy by including contracted employees.

Conclusion

This recommendation has been partially implemented, and is carried forward for full implementation.

Prior Recommendation 3 (City of Greenfield)

Ensure fiscal audits are submitted on time.

Actions taken by the City of Greenfield

The prior audit found that the City of Greenfield had submitted its fiscal audits late for each of the three years covered by that audit. Pursuant to PUC Section 99245, the City is required to submit annual fiscal and compliance audits to TAMC and to the State Controller within 180 days following the end of the fiscal year or request a 90-day extension by TAMC as allowed by law.

Since consolidating its transit services with MST, the City of Greenfield is only audited for funds claimed under Section 99400 (a) of the PUC for street and road purposes.

Conclusion

This recommendation is no longer applicable since the City of Greenfield's public transit program has been consolidated with MST.

Prior Recommendation 4 (City of Greenfield)

Secure CHP Terminal Inspection Reports on an annual basis.

Actions taken by the City of Greenfield

The prior audit found that the City of Greenfield failed to submit to an inspection for one of the three years covered in that audit. Since consolidation with MST, the City of Greenfield is no longer subject to this requirement. As part of MST's operation, vehicles and maintenance facilities are subject to annual CHP terminal inspections. CHP reports have been made readily available for the purposes of this audit by MST staff.

Conclusion

This recommendation is no longer applicable since the City of Greenfield’s public transit program has been consolidated with MST.

Prior Recommendation 5 (City of King City)

Consolidate service with Monterey-Salinas Transit.

Actions taken by the City of King City

The prior performance audit of King City cited the creation of MST and its plans to operate the local demand-response service in King City as the impetus for consolidation. In addition, the findings and recommendations contained in the most recent Salinas Valley short-range transit plan (SRTP) and the fact that MST receives all LTF proceeds also encouraged transit consolidation. The MST was created on July 1, 2010, pursuant to AB 644 (The Monterey-Salinas Transit District Act), which established the special district inclusive of the City of King City and dissolved the MST JPA.

Conclusion

This recommendation has been implemented.

Prior Recommendation 6 (City of Soledad)

Ensure fiscal audits are submitted on time.

Actions taken by the City of Soledad

The prior audit found that the City of Soledad had submitted its fiscal audit late one out of the three years covered by that audit. Pursuant to PUC Section 99245, the City is required to submit annual fiscal and compliance audits to TAMC and to the State Controller within 180 days following the end of the fiscal year or request a 90-day extension by TAMC as allowed by law.

Since consolidating its transit services with MST, the City of Soledad is only audited for funds claimed under Section 99400 (a) of the PUC for street and road purposes.

Conclusion

This recommendation is no longer applicable since the City of Soledad’s public transit program has been consolidated with MST.

Prior Recommendation 7 (City of Soledad)

Consolidate service with Monterey-Salinas Transit.

Actions taken by the City of Soledad

The prior performance audit of Soledad cited the creation of MST and its plans to operate the local demand-response service in Soledad as the impetus for consolidation. In addition, the findings and recommendations contained in the most recent Salinas Valley SRTP and the fact that MST receives all LTF proceeds also encouraged transit consolidation. MST was created on July 1, 2010, pursuant to AB 644 (The Monterey-Salinas Transit District Act), which established the special district inclusive of the City of Soledad and dissolved the MST JPA.

Conclusion

This recommendation has been implemented.

Prior Recommendation 8 (City of Soledad)

Begin reporting vehicle service miles to the State Controller.

Actions taken by the City of Soledad

The prior audit found that the City failed to include vehicle service miles within its Transit Operator Financial Transactions Reports to the State Controller for any of the years covered by that audit. The audit recommended the City begin tracking and reporting vehicle service miles in Transit Operator Financial Transactions Reports to the State Controller as required by the TDA.

During the audit period, Soledad's transit services were incorporated into MST. Performance data such as vehicle service miles are reported in the Transit Operator Financial Transactions Report pursuant to TDA guidelines and definitions.

Conclusion

This recommendation is no longer applicable since the City of Soledad's public transit program has been consolidated with MST.

Section IV

TDA Performance Indicators

This section reviews MST's performance in providing transit service to the community in an efficient and effective manner. The TDA requires that at least five specific performance indicators be reported, which are contained in the following tables. Farebox recovery ratio is not one of the five specific indicators but is a requirement for continued TDA funding. Therefore, farebox calculation is also included. Two additional performance indicators, operating cost per mile and average fare per passenger, are included as well. Findings from the analysis are contained in the section following the tables.

Tables IV-1 through IV-3 provide the performance indicators for MST system-wide, fixed-route, and MST RIDES paratransit. Charts are also provided to depict the trends in the indicators. It is noted that the system-wide operating costs and fare revenues are based on audited figures, including those for fixed route and paratransit.

**Table IV-1
MST TDA Performance Indicators
System-wide**

| Performance Data and Indicators | Audit Period | | | | % Change FY 2010– 2013 |
|---|--------------|--------------|--------------|--------------|------------------------------|
| | FY 2010 | FY 2011 | FY 2012 | FY 2013 | |
| Operating Cost | \$23,403,679 | \$27,527,515 | \$29,090,984 | \$29,695,641 | 26.9% |
| Total Passengers | 4,353,000 | 4,473,033 | 4,522,313 | 4,074,483 | -6.4% |
| Vehicle Service Hours | 297,359 | 311,452 | 322,748 | 295,776 | -0.5% |
| Vehicle Service Miles | 4,809,531 | 4,981,123 | 5,255,558 | 4,894,429 | 1.8% |
| Employee FTEs | 282 | 279 | 275 | 311 | 10.3% |
| Passenger Fares | \$6,988,114 | \$8,018,253 | \$7,859,392 | \$7,290,715 | 4.3% |
| Operating Cost per Passenger | \$5.38 | \$6.15 | \$6.43 | \$7.29 | 35.5% |
| Operating Cost per Vehicle Service Hour | \$78.71 | \$88.38 | \$90.14 | \$100.40 | 27.6% |
| Operating Cost per Vehicle Service Mile | \$4.87 | \$5.53 | \$5.54 | \$6.07 | 24.6% |
| Passengers per Vehicle Service Hour | 14.6 | 14.4 | 14.0 | 13.8 | -5.5% |
| Passengers per Vehicle Service Mile | 0.91 | 0.90 | 0.86 | 0.83 | -8.8% |
| Vehicle Service Hours per Employee | 1,054.5 | 1,116.3 | 1,173.6 | 951.0 | -9.8% |
| Average Fare per Passenger | \$1.61 | \$1.79 | \$1.74 | \$1.79 | 11.2% |
| Fare Recovery Ratio | 29.86% | 29.13% | 27.02% | 24.55% | -17.8% |

Source: Comprehensive Annual Financial Report, National Transit Database, State Controller's Reports

**Table IV-2
MST TDA Performance Indicators
Fixed Route**

| Performance Data and Indicators | Audit Period | | | | % Change FY 2010–2013 |
|---|--------------|--------------|--------------|--------------|--------------------------|
| | FY 2010 | FY 2011 | FY 2012 | FY 2013 | |
| Operating Cost | \$21,135,204 | \$24,805,962 | \$26,661,172 | \$26,901,218 | 27.3% |
| Total Passengers | 4,249,622 | 4,367,282 | 4,406,529 | 3,968,541 | -6.6% |
| Vehicle Service Hours | 240,483 | 255,521 | 259,315 | 236,008 | -1.9% |
| Vehicle Service Miles | 3,827,216 | 3,957,025 | 4,194,227 | 3,862,717 | 0.9% |
| Employee FTEs | 241 | 250 | 233 | 277 | 14.9% |
| Passenger Fares | \$6,676,766 | \$7,704,713 | \$7,517,060 | \$6,921,260 | 3.7% |
| Operating Cost per Passenger | \$4.97 | \$5.68 | \$6.05 | \$6.78 | 36.4% |
| Operating Cost per Vehicle Service Hour | \$87.89 | \$97.08 | \$102.81 | \$113.98 | 29.7% |
| Operating Cost per Vehicle Service Mile | \$5.52 | \$6.27 | \$6.36 | \$6.96 | 26.1% |
| Passengers per Vehicle Service Hour | 17.7 | 17.1 | 17.0 | 16.8 | -5.1% |
| Passengers per Vehicle Service Mile | 1.11 | 1.10 | 1.05 | 1.03 | -7.2% |
| Vehicle Service Hours per Employee | 997.9 | 1,022.1 | 1,112.9 | 852.0 | -14.6% |
| Average Fare per Passenger | \$1.57 | \$1.76 | \$1.71 | \$1.74 | 10.8% |
| Fare Recovery Ratio | 31.59% | 31.06% | 28.19% | 25.73% | -18.6% |

