



Hillsborough Area Regional Transit Authority

1201 E. 7th Avenue • Tampa, Florida 33605

(813) 223-6831 • fax (813) 223-7976 • www.goHART.org

**HILLSBOROUGH TRANSIT AUTHORITY (HART)
BOARD OF DIRECTORS**

**FINANCE, GOVERNANCE, AND ADMINISTRATION
COMMITTEE MEETING**

CHAIRPERSON: JOHN BYCZEK

**MONDAY, MAY 17, 2010
8:30 AM**

**HART ADMINISTRATIVE OFFICES
FLORIDA CONFERENCE ROOM
1201 EAST 7TH AVENUE, 3RD FLOOR
TAMPA, FL 33605**

AGENDA

CALL TO ORDER AND INTRODUCTIONS

MINUTES: Finance, Governance and Administration Committee Meeting ~ January 18, 2010

DISCUSSION ITEM

- a. Overview of Express Service
- b. Overview of Fuel Costs
- c. Overview of Employee Health Benefits Expenditures

PRESENTATION

- a. Overview of FY2011 and FY2012 Budgets ~ David Persaud

ADJOURN

Celebrating 30 Years

**HILLSBOROUGH AREA REGIONAL TRANSIT AUTHORITY
BOARD OF DIRECTORS
FINANCE, GOVERNANCE AND ADMINISTRATION COMMITTEE MEETING
Monday, January 18, 2010 at 9:00AM
HART Administrative Office, 1201 East 7th Avenue
Tampa, FL 33605**

Board Members Present (8)

Councilmember Ron Govin
Wallace Bowers
Alison Hewitt
Dr. Steven Polzin
Fran Davin
Michael York
Commissioner Mark Sharpe
John Byczek

Board Members Absent (4)

Commissioner Kevin Beckner
Commissioner Rose Ferlita
Councilmember John Dingfelder
David Mechanik

Staff Members Present

David Armijo
Sylvia Berrien
Sylvia Castillo
Donna Chen
Damaris Cordova
Katharine Eagan
Steve Feigenbaum
Adam Goldman
Philip Hale
Kathy Karalekas
Brenda Mowen
David Persaud
Lena Petit
Bob Potts
Jeanie Satchel
Mary Shavalier
Deborah Tamargo

Others Present

Clark Jordan-Holmes, JJH
Elaine McCloud, McCloud Transport Associates
Ed Stillo, HDR
Jim Larsen, HDR

CALL TO ORDER AND INTRODUCTIONS

Sign-in sheets are attached.

Meeting was called to order at 8:35 a.m.

MINUTES

Councilmember Govin made a motion to approve the Finance, Governance and Administration Committee meeting minutes of November 16, 2009. Dr. Polzin seconded. All Committee members present voted aye. Motion carried unanimously.

RECOGNITIONS

Mr. Armijo recognized Mr. Robert Potts for 15 years of dedicated service to HART. He presented him with a proclamation and a symbolic crystal bus.

Councilmember Govin expressed his appreciation to Mr. Potts for his expertise and knowledge.

Mr. Potts said he appreciated the leadership provided by the Board and Mr. Armijo. He wished the organization success as it moves forward towards the referendum. Mr. Potts noted that if the referendum passes it would be a major victory for the region and it would allow HART provide quality transportation to the community.

DISCUSSION ITEMS

FEBRUARY HART BOARD MEETINGS SCHEDULE

Mr. Armijo said that as staff brings a closure to the Alternative Analysis over the next few months, it is critical for the Board to receive the most updated information to support critical decisions. He stated that staff suggested reversing the meetings schedule and received strong support from the Board for the change, except for a couple of conflicts. Mr. Armijo pointed out that the General Counsel also indicated that a decision about the change in the Board meeting schedule can be made by the Board's vote only. Mr. Armijo recommended that the full Board convene as needed, and that full Board meetings are held as needed in place of the committee meetings.

Mr. Bowers arrived at 9:24 a.m.