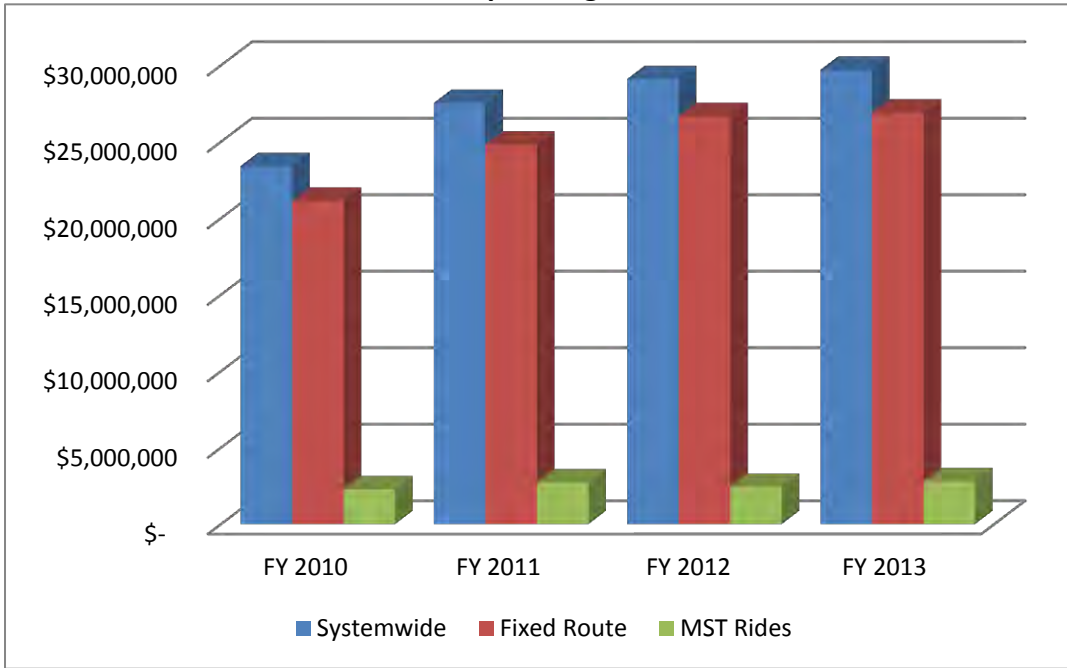
Source: Comprehensive Annual Financial Report, National Transit Database, State Controller's Reports

**Table IV-3
MST RIDES TDA Performance Indicators
Paratransit**

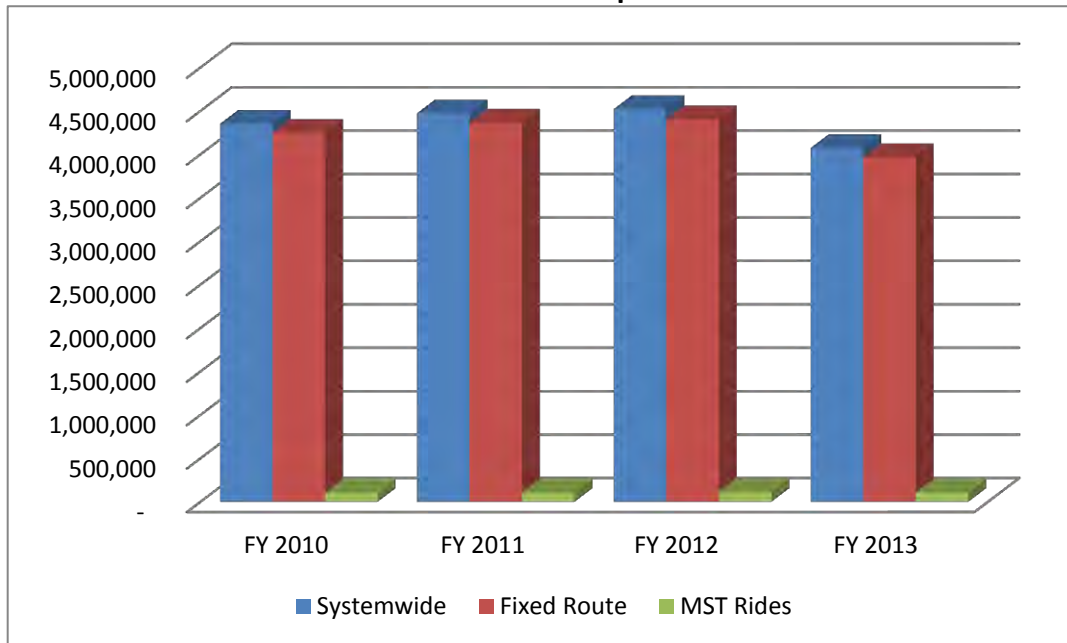
| Performance Data and Indicators | Audit Period | | | | % Change FY 2010– 2013 |
|---|--------------|-------------|-------------|-------------|------------------------------|
| | FY 2010 | FY 2011 | FY 2012 | FY 2013 | |
| Operating Cost | \$2,268,475 | \$2,721,553 | \$2,429,812 | \$2,794,423 | 23.2% |
| Total Passengers | 103,378 | 105,751 | 115,784 | 105,942 | 2.5% |
| Vehicle Service Hours | 56,876 | 55,931 | 63,433 | 59,768 | 5.1% |
| Vehicle Service Miles | 982,315 | 1,024,098 | 1,061,331 | 1,031,712 | 5.0% |
| Employee FTEs | 41 | 29 | 42 | 34 | -17.1% |
| Passenger Fares | \$311,348 | \$313,540 | \$342,332 | \$369,455 | 18.7% |
| Operating Cost per Passenger | \$21.94 | \$25.74 | \$20.99 | \$26.38 | 20.2% |
| Operating Cost per Vehicle Service Hour | \$39.88 | \$48.66 | \$38.31 | \$46.75 | 17.2% |
| Operating Cost per Vehicle Service Mile | \$2.31 | \$2.66 | \$2.29 | \$2.71 | 17.3% |
| Passengers per Vehicle Service Hour | 1.8 | 1.9 | 1.8 | 1.8 | -0.0% |
| Passengers per Vehicle Service Mile | 0.11 | 0.10 | 0.11 | 0.10 | -9.1% |
| Vehicle Service Hours per Employee | 1,387.2 | 1,928.7 | 1,510.3 | 1,757.9 | 26.7% |
| Average Fare per Passenger | \$3.01 | \$2.96 | \$2.96 | \$3.49 | 15.9% |
| Fare Recovery Ratio | 13.72% | 11.52% | 14.09% | 13.22% | -3.6% |

Source: Comprehensive Annual Financial Report, National Transit Database, State Controller's Reports

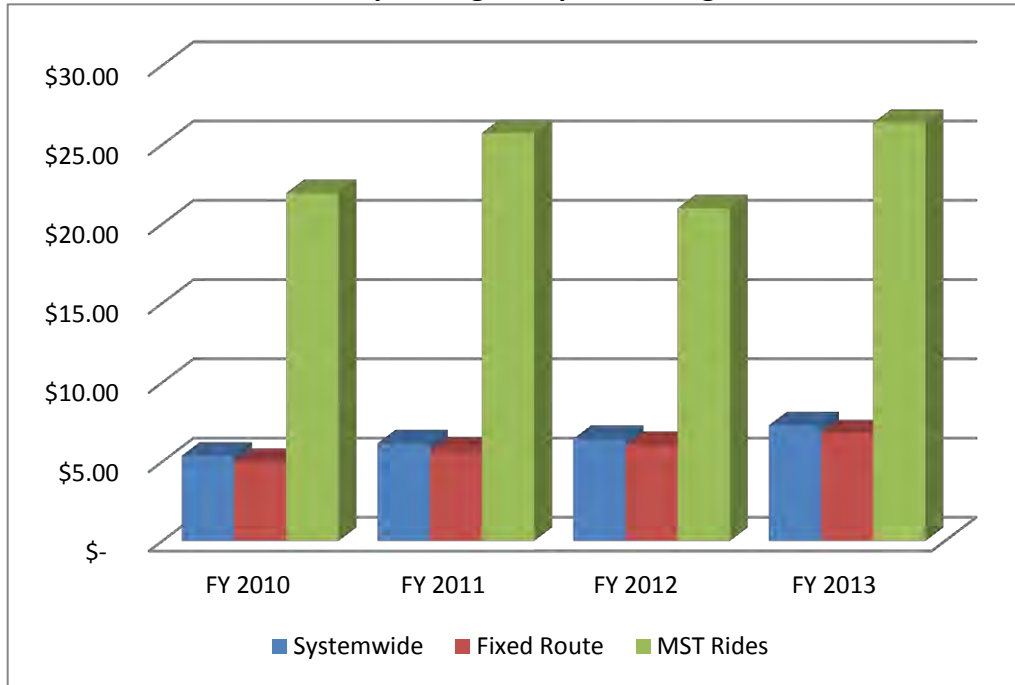
**Graph IV-1
MST Operating Costs**



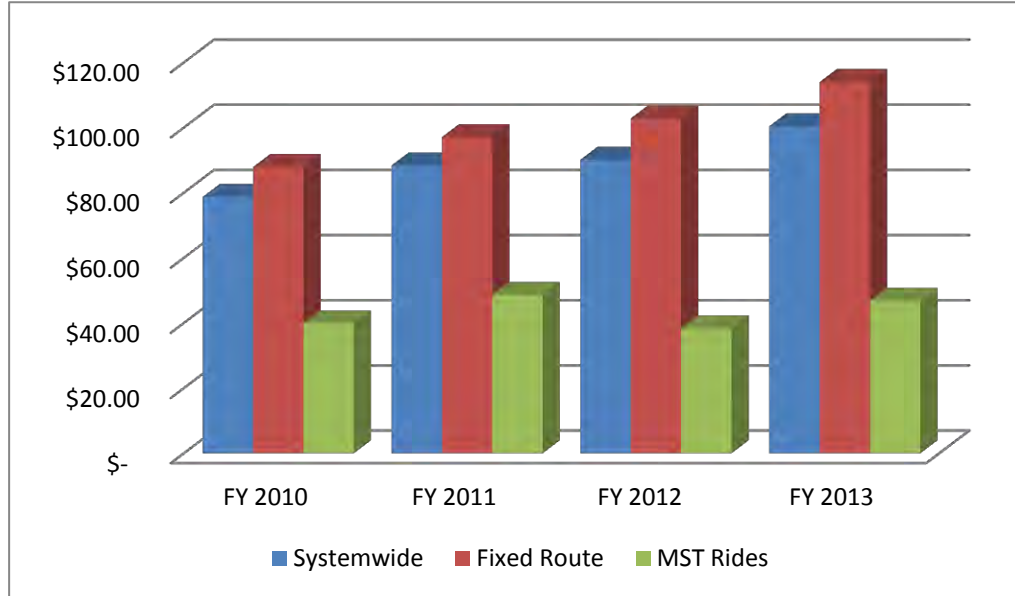
**Graph IV-2
MST Ridership**



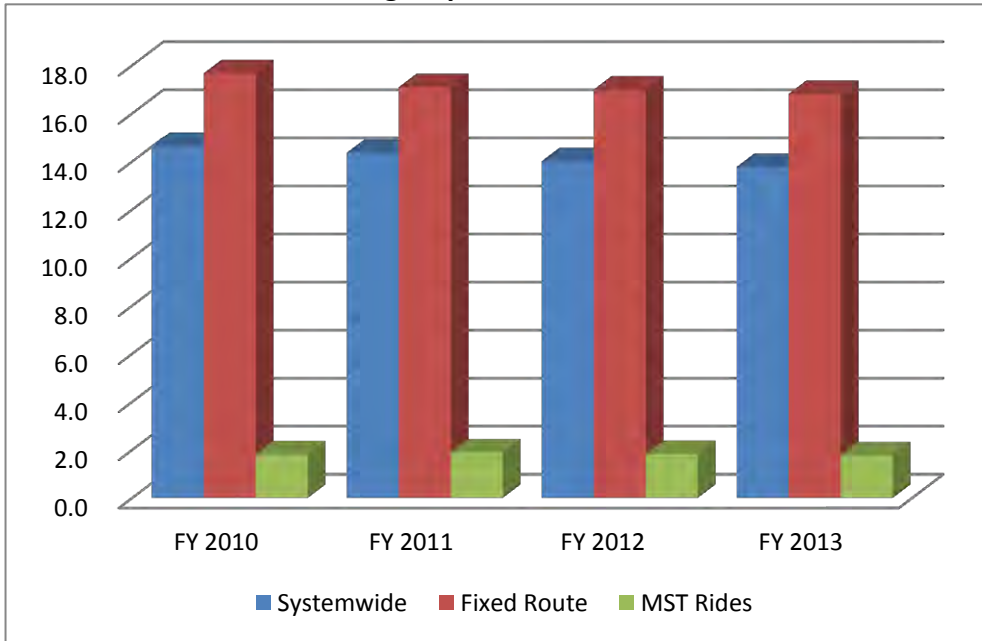
Graph IV-3
MST Operating Cost per Passenger



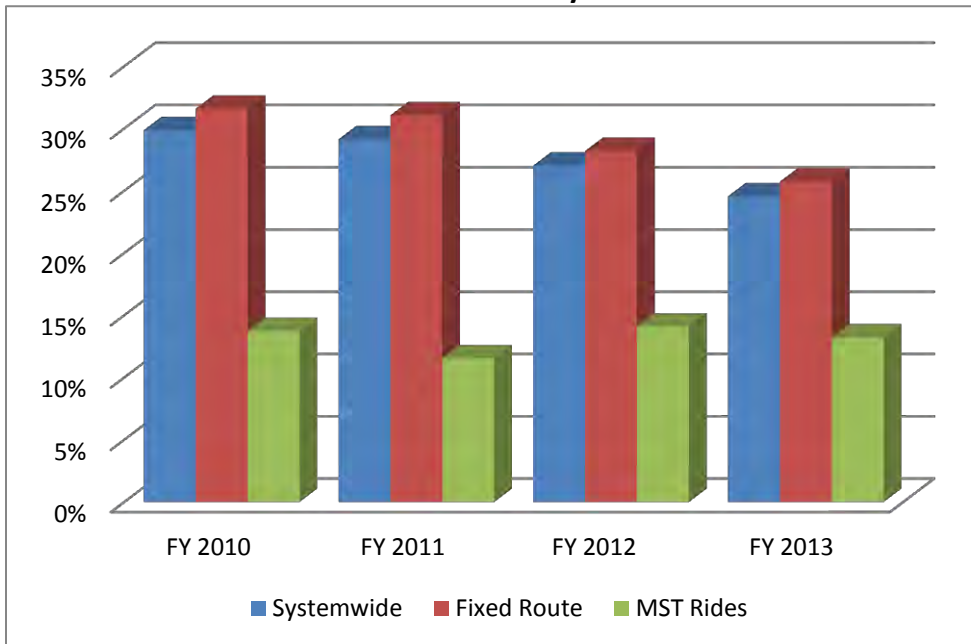
Graph IV-4
MST Operating Cost per Vehicle Service Hour



Graph IV-5
MST Passengers per Vehicle Service Hour



Graph IV-6
MST Fare Recovery Ratio



Findings from Verification of TDA Performance Indicators

1. MST operating costs increased 26.9 percent system-wide over the period based on audited data from the FY 2010 base year through FY 2013. System-wide operating costs reflect exclusions from depreciation costs. The highest increase in costs occurred during FY 2011, which is attributed to service expansion and an aging fleet. During that year, operating costs increased 17.6 percent. Using audited data, fixed-route operating costs increased by 27.3 percent whereas MST RIDES operating costs increased 23.2 percent. Another factor contributing to the increase in costs was contractual salary increases in FY 2013.
2. Ridership on MST decreased by 6.4 percent system-wide during the audit period. Fixed-route ridership decreased by a similar percentage (6.6 percent) while MST RIDES ridership decreased by 2.5 percent. Fixed-route ridership fell from 4.35 million passengers FY 2010 to 4.07 million in FY 2013 as a result of rider declines from poor economic conditions that resulted in fewer trips.
3. The provision of revenue hours and miles by MST saw slight fluctuations system-wide during the audit period. System-wide vehicle service hours decreased 0.5 percent whereas vehicle service miles increased 1.8 percent. Fixed-route revenue hours decreased 1.9 percent and miles increased 0.9 percent. Paratransit revenue hours and miles increased 5.1 percent and 5 percent, respectively.
4. Operating cost per passenger increased by 35.5 percent system-wide for MST. Cost per passenger on fixed route increased by a comparable 36.4 percent and by 20.2 percent on MST RIDES. The trends for this indicator reflect growth in operating cost coupled with a 6.4 percent decline in ridership.
5. Operating cost per hour system-wide increased 27.6 percent for MST as operating cost grew during the audit period while vehicle hours declined slightly. The performance trend was similar for fixed route with a 29.7 percent increase whereas MST RIDES had its cost per hour increase by 17.2 percent over the audit period.
6. System-wide, passengers per vehicle service hour slightly declined on MST. Although the decline was 5.5 percent, this indicator was relatively stable for fixed route and paratransit, as the percentage decrease for both modes did not result in much change in the actual number of passengers served per vehicle hour. For fixed route, passengers per hour remained at between 16.8 and 17.7. For MST RIDES, passengers per hour remained at about 1.8.
7. The fare recovery ratio remained relatively strong over the audit period for MST. MST adheres to a minimum TDA farebox ratio of 15 percent. During the audit period, the system-wide farebox averaged 26.9 percent which includes both fixed route and MST RIDES. Separately, fixed route farebox averaged 28.33 percent for the three years while

MST RIDES averaged 12.94 percent. Passenger fare revenues increased 4.3 percent system-wide. On a modal basis, fixed-route fare revenues increased 3.7 percent and paratransit fare revenues increased 18.7 percent.