Mr. Byczek asked what the protocol for a conference call is.

Mr. Jordan-Holmes responded that the law does not allow for the full Board to vote via conference calling; the Board members can participate in meeting discussions, but cannot vote and would not be counted towards a quorum. He recommended that staff notice the committee meetings as joint meetings with the full Board.

The Committee members concluded that at this point there will be no change made to the 2010 HART Board meeting schedule.

LEGISLATIVE STRATEGY

Ms. Tamargo noted that HART has been actively participating in outreach programs and educating the community about HART. She said HART made a presentation to the Hillsborough Legislative Delegation and provided them with packets containing information about HART and its AA project that the local legislators could use as a resource during the upcoming session. Ms. Tamargo referred the Board members to the report in the packet that has an overview of the current legislative issues relevant to HART with suggested actions and watches, among which are the Florida Rail Enterprise, various bills related to texting which deal with policy and penalty issues, and an additional \$6 per credit hour transportation fee for community college students. She indicated that other bills have possible liability or savings to HART and will be monitored. Ms. Tamargo said that it is critical to start the education process early, since it will assist with the initiative in a better way.

Dr. Polzin said that he is interested in learning more about the Florida Rail Enterprise Board, its role versus the district office, what criteria will be used, and oversight responsibility of this agency.

Ms. Tamargo said staff can help in developing the rules, and that it is important that we contribute and participate. She remarked that there will be nine statewide seats on the Board.

Dr. Polzin noted that, hopefully, there will be one representative from each DOT district, the transportation industry may have one seat, and one representative may be from the private sector.

Ms. Tamargo said she will send out a list of criteria of eligibility to serve on the Florida Rail Enterprise Board.

Councilmember Govin said that appointments to this board are critical for HART because that board could have control over HART's projects in the future.

Mr. Armijo said that HART needs to be visible and to be at the table before the Legislature. He noted that HART has not received any state funding in a while and would like to see some resources coming to the agency.

Ms. Tamargo stated that HART is working with Representative Glorioso and Senator Joyner, both transportation committee chairs, discussing HART's priorities and funding requests. She indicated that the Florida Public Transportation Association agreed not to go forward with the gas tax request, and instead support HART's appropriation request.

LEGISLATIVE AUTHORITY

Mr. Armijo said that this discussion item is a follow-up to the January 4, 2010 CEO report provided in the packet. He reminded the Committee members that the discussion focuses on HART's role in interaction with other organizations in the Tampa Bay area.

Mr. Jordan-Holmes stated that HART is the oldest transit agency in the area. He reported that the newest bill created two more entities, the Florida statewide Passenger Rail Commission which has a primary function of monitoring all publicly funded passenger rail systems, and the Florida Rail Enterprise that is given the power and authority to coordinate the development and operation of publicly funded rail systems. Mr. Jordan-Holmes said that HART is the only federally authorized grant recipient in the area. Section 2 of the statute states that HART can contract for services within the regional transportation area, which is a reference to the principle of law that says if you collect taxes in Hillsborough County, you can spend it only in Hillsborough County. He commented that TBARTA's suggestions about taking over some parts of HART have to be looked at with caution because there are limits as to how much authority the HART Board can give away.

Ms. Davin asked whether the statute specifies how the authority handles transfer of vehicles, facilities, and other assets of the agency to other entities.

Mr. Jordan-Holmes responded that as a Board they need to control the agency's assets and cannot delegate this authority to anyone else. He explained that within the county HART can subcontract some parts of service, with specifically defined type of service.

Dr. Polzin asked what happens in the event that TBARTA becomes another federal funds recipient in the area, whether HART is going to be competing with them for funds. He noted that he is not aware of examples of multiple federal funds recipients within one jurisdiction.

Mr. Armijo said HART has been a designated grant recipient for 30 years. He remarked that it is unprecedented in his mind that a second entity, not the state, would operate within the same jurisdictional boundaries of a transit authority. Mr. Armijo pointed out that HART was created by a referendum to operate transit services within Hillsborough County.