Section V

Review of Operator Functions

This section provides an in-depth review of various functions within MST. The review highlights accomplishments, issues, and/or challenges that were determined during the audit period. The following functions were reviewed at MST's offices in Monterey and Salinas:

- Operations
- Maintenance
- Planning
- Marketing
- General Administration and Management

Within some departments are subfunctions that require review as well, such as Grants Administration that falls under General Administration.

Operations

As a newly created transit district, MST integrated existing services while it expanded its reach regionally. The mission statement of MST states that the district is involved in “advocating and delivering quality public transportation as a leader within our community and within our industry.” Service expansion encompassed the Monterey Peninsula, the South County cities of Gonzales, Greenfield, King City, and Soledad, and neighboring counties in the Bay Area and along the Central Coast.

One of the new services implemented during the audit period has been the JAZZ BRT line, which is the only BRT service between San José and Los Angeles. MST received funding under the Federal Transit Administration's (FTA) “Small Starts” funding program for a BRT corridor project between Sand City, Seaside, and Monterey. The 6.75-mile BRT service runs between the Sand City Station in the Edgewater Shopping Center and the Monterey Bay Aquarium along the Fremont Boulevard-Lighthouse Avenue corridor. BRT infrastructure enhancements included traffic signal improvements, queue jump lanes, ADA-accessible bus shelters and sidewalks, public art, and passenger amenities. In partnership with the Monterey Jazz Festival, the JAZZ line was designed and constructed with a musical jazz theme and features museum-quality displays of photos and text at each BRT stop detailing the history of the world-renowned Monterey Jazz Festival.

MST held a grand opening ceremony for the JAZZ BRT service on November 12, 2012. Additional work on the BRT corridor has included the installation of Transit Signal Priority (TSP) improvements in many of the traffic signals along intersections on the alignment. MST is

studying the potential for a second BRT route along SR 1 and the Monterey Branch rail right-of-way.

Since the integration of the South County cities into MST, the service area has seen rapid growth. In spite of such growth, ridership in the Salinas area has decreased due to the economy. In response to such trends, MST streamlined routes and adjusted schedules for its Salinas services in order to be more cost-effective and responsive to riders. MST also implemented new services to Paso Robles in neighboring San Luis Obispo County and to San José (Route 55 - San José Express).

Partnerships with local military facilities and installations have been instrumental in supporting ridership. MST along with the Presidio of Monterey was recognized as part of the 2010 Secretary of the Army Quality of Life awards and the Army Community of Excellence – Exemplary Practice Award. MST has safely and securely carried more than 500,000 officers, enlisted personnel, Department of Defense contract employees, military students, instructors, faculty, and staff to the Naval Postgraduate School, Presidio of Monterey, and Fort Hunter Liggett.

Since 2009, MST has been operating two routes that connect the Naval Postgraduate School in Monterey with the La Mesa military housing complex as well as housing areas on the decommissioned Fort Ord facility. This innovative partnership is funded 100 percent by the military through the US Department of Transportation transit benefit program. As of 2013, ridership on these routes continued to be strong.

Further cooperative efforts with the military include a partnership with the Presidio of Monterey to provide transit services. During FY 2010, MST implemented nine express routes connecting the Presidio with communities throughout the county as well as Gilroy and San José in Santa Clara County. In January 2010, three additional routes were implemented. The Presidio Express services are funded through the same federal funding program as the Naval Postgraduate School services.

In FY 2013, Line 78 was implemented, which connects the Presidio with communities in Santa Cruz County. This service is funded through an FTA Section 5316 Job Access Reverse Commute (JARC) grant and Caltrans Toll Credits program. The purchase of a special commuter bus was also funded through these federal and state grant programs. In addition, Sunday service was added in FY 2013 to two long-distance commuter routes connecting Fort Hunter Liggett in the South County with communities in the Salinas Valley as well as Paso Robles in San Luis Obispo County.

MST also forged partnerships with local colleges and universities that allowed for expanded transit options for students, faculty, and staff. A joint project between MST and California State University, Monterey Bay (CSUMB), the CSUMB University Pass program offers unlimited access to MST's entire network. In addition, the University Pass Program funds expanded transit services on campus including the CSUMB Otter Trolley as well as off-campus connections to Marina, Seaside, Sand City, and downtown Monterey.

At Hartnell Community College in Salinas, the Associated Student Senate voted to continue to fund a free fare zone at the Central Salinas campus and expanded the zone to include its new Alisal campus located on the east side of the city. This free fare zone allows students to board MST for free at bus stops adjacent to the two campuses. Return trips to the college campuses are full fare, providing effectively a 50 percent discount to Hartnell students who use MST to get to and from class. With the success of this program, Hartnell College has looked into allocating funds toward another free fare zone encompassing its King City satellite campus.

During the audit period, the MST Board of Directors approved a two-year contract extension with MV Transportation for the operation of over 30 percent of MST's transit services, including paratransit, dial-a-ride and a portion of the fixed-route service. MV Transportation has held this contract with MST since 2004. The contract extension included a required phone system upgrade in order to measure customer hold times.

In spite of all the service expansion and consolidation, MST faced potentially significant service cuts due to recent state pension legislation. In December 2012 and June 2013, MST prepared layoff notices and held public hearings about possible service reductions after the Amalgamated Transit Union (ATU), which represents most non-exempt MST employees, requested that the US Department of Labor withhold funds from California public transit operators. The move was prompted by disagreements over the 2013 Public Employees Pension Reform Act (PEPRA), which was signed into law by California's governor on September 12, 2012, and took effect on January 1, 2013.

Pursuant to federal law, transit unions have a right to negotiate wages and benefits. However, the PEPRA law excluded such negotiations, which meant that the Department of Labor refused to certify transit funds for distribution. With federal funds accounting for approximately 25 percent of MST's annual operating budget, the district prepared contingency plans to implement in the event that federal transit funds were not released.

Ultimately, MST was the only transit operator in California involved in this dispute that was able to negotiate an agreement and receive 100 percent of its federal operating funds. Another \$6.6 million in capital funding toward new vehicles had also been withheld. Nevertheless, MST implemented system-wide service reductions in May 2013 due to budgetary concerns and a staffing shortage created by the hiring freeze imposed on the agency as a result of the PEPRA dispute. This situation has spurred the district toward identifying ways to raise locally derived and controlled funding sources.

MST implemented fare restructuring in May 2012 by changing the former zonal fare structure (nine zones) to a system of fare categories. A new electronic farebox system was also implemented, which involved a joint procurement with neighboring agencies SamTrans and Santa Cruz METRO. The GFI Genfare Odyssey Validating Farebox system accommodates a wide variety of fare media such as all US coinage including Susan B. Anthony and golden Sacagawea \$1.00 coins, tokens, transfers, change cards, magnetic passes, credit cards, and Smart cards.

After vehicles pull in at the end of the day, fareboxes are probed by utility service workers in order to electronically download data stored in the farebox. The cash box is removed from the farebox and the contents vaulted into receiver units. There is no direct handling of cash. Brink’s armored car service arrives twice a week at the Monterey and Salinas facilities to pick up the receiver units, which are processed at the Brink’s facility in San José and deposited at Rabobank. MST is able to print out the GFI report and the Brink’s deposit report gets recorded into the general ledger. MST is researching the potential of syncing the AVL/GPS system with the GFI program.

All MST buses are equipped with seven to eight cameras. In addition to the vehicle fleet, security cameras are installed at all MST facilities. The Monterey facility is equipped with nine cameras. There are 32 cameras installed at the Salinas Transit Center and cameras installed at the Marina Transit Exchange were upgraded during the audit period. Overall, security cameras have reduced MST’s risk liability and incidents along with law enforcement collaboration. The cameras have a 72-hour footage loop.

In regard to vehicle safety, MST tracks the number of accidents, which are categorized as “preventable” or “non-preventable.” According to the Federal Motor Carrier Safety Administration, a preventable accident is one which occurs because the driver fails to act in a reasonably expected manner to prevent it. A non-preventable accident is the result of a collision or incident while the driver was lawfully operating the vehicle. Table V-1 provides a summary of accidents recorded during the audit period:

**Table V-1
Accidents**

| | FY 2010 | FY 2011 | FY 2012 | FY 2013 |
|----------------------------------|----------------|----------------|----------------|----------------|
| Preventable Accidents | 32 | 18 | 20 | 18 |
| Non-Preventable Accidents | 18 | 21 | 24 | 28 |
| Total | 50 | 39 | 44 | 46 |

Source: MST

The number of preventable accidents has remained relatively low, averaging between 18 and 20 during the audit period. The number of non-preventable accidents was slightly higher. Bus cameras have also aided in the reduction of incidents. In recognition of its excellent safety record, MST received the 2012 American Public Transportation Association (APTA) Gold Safety Award for bus systems with more than 4 million and fewer than 20 million passenger trips annually.

The number of collisions is monitored monthly. The MST Safety Committee meets quarterly to discuss potential safety issues. Retraining is conducted after every accident, incident, or leave of absence. Driver trainers are offered a bonus for the completion of 16 hours of safety training offered through the US Department of Transportation. MST offers an annual safety bonus as an incentive to promote safe driving operations.

Specialized Transportation Services

Specialized transportation services have been provided through paratransit and taxi-voucher programs. MST is the designated Consolidated Transportation Services Agency for Monterey County. The agency employs three mobility specialists and one ADA eligibility specialist.

The paratransit division, MST RIDES, provides service to persons with disabilities in Monterey County through its contract operator, MV Transportation. RIDES vehicles are owned and operated by MV Transportation. Paratransit services are provided within a 3/4-mile corridor on either side of an MST mainline bus route operating during the same days and time that the bus operates. An estimated 40 percent of paratransit trips are for dialysis appointments. MV Transportation also operates the demand-response services in the South County cities of Gonzales, Greenfield, King City, and Soledad.

MST maintains a monthly customer service update report that summarizes customer satisfaction, late arrivals, employee courtesy, ADA compliance, and no-shows. During the audit period, MST updated its no-show policy. Table V-2 summarizes the number of no-shows incurred during the audit period.

**Table V-2
MST RIDES – No Shows**

| | FY 2010 | FY 2011 | FY 2012 | FY 2013 |
|-----------------|---------|---------|---------|---------|
| No-Shows | 5,572 | 5,453 | 4,939 | 4,450 |

Source: MST

This trend reflects the effort to implement and enforce the no-show policy. The number of no-shows decreased 20 percent from 5,572 in FY 2010 base year to 4,450 in FY 2013. The goal on MST RIDES is to attain 1.9 passengers per hour.

A taxicab voucher program was implemented to provide more mobility options for riders aged 65 years and older or who are certified by MST RIDES. There are two taxi voucher service areas: Area 1: anywhere with the city limits of Salinas; and Area 2: anywhere within the city limits of Carmel, Del Rey Oaks, Monterey, Pacific Grove, Sand City, and Seaside as long as the trip originates and terminates in one of these cities. Taxi rides are subsidized for seniors aged 65 and older using FTA Section 5317 New Freedom mobility management grant funding.

The New Freedom grant funded nine ADA-accessible cabs that are leased out to local taxi companies. The taxi program has allowed for greater flexibility for disabled passengers. Pursuant to the operating contract, MV Transportation may sub-contract with a third party cab operator. Taxicab contractors are required to be compliant under the master contract.

Personnel

Non-exempt personnel such as drivers, maintenance, and utility workers are represented by ATU, Local 1225 based in San Francisco. MST reports a good working relationship between management and the union. Many operators are former military personnel pursuing a second career. MST directly employs 131 coach operators and 19 support staff.

A majority of the drivers assigned to MST’s directly operated services are full-time. All operators must complete driver logs as per a CHP finding. Routes are bid out four times annually. MST maintains a 24 percent extraboard to fill in shifts as needed. The average age of an MST driver is 42 years; however, there has been attrition of older employees due to retirement. The district instituted a year-long hiring freeze in FY 2013 due to the PEPRRA issue.

MST provides a breakdown of FTEs for both directly employed and contract staffs by dividing the number of employee labor hours by 2,000. MST has been accounting for its FTEs for both directly and contracted operated services as summarized in Table V-3.

**Table V-3
Employee Labor Hours/Full-time Equivalents**

| | MST Employees | | MV (Contracted) Employees | |
|----------------|---------------|------|---------------------------|------|
| | Work Hours* | FTEs | Work Hours* | FTEs |
| FY 2010 | 452,226 | 226 | 218,094 | 109 |
| FY 2011 | 407,103 | 204 | 223,162 | 112 |
| FY 2012 | 438,973 | 219 | 233,784 | 117 |
| FY 2013 | 457,194 | 229 | 224,375 | 112 |

Source: MST

* This includes regular and overtime hours. Employee hours do not include vacation or sick time.

Hiring standards are based on personality and having a customer service orientation. In order to hire and retain the best qualified coach operators, MST utilizes the Bus Operator Selection Survey (BOSS) program to evaluate coach operator candidates. The BOSS program is a pre-employment screening program composed of 52 questions used to measure an applicant’s potential for success, risk, and critical performance behaviors such as safety, customer service, and attendance. According to APTA, utilization of the BOSS program has lowered terminations from 36 percent to 9 percent and increased the overall retention of new applicants by 25 percent.

New coach operators must pass an extensive seven- to eight-week training program. During that training period they have approximately 15–20 hours of classroom time and at least 30 hours of one-on-one, behind the wheel training. The safety/training officer, along with the assistance of a select group of certified Department of Transportation trainers, oversees the training of the new coach operators. The Department of Transportation trainers are highly experienced coach operators with impeccable safety and personnel records who have a major role in training new employees.

Once new coach operators have completed their initial training, including qualification on every type of coach in the fleet, they transition to the skilled oversight of MST line instructors. During this training phase, trainees drive in-service, interact with passengers, and, under the watchful eye of the line instructors, complete the full duties of a coach operator.

Maintenance

The stated goal of MST's maintenance department is to provide safe, clean, and reliable vehicles to meet operational/service requirements. The Maintenance Department operates from the Thomas D. Albert Division in Monterey and the Clarence "Jack" Wright Division in Salinas. The Monterey maintenance division has three service bays, two lifts, and one pit. The Salinas division has three service bays and three lifts. MST is looking to expand its maintenance and operations facilities.

Maintenance is overseen by the assistant general manager/chief operating officer (COO) who provides direction to the four maintenance supervisors who oversee daily operations. In addition, maintenance staff is composed of 17 mechanics (budgeted for 21); 1 revenue mechanic; 3 parts attendants; 8 utility service workers; and 6 facility workers. There were job title changes in the maintenance department during the audit period.

Senior-level mechanics have been with MST from 15 to 20 years. MST generally seeks candidates with heavy-duty engine experience. MST is seeking to incentivize ASE certifications of its mechanics at the entry level as well as at the intermediate and advanced levels. The National Institute for Automotive Service Excellence (ASE) is a nonprofit professional certification group that aims to improve the quality of vehicle repair and service through the testing and certification of repair and service professionals. MST will also send staff to SamTrans in San Mateo County for training. Upon receipt of new buses, the vendor will travel to MST's maintenance facilities to conduct training.

MST is a member of the Southern California Regional Transit Training Consortium. The consortium is a training resource network comprising community colleges, universities, transit agencies, and public and private organizations focused on the development and delivery of training and employment of the transit industry workforce that is proficient at the highest standards, practices, and procedures for the industry. MST also partners with Hartnell Community College's Agricultural Business and Technology Institute diesel mechanic training program.

The Monterey-Salinas Transit Maintenance & Facilities Management Plan 2013–2014, which was revised in December 2013, outlines procedures in place to maintain and service MST's vehicle fleet. The plan contains MST's maintenance protocols and the Fleet Management Plan, which provides a timetable for the replacement of revenue vehicle in accordance with FTA guidance. MST's fleet is composed of gasoline, diesel, hybrid, and electric-powered vehicles.

MST utilizes AssetWorks/Enterprise Asset Management software which is tied into the fueling system software program, FuelFocus. Vehicle parts inventory is tracked by the AssetWorks program, which allows for parts to be automatically deducted from the inventory when utilized. The value of the parts inventory is also gauged. Vehicle parts are bar-coded and cycle counts are conducted on a weekly and monthly basis. This information is reported to the MST Board of Directors. Parts are procured from a list of vendors. MST reports decreased parts inventory levels during the audit period. Based on the Maintenance & Facilities Management Plan, the value of the parts inventory was \$171,420 and the value of the fuels and fluids was \$132,528 as of October 2013.

The preventative maintenance inspection (PMI) program is structured according to the original equipment manufacturer (OEM) requirements. MST ensures that all PMIs meet and/or exceed the requirements of the OEM. MST’s goal is to meet or exceed the required PMI rate of 80 percent. A graph contained in the Maintenance & Facilities Plan shows that MST’s PMIs have ranged between 81 percent and 96 percent during a 12-month period from November 2012 and October 2013. A schedule of MST’s PMIs is summarized in Table V-4.