Ms. Davin said that she was assured by Mr. Clifford that he is not trying to seek for TBARTA to be a funds recipient.

Mr. Armijo noted that TBARTA has met with FTA to discuss what is required to become a federal funds designated recipient. He added that Mr. Clifford is on the record suggesting that there is no reason that TBARTA or FDOT are not the federal funds recipient.

Ms. Davin said that the HART Board needs to make it clear that this Board is pursuing the role it was created to pursue. She noted that HART is interested in being regionally connected when the time comes, but now the major concern is to get the referendum passed, and to plan how the funds will be utilized, and what will be offered to the people of the only county that will be participating in the referendum. Ms. Davin indicated that it would be a disservice to start confusing the people of Hillsborough County what we are offering for this tax. She stated that HART needs to send a response to TBARTA stating its position to be dedicated to accomplishing the AA, supporting the referendum and providing the services that will be made possible through this tax.

Dr. Polzin noted that this issue has been discussed for a couple of years, and that revisiting functions as a result of growth is typically a legitimate function. He said he is concerned that the discussions do not center on community opinion about efficiency in government and responsiveness of local entities versus communication within a region. Dr. Polzin concurred with Ms. Davin that we risk confusing the public about the referendum if we have other entities doing AA studies and have floating discussions about merging of entities.

Ms. Davin said that another troublesome issue, in her opinion, is that TBARTA wants to ensure that HART will meet TBARTA's goals and is concurrent with TBARTA's plan. She noted that their plan was not put through modeling and is not up to FTA standards and that HART can not commit to a plan that does not answer federal standards.

Councilmember Govin said that, in his opinion, HART has fulfilled its commitment to keep other entities and agencies involved, and informed.

Mr. Armijo said that one of the issues arising from the TBARTA CAC is that they advocate that light rail should be the chosen technology. He noted that they need HART to agree to light rail to ensure future connectivity, but that HART can not agree to it before the completion of the analysis that supports selection of this technology. Mr. Armijo stated that there are very many people at the table representing many groups that want to make sure that their needs are met. He mentioned the recommendation of the mayor of Charlotte who said that to make the project successful, one needs to stick to the numbers and take politics out of the process. Mr. Armijo drew the Board members' attention to the recommendations provided in the memorandum, stating that HART formally request input to their LPA decision from interested parties, but that HART retain the responsibility and accountability of that decision; that HART is the entity responsible to the public for public funds expended on this project; and that in order to expedite and move forward beyond the AA, it is critical

that HART retain its ultimate authority for decision making. He informed the Board members that he and Ms. Shavalier are travelling to Washington, DC to meet with FTA staff to discuss the AA criteria changes outlined in correspondence from Secretary LaHood.

Commissioner Sharpe said he realizes how challenging and complex the AA process is. He stated that he spoke with the state and reaffirmed that HART does not need to ask TBARTA's permission to proceed with projects, but to continue to educate and provide updates to other entities for everyone to ensure HART's plan merges with other plans.

Mr. Byczek asked if TBARTA received additional funding at the last session.

Mr. Jordan-Holmes noted that they extended the existing funding.

Ms. Davin made a motion that the HART Finance Committee make recommendation to the full HART Board of Directors to support Mr. Armijo's recommendations and that HART draft a letter to TBARTA and other agencies to that effect. Dr. Polzin seconded. All Board members present voted aye. Motion carried unanimously.

Mr. Armijo noted that the County and HART staff meet on a regular basis and work together on all aspects of the process.

PRESENTATIONS

HART FLEX SERVICE

Ms. Eagan explained the flex service structure, booking and dispatching process. She said the service will have a reduced fare of 85 cents. Ms. Eagan provided definitions of flexible zone service versus flex route service. She noted that the type of service depends on length of route, population and employment density and location of trip generators, and that this customized approach lets HART meet the communities' varying needs. Ms. Eagan provided more details about the operating days and hours and presented maps of the service areas in Wimauma and Sun City Center and in the Brandon area.

Ms. Davin asked if staff plans to provide parking for golf carts in the area.

Ms. Eagan assured her that staff will look into it.

Ms. Eagan continued by stating that the Brandon flex service will be structured on the zone-based approach. She then spoke about HART's marketing and outreach plans for the campaign, including a direct mail campaign, site visits in zones, and free rides during the week of April 5 through 12. Ms. Eagan presented the service implementation timeline, with a January briefing to the HART Finance Committee, HART full Board approval in February, service deployment and marketing in March, and service implementation in April.

Ms. Davin asked if staff is planning to use the countywide library system for information.

Ms. Eagan responded that libraries provide access to the Internet for more information about the service.

Dr. Polzin asked if there is a service development plan and what parameters will be considered to determine if the campaign is a success.

Ms. Eagan responded that staff will be looking at the first six months and anticipates 10 passenger trips per hour. She noted that it could be eventually considered as service substitution on the weekends. Ms. Eagan indicated that such service gives an opportunity to serve the county and meet their needs.

Commissioner Sharpe left at 10:33 a.m.

CONTRACT FOR ADVERTISING AND MARKETING SERVICES

Ms. Eagan outlined the structure of the marketing and community relations department and its major activities. She said that HART uses external marketing consultants to maximize internal staff time and to have an opportunity to work with external subject experts. Ms. Eagan added that the current contract expires in March of this year.

Ms. Mowen said that HART has received a notice of intent to protest on this procurement. She described the carefully crafted evaluation criteria and process. Ms. Mowen indicated that HART received 13 proposals, doubling the interest in the contract from the last solicitation. She demonstrated the RFP scoring for the top four firms, with technical criteria accounting for 60 percent, and price 40 percent. Ms. Mowen said the evaluation committee consisted of a Board member, a chief, and a director. She added that it is a two-year contract with two one-year options for a not-to-exceed amount of \$1,400,000. Ms. Mowen provided detailed background information about the successful offeror, HDR Engineering, Inc. She said the company is outsourcing 60 percent to subcontractors; three of four are DBEs, located in the Tampa area. Ms. Mowen stated that staff did reference checks and confirmed a satisfactory record of performance of HDR Engineering, Inc. She noted that HDR Engineering, Inc. submitted the second best price which is 20 percent less than the current contract, and that their price is found fair and reasonable. Ms. Mowen indicated that staff hopes to request the contract authorization approval at the February Board meeting, but that if there is a protest, the decision will be deferred until March.

Mr. Bowers left at 10:45 a.m.

Dr. Polzin asked how much of the contract amount is for purchase of media and advertising.

Ms. Eagan said FY2010 includes \$635,000 for advertising including TV commercials, a USF partnership and sponsorship with the Tampa Bay Business Journal, while 60 percent of that ends up in a media buy.

Dr. Polzin noted that in spite of the lower rate of the proposed contract HART is looking at higher levels of marketing investment.

Ms. Eagan said HART anticipates being very busy this year.

Mr. Armijo said that HART has \$600,000 in advertising revenue that is being put back into marketing and advertising.

Ms. Davin asked for a description of how the contract will be built.

Ms. Mowen explained that the contract is task order oriented, the fixed labor rate is fully burdened, and HDR Engineering, Inc. will be HART's point of accountability.

Mr. Byczek made a motion to recommend to the full HART Board of Directors approval of the contract for advertising and marketing services. Councilmember Govin seconded. All Board members present voted aye. Motion carried unanimously.

INFORMATION ITEM

OUTREACH SCHEDULE

Chairperson Byczek left at 10:50 a.m.

Ms. Shavalier provided a brief outline of the County/HART outreach on the proposed sales tax initiative. She said five sessions have been set up, structured as drop-in sessions followed by formal presentations and questions and answers sessions, with an I-call meeting on February 16. Ms. Shavalier explained that staff is working on preparing a brochure, and will be doing group e-mail send-outs.