**Table V-4
Preventive Maintenance Inspections**

| Fleet Make/Equipment | 3,000 Miles | 5,000 Miles | 6,000 Miles |
|-------------------------------|---|--|--|
| Gillig Vehicles | <i>Safety inspection: oil change, brake, tire inspection, steam clean engine.</i> | | <i>Detailed PM inspections per OEM requirements.</i> |
| MCI Vehicles | | <i>Detailed PM inspections per OEM requirements.</i> | |
| Engine Oil and Filters | <i>Changed at 3,000, 5,000, or 6,000 mile intervals for specific fleet series, based on OEM requirements.</i> | | |
| Wheelchair Lifts | <i>Cleaned, cycled and checked for proper operation.</i> | | |

Source: MST Maintenance & Facilities Management Plan 2013-2014

Vehicle defects are reported by the drivers on the daily Vehicle Inspection Report (VIR) or “defect card.” A defect card is prepared for each bus in revenue service. If no problems or defects are found, the VIR is signed off with the notation that no defects were discovered. The VIRs are reviewed by the maintenance supervisors daily. MST tracks the number of roadcalls per mode in the annual federal National Transit Database report, which are summarized in Table V-5:

**Table V-5
System-wide Roadcalls**

| | FY 2010 | FY 2011 | FY 2012 | FY 2013 |
|--|----------------|----------------|----------------|----------------|
| Fixed Route | 320 | 302 | 302 | 279 |
| Demand Response | 23 | 25 | 24 | 13 |
| Total Roadcalls | 343 | 327 | 326 | 292 |
| Average Miles between Roadcalls (Fleetwide) | 12,854 | 13,268 | 15,609 | 17,252 |
| Average Miles between Roadcalls (MV Transportation) | 31,802 | 103,760 | 76,830 | 78,640 |

Source: MST; National Transit Database

The industry standard for roadcalls is about 7,000 miles, which has been exceeded each year of the audit period. Under the taxi program, PMIs are scheduled every 5,000 miles and if inspection intervals exceed 5,501 miles, the contract operator is fined \$250. Both MST and its contract operator MV Transportation received satisfactory ratings for all vehicle inspections conducted during the audit period as part of the CHP Transit Operator Compliance Program.

Planning

MST periodically conducts planning studies to evaluate current routes and schedules and to gauge future transit demand. During the audit period, MST undertook a couple of studies to assess the transit needs in the Salinas and South County areas. Following the formation of MST, the South County Area Service Analysis (SoCASA) was released in December 2010, which provided an overview of the existing MST service provision and the municipal transit providers operating in the Salinas Valley at the time.

SoCASA included passenger survey results and several service alternatives to address the growing transit needs of the region. There was particular focus on MST’s Route 23, which runs between Salinas and King City. SoCASA recommended extending service hours, making infrastructure improvements by providing more passenger amenities and operational adjustments such as reducing deadhead hours and mileage by stationing a driver and bus in King City. The other service alternatives pertained to South County intercity service and intra-community service.

The other significant study undertaken during the period was the Salinas Area Service Analysis-II (SASA-II) initiated in December 2011. SASA-II was a successor study to SASA-I, completed in 2005. This second study was prompted by changes in service demand and reduced funding due to the recent recession. The goal of SASA-II was to make MST’s service in Salinas more cost-effective by streamlining routes and adjusting schedules in an effort to boost declining ridership.

More comprehensive planning activities involve the development of SRTPs and comprehensive operational analyses (COAs). The SRTP is developed and updated in-house by MST staff. The MST

Business Plan and Short-Range Transit Plan – FY 2006 through FY 2008 was adopted in June 2005 and later modified in October 2005. With the formation of MST with its expanded services, it is suggested that MST consider an update with performance benchmarks and service-measuring tools. The COA focused on Salinas, Marina, Monterey Peninsula, and the South County areas as part of a service reduction plan.

The Designing for Transit Manual is a resource guide that gives decision-makers, developers, planners, engineers, and community members the ability to plan for safety and efficiency of transit on local streets and highways. MST is studying a potential second BRT line along SR 1 and the Monterey Branch Rail right-of-way. The district has been an active participant in local and regional planning activities to develop improved transit corridors and transfer nodes including SR 1, the former Ford Ord, Salinas Amtrak depot, and the proposed downtown Monterey transit center.

Marketing

MST utilizes a number of media tools and approaches to market its services to the public. Marketing and customer service are overseen by a marketing manager. In addition, there is one customer service manager and three customer service representatives who are assigned to MST transit centers located in Marina, Monterey, and Salinas. The customer service personnel are bilingual in English and Spanish.

The MST Rider's Guide is published and released twice annually. The Rider's Guide is assembled with a glossy cover and fold-out system-wide map in the middle. New or specialized services are publicized through the distribution of brochures. The MST Annual Report is published in a 22-page glossy brochure format, with a "fast facts" insert stapled inside. The Annual Report features a message from the general manager, financial data, ridership highlights, new services and programs, employee of the year/month, legislative initiatives, MST's mission and strategic goals, and a roster of the Board of Directors.

Online marketing and information is provided through MST's dedicated website found at <http://mst.org/> as well as through social media. The website contains extensive information about MST's routes, fares, mobility management programs, administration, financials, and employment opportunities. An electronic copy of the Rider's Guide can be accessed on the website. The MST website underwent a redesign in 2010 in order to conform to Title VI requirements. The website also contains a Google Transit trip planner and a Google Translate tool. Social media is also utilized extensively by MST. The district created a Facebook page during FY 2011–12, which is monitored daily and is used primarily to post press releases. MST also maintains a Twitter page to connect with its ridership. Communication center staff tweet out bus status alerts if the buses are running more than 15 minutes late. YouTube videos are used as an advertising and mobility management tool.

For the JAZZ BRT implementation, MST produced a television commercial that won an award from APTA. The district utilized other innovative marketing methods such as a marching band

flash mob and offering 10 days of free service to the public. The world-renowned Monterey Jazz Festival, held annually in September, has been credited in boosting ridership on JAZZ by more than a third.

An on-board passenger survey is conducted every two years. In addition, MST conducts a non-rider community-wide survey. Complaints are received and handled by customer service. Most complaints are received by telephone and pertain to late buses, scheduling issues, and rude bus operators and staff. Once the complaint is received, it is routed to the appropriate department for follow-up. Complaints are tracked in the monthly Customer Service Update report.

The marketing manager sits on the board of the Monterey County Convention and Visitors Bureau. In addition, MST has forged a partnership with the Carmel Valley Chamber of Commerce involving Line 24 – Carmel Valley Grapevine Express, which runs between downtown Monterey and Carmel Valley Village through the Carmel Valley wine country. The route operates on hourly frequencies that allow for riders to visit the various wineries en route. Another route that caters to the local tourism industry is Line 22 – Big Sur, which operates along SR 1 on a seasonal basis from Memorial Day weekend through Labor Day.

MST's mobility management efforts have included a community outreach and volunteer initiative called the MST Navigator Program. The Navigator Program involves volunteers (Navigators) who are available to train others to ride the bus and navigate the MST system, assist seniors on shopping trips by bus, give public presentations, and represent MST at health and welfare events in the community. The program is marketed through a tri-fold brochure and dedicated website at www.MSTMobility.org. The screening process involves an application followed by an interview and criminal background check. Program volunteers need to be at least 18 years of age.

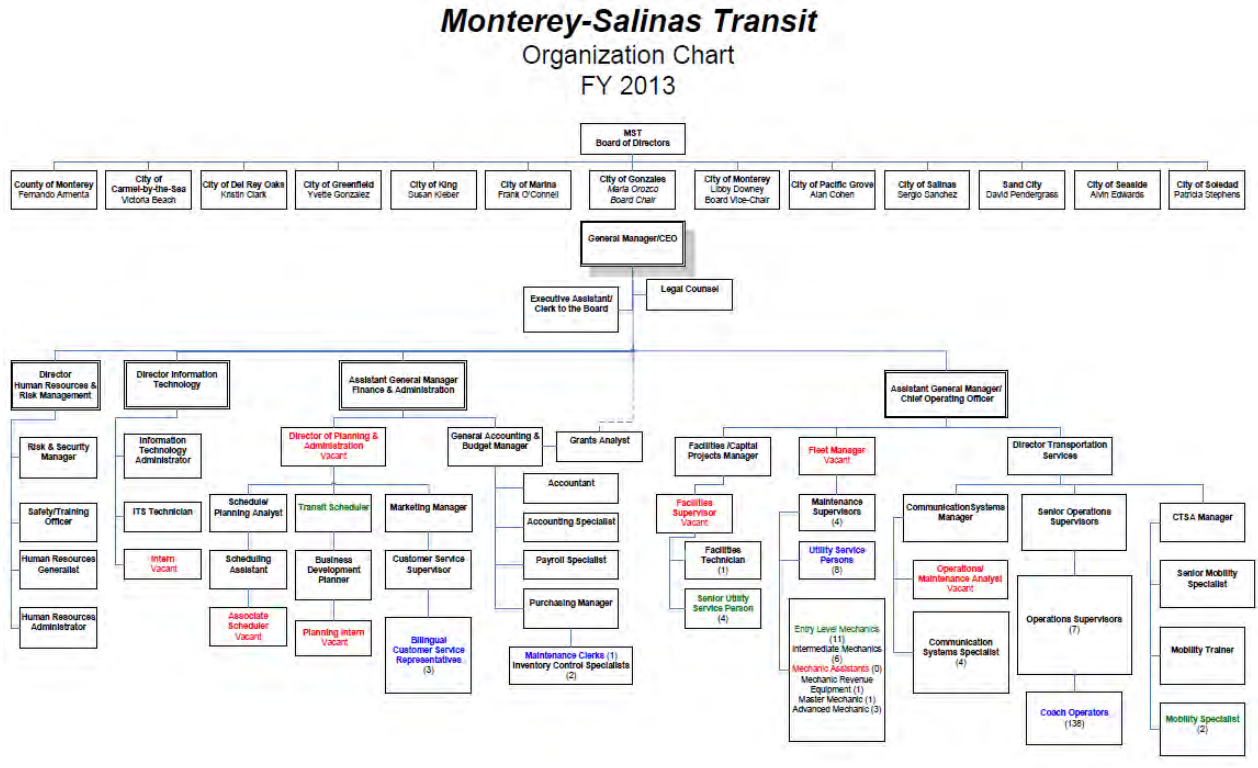
MST derives revenue from interior and exterior advertising space on its buses. Advertising space is also available on bus shelters with the exception of the JAZZ BRT bus shelters. Rates are structured per ad charged on a per month net basis. Production and mounting costs include labor and materials. Nonprofit organizations receive two months of advertising for the price of one. MST generates approximately \$300,000 in advertising revenue. The advertising program is contracted through Chidlaw Marketing.

General Administration and Management

MST's administration is governed by a Board of Directors comprising one representative from each member jurisdiction including the County of Monterey. Each board member serves at the pleasure of the appointing member jurisdiction. Members are either elected officials or officers or employees of the appointing member jurisdiction. There are currently 13 board members. The board convenes the second Monday of each month at 10:00 a.m. in the Monterey Bay Unified Air Pollution Control District board room, 3rd floor, 24580 Silver Cloud Court, Monterey.

The organization chart of the district is shown in Figure V-1:

**Figure V-1
MST Organization Chart**



The board appoints the general manager/chief executive officer (CEO) to administer the operations of MST. Key administrative personnel serving under the direction of the general manager/CEO are the assistant general manager/ COO; assistant general manager for Finance & Administration; director of Human Resources & Risk Management; and the director of Information Technology.

MST has adopted a series of six strategic goals to guide growth and improve service delivery, which would have MST aspire:

1. To develop adequate and stable long-term revenues.
2. To provide quality transit and mobility management services.
3. To implement board protocols and best practices to achieve effective and efficient board operations and board meeting management.
4. To research, implement, and promote policies and practices that encourage environmental sustainability and resource conservation.
5. To educate the public on MST services through promotion, communication, and advocacy.

6. To actively promote organizational values to maintain high-quality relationships with MST employees, contractors, vendors, and community stakeholders.

The strategic goals are included in MST's Annual Report, which provides an overview of the accomplishments, advocacy, challenges, finances, ridership, and new services within the district. MST administrative staff also make four to five advocacy trips to lobby state and federal legislators and administrators in Sacramento and Washington, DC. The Finance Committee meets several times annually to develop a budget. As per the board, MST set out to allocate a 15 percent budget reserve within three years, which was accomplished within two years.

The MST Board of Directors took action during the spring of 2014 in support of the placement of a one-eighth (1/8)-cent countywide sales tax measure on the November 2014 ballot. After reviewing poll results that showed strong voter support for a small countywide sales tax increase to support a constrained program of transit service improvements for seniors, veterans, and persons with disabilities, the board conducted a hearing to solicit input from the public regarding this proposed measure. In addition, it adopted the legal documentation required to submit the measure to the Monterey County Board of Supervisors for action directing the County Elections Department to include the sales tax on the upcoming November 4, 2014, ballot.

Board Member Interviews

PMC interviewed a few members of the MST Board of Directors to gain their general perspectives on the management and direction of the district. Responses included that MST's administration has been doing excellent good job in building consensus across the MST service area and involving the South County cities in the decision-making process. Some of the changes cited in MST's transition from a JPA to a transit district have included amended bylaws that give South County cities more of a voice on the board. The change in the bylaws involved having the board chairperson rotated according to region instead of city.

The interviewees also indicated that staff members are responsive to requests and are known to follow up on outstanding issues. Public engagement by MST staff has proven to be extensive and innovative. One example cited was a public meeting in the South County where there is a large Mixtec-speaking population from the Mexican state of Oaxaca in addition to the Spanish-speaking population. MST was able to provide translation services to both linguistic groups.

Some of the suggestions that came out of the interviews included extending the board meeting by an extra hour; reviewing strategic planning goals more often; sponsoring a board member "meet and greet" in each of the member jurisdictions; offering periodic bus orientation rides; providing farm labor transportation solutions by partnering with agricultural labor companies; and expanding transit into outlying areas.

Grants Management

MST relies on a variety of grants and other funding mechanisms to support its transit system. Programs such as the TDA and the FTA urbanized area program annually allocate funds by formula while others such as the Monterey Bay Unified Air Pollution Control District’s AB 2766 Motor Vehicle Emissions Reduction Program and Caltrans discretionary planning grants are competitively awarded based on merit. Mobility management grants have proven to be more complex to manage.

During the audit period, MST hired a grants and compliance analyst to procure and manage grants utilized by the district. MST manages between 35 and 40 grants. The grants and compliance analyst receives daily emails from eCivus (<http://www.ecivis.com/>), an online grant research database and management tool. The analyst and the assistant general manager for Finance & Administration meet weekly to review the status of grant procurements and drawdowns. The analyst also reports to MST’s Executive Group of managers. Grants are tracked on an Excel spreadsheet that is categorized according to grant type, contract number, FTA grant description, budget, and the period of eligible expenses from start to finish. Table V-6 provides a summary of MST’s grant activity.

**Table V-6
MST Grant Summary**

| Grant Class | Grant Type | Use | Number of Grants | Total Amount |
|---------------------|----------------------|------------|------------------|------------------------|
| FTA Section 5307 | JARC Transfer | Capital | 2 | \$800,000 |
| FTA Section 5307 | New Freedom Transfer | Capital | 1 | \$118,000 |
| FTA Section 5307 | JARC Transfer | Operations | 4 | \$1,358,900 |
| FTA Section 5307 | New Freedom Transfer | Operations | 4 | \$630,000 |
| FTA Section 5308 | Cleans Fuels | Capital | 2 | \$2,462,578 |
| FTA Section 5310 | Elderly & Disabled | Capital | 2 | \$662,812 |
| FTA Section 5311(f) | Intercity | Capital | 1 | \$600,000 |
| FTA Section 5311(f) | Intercity | Operations | 2 | \$590,000 |
| FTA Section 5316 | JARC | Operations | 4 | \$1,100,000 |
| FTA Section 5317 | New Freedom | Capital | 1 | \$207,360 |
| FTA Section 5317 | New Freedom | Operations | 2 | \$500,000 |
| Prop 1B | CalEMA | Capital | 4 | \$1,610,460 |
| Prop 1B | PTMISEA | Capital | 4 | \$12,945,474 |
| AB 2766 | Air District | Capital | 1 | \$350,000 |
| AB 2766 | Air District | Operations | 1 | \$100,000 |
| Total | | | 35 | \$24,035,584.00 |

Source: MST

Most of the capital grants awarded have been allocated toward vehicle procurement, facilities rehabilitation and expansion, BRT infrastructure, video cameras, and information technology system upgrades. Operational grant awards have been allocated toward new service expansion, mobility management, senior taxi vouchers, travel training, and transit studies. MST will replace

vehicles that have met or exceeded their useful lives with a mixture of hybrid buses, clean diesel urban and commuter vehicles, and articulated buses to meet the changing needs of the community.

Expenditures are tracked and managed through the Navision financial software suite, which was upgraded in 2012. Within the Navision software program, the AwardVision module tracks grants, monitors drawdowns as well as issues purchase order numbers and invoices. The grant analyst assigns a grant code in addition to a project code. Coding is required on all purchase orders and invoices. The signing authority of the general manager is up to \$25,000. Any amount exceeding \$25,000 requires board authorization.

Section VI

Findings

The following summarizes the major findings obtained from this triennial audit covering fiscal years 2011 through 2013. A set of recommendations is then provided.