Ms. Davin asked if the County will be ready with the referendum language. She noted that all information should be available while communicating to the public, at one shot, to avoid confusion.

Mr. Armijo said that currently the outreach plan is to continue with education on what was proposed by the TTF. He indicated that HART believes that the language will be finalized in the near future. Mr. Armijo said that the two processes will be done concurrently.

Ms. Davin said that it troubles her that most people will come to one meeting only, and the County and HART staff will have one opportunity to give the correct information. She asked what message will be given at the sessions.

Ms. Shavalier responded that the message is the recommendations of the TTF, and that the proposals include 75 percent of the funding to transit, and 25 percent to non-transit projects. She noted that they are trying to get input, to see if these projects address the needs. Ms. Shavalier said feedback will be summarized from the community meetings and brought to the BOCC workshops. She added that the Board will see a lot of information on this initiative. Ms. Shavalier said that at the same time, staff will hold community meetings on the AA. She stated that staff will be requesting the HART Board's decision on the alignments to be excluded from the process.

Dr. Polzin said he would appreciate a re-emphasizing of the HART Board's role and the level of involvement in the process.

Mr. Jordan-Holmes said the Board members have a statutory duty to advocate what is best for transit, and are expected to be advocates up to the time when the BOCC calls for an election, which is when the Board's role changes and the Board members as individuals and as Board members can speak their mind, but cannot ask staff to write speeches for them.

Mr. Armijo said that staff will have certain limitations, but are still allowed to educate the community on the subject.

Dr. Polzin stated that the public might have some discussions on what happens “if not.” He said that in his opinion, some discussion of that is prudent.

Mr. Armijo indicated that there is a huge amount of disconnected information about what the referendum is and what it stands for. He indicated that there is more talk about rail than about bus service. Mr. Armijo added that it is necessary to recognize the misinformation and the challenge before us.

Ms. Hewitt announced that the Central Florida COMTO chapter will have a presentation from the FTA purchasing director at their January 29 meeting, at 3 p.m. He will speak to potential members to educate them about business opportunities.

The meeting adjourned at 11:04 a.m.

DISCUSSION ITEM

Overview of Express Service

HART operates local, circulator, and express bus service; each route type serves a different market and performs differently. While HART evaluates routes against similar service in determining route success, the differences in resources required for each service and ridership gain impacts HART's budget planning. HART's route structure and performance, as well as 2010 express service outreach, will be discussed.

Prepared by: Katharine Eagan, Chief of Service Development

Approved by: David Armijo, Chief Executive Officer

DISCUSSION ITEM

Overview of Fuel Costs

One of the most costly items influencing a bus fleet's bottom line, second only to driver wages and benefits, is fuel. Rising fuel prices have significantly influenced HART's operating budget. A broad overview of HART's fuel costs, its fuel program and methods used to purchase and control the rising cost of fuel will be discussed.

Prepared by: Brenda Mowen, Chief Administrative Officer

Approved by: David Armijo, Chief Executive Officer

DISCUSSION ITEM

Overview of Health Benefits Expenditures

Rapidly rising employee health benefits costs have significantly impacted HART's operating budget. This presentation will provide a broad overview of HART's employee health benefits costs, as well as current trends that may affect future costs. Potential strategies to mitigate the impact of projected costs increases will also be discussed.

Prepared by: Michael Stephens, Director of H.R., Risk, and Legal Services

Reviewed by: Brenda Mowen, Chief Administrative Officer

Approved by: David Armijo, Chief Executive Officer

PRESENTATION ITEM

Overview of FY2011 and FY2012 Budgets

HART's staff have been working diligently on preparing the Proposed FY2011 Operating and Capital Budgets along with the Planned budgets for FY2012. The budget document has been distributed to the Board members.

Staff will be making a presentation on some of the key considerations that have guided the development of the budget and the challenges that HART is facing in FY2011 and FY2012.

Prepared by: David Persaud, Director of Finance

Reviewed by: Brenda Mowen, Chief Administrative Officer

Approved by: David Armijo, Chief Executive Officer