Triennial Audit Findings

1. Of the compliance requirements pertaining to MST, the operator fully complied with eight out of the nine applicable requirements. MST was in partial compliance with regard to the timely submittal of its FY 2012 Transit Operator Financial Transactions Reports to the State Controller. Two compliance requirements did not apply to the operator (i.e., exclusive urbanized and rural farebox recovery ratios).
2. MST is subject to a 15 percent system-wide farebox standard pursuant to the PUC. During the audit period, MST exceeded the standard and attained a system-wide ratio of 29.13 percent in FY 2011; 27.02 percent in FY 2012; and 24.55 percent in FY 2013. The average farebox ratio during the period was 26.90 percent.
3. Although the prior audit found that MST was subject to the farebox recovery ratio for an urbanized area operator, since becoming a transit district and expanding its service area into non-urbanized areas, MST would be subject to an intermediate ratio of no less than 15 percent pursuant to rules and regulations adopted by TAMC. The Financial Highlights section of the MST CAFR states that “operating income from patron fares and/or local transaction and use taxes must cover at least 15 percent of applicable operating expenses to be eligible for the State of California Transportation Development Act (TDA).”
4. Both MST and its contract operator MV Transportation participate in the CHP Transit Operator Compliance Program and received vehicle inspections within the 13 months prior to each TDA claim. Satisfactory ratings were made for all inspections conducted during the audit period.
5. The operating budgets for MST exhibited modest fluctuations during the audit period and did not increase by more than 15 percent over the prior year. The FY 2011 budget decreased 4.6 percent followed by increases of 4.7 percent and 8.9 percent in FY 2012 and FY 2013, respectively.
6. There were eight prior audit recommendations: two for MST; two for the City of Greenfield; one for the City of King City; and three for the City of Soledad. Of the two recommendations for MST, one was implemented and one was partially implemented. The two prior recommendations for Greenfield were no longer applicable since its services were incorporated into MST. The prior recommendation for King City was implemented with the incorporation of its service into MST. With regard to the City of Soledad, two

recommendations were no longer applicable and the third was implemented with the incorporation of its service into MST.

7. MST operating costs increased 26.9 percent system-wide over the period based on audited data from the FY 2010 base year through FY 2013. System-wide operating costs reflect exclusions from depreciation costs. The highest increase in costs occurred during FY 2011, which is attributed to service expansion and an aging fleet. During that year, operating costs increased 17.6 percent. Using audited data, fixed-route operating costs increased by 27.3 percent whereas MST RIDES operating costs increased 23.2 percent. Another factor contributing to the increase in costs was contractual salary increases in FY 2013.
8. Ridership on MST decreased by 6.4 percent system-wide during the audit period. Fixed-route ridership decreased by a similar percentage (6.6 percent) while MST RIDES ridership decreased by 2.5 percent. Fixed-route ridership fell from 4.35 million passengers FY 2010 to 4.07 million in FY 2013 as a result of rider declines from poor economic conditions that resulted in fewer trips.
9. The provision of revenue hours and miles by MST saw slight fluctuations system-wide during the audit period. System-wide vehicle service hours decreased 0.5 percent whereas vehicle service miles increased 1.8 percent. Fixed-route revenue hours decreased 1.9 percent and miles increased 0.9 percent. Paratransit revenue hours and miles increased 5.1 percent and 5 percent, respectively.
10. Operating cost per passenger increased by 35.5 percent system-wide for MST. Cost per passenger on fixed route increased by a comparable 36.4 percent and by 20.2 percent on MST RIDES. The trends for this indicator reflect growth in operating cost coupled with a 6.4 percent decline in ridership.
11. Operating cost per hour system-wide increased 27.6 percent for MST as operating cost grew during the audit period while vehicle hours declined slightly. The performance trend was similar for fixed route with a 29.7 percent increase whereas MST RIDES had its cost per hour increase by 17.2 percent over the audit period.
12. MST implemented the JAZZ BRT line, which is the only BRT service between San José and Los Angeles. The 6.75-mile BRT service runs between the Sand City Station in the Edgewater Shopping Center and the Monterey Bay Aquarium along the Fremont Boulevard-Lighthouse Avenue corridor.
13. Partnerships with local military facilities and installations have been instrumental in supporting ridership. MST along with the Presidio of Monterey was recognized as part of the 2010 Secretary of the Army Quality of Life awards and the Army Community of Excellence – Exemplary Practice Award.

14. MST faced potentially significant service cuts due to recent state pension legislation. In December 2012 and June 2013, MST prepared layoff notices and held public hearings about possible service reductions, which were prompted by disagreements over the 2013 PEPRA, which was signed into law by California's governor on September 12, 2012, and took effect on January 1, 2013.
15. Hiring standards are based on personality traits and having a customer service orientation. In order to hire and retain the best qualified coach operators, MST utilizes the BOSS program to evaluate coach operator candidates. The BOSS program is a pre-employment screening program composed of 52 questions used to measure an applicant's potential.
16. The stated goal of MST's maintenance department is to provide safe, clean, and reliable vehicles to meet operational/service requirements. The Maintenance Department operates from the Thomas D. Albert Division in Monterey and the Clarence "Jack" Wright Division in Salinas.
17. The Monterey-Salinas Transit Maintenance & Facilities Management Plan 2013-2014, which was revised in December 2013, outlines procedures in place to maintain and service MST's vehicle fleet. The plan contains MST's maintenance protocols and the Fleet Management Plan, which provides a timetable for the replacement of revenue vehicle in accordance with FTA guidance.
18. MST periodically conducts planning studies to evaluate current routes and schedules and to gauge future transit demand. During the audit period, MST undertook a couple of studies to assess the transit needs in the Salinas and South County areas: The South County Area Service Analysis (SoCASA) and the Salinas Area Service Analysis-II (SASA-II).
19. MST utilizes a number of media tools approaches to market its services to the public. Marketing and customer service are overseen by a marketing manager. The MST Rider's Guide is published and released twice annually. The Rider's Guide is assembled with a glossy cover and fold-out system-wide map in the middle. New or specialized services are publicized through the distribution of brochures. Online marketing and information is provided through MST's dedicated website found at <http://mst.org/> as well as through social media.
20. MST's mobility management efforts have included a community outreach and volunteer initiative called the MST Navigator Program. The MST Navigator Program involves volunteers (called Navigators) who are available to train others to ride the bus and navigate the MST system. The program is marketed through a tri-fold brochure and dedicated website at www.MSTMobility.org.

Recommendations

1. Update performance targets for the mileage between roadcalls, based on past fleet mix of diesel and compressed natural gas.

As part of its extensive maintenance protocol, MST has established performance targets to ensure that all facets of its operations function optimally. One of the goals of the Maintenance Department is to meet a fleet reliability standard of 7,000 miles or more between roadcalls, including superior vehicle appearance and cleanliness. Miles between roadcalls have consistently well-exceeded the 7,000 mile standard. For FY 2012, mileage between roadcalls was 15,609 and for FY 2013, mileage between roadcalls was 17,252. Since becoming a transit district, MST has implemented a wide range of route services, diversified its fleet, and acquired newer vehicles. As MST continues to evaluate its fleet composition and determine the optimum vehicle type for the various routes, it is suggested that MST update its performance target for roadcalls based on the fleet mix. A 3- or 5-year historical average could be one method of updating the target that is relevant to the agency.

2. Work with TAMC on resubmitting TDA claims.

As a transit district, MST has received TDA funds allocated to Monterey County on behalf of its constituent agencies. As a result, MST no longer submits annual claims for LTF and STA funding to the TAMC. Prior to this change, claims for TDA funds were submitted in compliance with the rules and regulations adopted by TAMC. As an industry measure for transparent and documented processes, it is recommended that MST work with TAMC to reinstate the formal TDA claims procedures and requirements to apply and receive the funds.

3. Work with TAMC on further integrating the SSTAC and MAC to ensure broad access on soliciting unmet needs.

With LTF being allocated either to public transit or bicycle and pedestrian use, pursuant to PUC 99401(c), a formal unmet transit needs process is no longer required. However, in compliance with PUC 99238.5, TAMC is still required to hold at least one public hearing to solicit comments and input on public transportation with assistance from the Social Services Transportation Advisory Council (SSTAC). The Monterey-Salinas Transit Mobility Advisory Committee was tapped by TAMC, in partnership with MST, to absorb the functions of the SSTAC. As part of the SSTAC's efforts to collect public comments on unmet transit needs, SSTAC representatives attend outreach meetings in the fall at both North and South County locations. MST should ensure that annual public hearings are rotated around the county in the spirit of SSTAC unmet needs requirements in areas that represent membership of the Mobility Advisory Committee and the MST service area coverage. Access to public comments on potential unmet needs should remain a priority from the integration of these two groups.