PINELLAS SUNCOAST TRANSIT AUTHORITY
3201 SCHERER DRIVE, ST. PETERSBURG, FL 33716
WWW.PSTA.NET 727.540.1800 FAX 727.540.1913

FINANCE & PERFORMANCE MANAGEMENT COMMITTEE MEETING
AGENDA – MAY 20, 2015; 9:00 AM
PSTA AUDITORIUM

				TIME	PAGE
1.	**CALL TO ORDER**			**9:00**	
2.	**PUBLIC COMMENT**			**9:00**	
3.	**ACTION ITEMS**			**9:05**	
	A. April 15, 2015 Meeting Minutes	5 min	CHAIR BARKLEY		2
	B. Settlement with Marcia & Robin Order	5 min	DIANE RANDALL		7
	C. Bus Tire Lease	5 min	LOUEMMA CROMITY		10
	D. Bus Advertising Contract/Policy	10 min	CYNDI RASKIN-SCHMITT		17
	E. Financial Polices Update	10 min	DEBBIE LEOUS		38
4.	**REPORTS**			**9:40**	
	A. Quarterly Investment Report		DEBBIE LEOUS		69
	B. Monthly Financial Statement		DEBBIE LEOUS		72
	C. Ridership/Performance		BRAD MILLER		78
5.	**FUTURE MEETING SUBJECTS**			**9:45**	
	• Triennial Review				
	• Federal Lobbyist				
6.	**OTHER BUSINESS**			**9:45**	
7.	**EXECUTIVE CLOSED DOOR SESSION**			**9:45**	79
	A. Tampa Bay Area Transit Workers Union Negotiations				
8.	**ADJOURNMENT**			**10:15**	

***Note: The Capital Improvement Program Public Hearing will begin at 10:30 or at the conclusion of the Finance Committee Meeting.**

THE NEXT MEETING IS JUNE 17, 2015 AT 9:00 AM

ACTION ITEM

3A:	**April 15, 2015 Meeting Minutes**
Action:	**Approve Meeting Minutes**

Staff Resource: Clarissa Keresztes, Administrative Asst.

FINANCE & PERFORMANCE MANAGEMENT

- Staff recommends approval of the minutes of the April Finance & Performance Management Committee meeting.

Attachments:

1. Minutes

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FINANCE & PERFORMANCE MANAGEMENT COMMITTEE MEETING
MINUTES – APRIL 15, 2015

The Finance & Performance Management Committee of the Pinellas Suncoast Transit Authority (PSTA) Board of Directors held a meeting in the Auditorium at PSTA Headquarters at 9:00 AM on this date. The purpose of the meeting was to approve the March 20, 2015 meeting minutes and recommend approval of the FleetNet Software Support renewal agreement. The following members were present:

Joe Barkley, Committee Chair
Mark Deighton
Bill Jonson
Brian Scott

Absent
Dave Eggers
Curtis Holmes (Alternate)

Also Present:
Brad Miller, CEO
PSTA Staff Members
Members of the Public

CALL TO ORDER

Committee Chair Barkley opened the meeting at 9:01 AM.

PUBLIC COMMENT

There were no public comments.

ACTION ITEMS

Approval of Minutes – Mr. Scott made a motion, seconded by Mr. Deighton to approve the March 20, 2015 minutes. There were no public comments. Motion passed unanimously.

FleetNet Software Support Renewal Agreement – Debbie Leous, Chief Financial Officer, said that FleetNet is a transit software company specializing in enterprise level public transportation management system software that delivers a total solution package. She explained the modules PSTA utilizes, adding that PSTA has been using this software for over 15 years. She reported that the Agency's current one-year FleetNet software maintenance and license will expire on April 30, 2015 and that staff is recommending approval of a three-year support and maintenance agreement in the amount not to exceed $120,000. She stated that over the three years, PSTA will save a minimum of $6,000. Mr. Jonson made a motion, seconded by Mr. Scott to recommend Board acceptance of the three-year support and maintenance agreement. There were no public comments. Motion passed unanimously.

INFORMATION ITEMS

PSTA Advertising Policies – Cyndi Raskin-Schmitt, Director of Communications, provided a brief history of PSTA's advertising program and presented opportunities to expand the program. She indicated that outsourcing the advertising has the potential to significantly increase revenues. Ms. Raskin-Schmitt outlined the content in the current advertising policy and indicated some possible changes that could also increase revenue.

Ms. Raskin-Schmitt indicated that there is a Request for Proposal (RFP) currently out which is due the end of April. The winning vendor will be presented to the Committee in May for approval along with a revised policy. Mr. Jonson suggested speaking with Alan Zimmet, General Counsel, about the policy and the proposed changes. He also expressed his concern about full wraps which cover the bus windows causing reduced visibility.

2015 Benchmarking and Data Management – Mr. Miller explained that PSTA is a member of the American Bus Benchmarking Group (ABBG) and presented some highlights from the recent 2015 report. He noted that the benchmarking program is an on-going measurement system to track and improve performance. The ABBG is administered by the Imperial College of London and includes 17 other members from across the United States.

Mr. Miller said that ABBG is developing a new Paratransit Report this year with a workshop scheduled in Fort Worth in May. He said the ABBG is also currently working on the on-line Customer Satisfaction Survey for each of the systems. Mr. Miller presented five charts comparing PSTA to other transit systems in areas such as capacity utilization, on-time performance, layover and efficiency, and financial comparisons. The Committee had a lengthy discussion about each area.

Mr. Miller explained that because the question had been asked about whether or not PSTA should seek partnership with the Pinellas Metropolitan Planning Organization (MPO) for Surface Transportation Program (STP) dollars versus using the formula funds for bus replacement, he compared PSTA to other large Florida transit systems to see if they are all using federal funds for operations. He said they are, and in particular, HART spent 87% of their Federal 5307 for operating assistance in 2014 as compared to 40% for PSTA. He added that HART is capable of doing that because they receive STP funds from their MPO and funds from Hillsborough County. He also presented a chart indicating how much the other large Florida transit systems are receiving in state and local funds for their capital program. He noted that PSTA received funds once for the capital program, and that was $4 million in FY2012 for the concrete settlement. He explained that PSTA has been existing on Congressional earmarks under Congressman Bill Young and federal formula funds for the bus fleet and other capital projects.

Mr. Miller stated that he believes it is appropriate for PSTA to use some federal funds toward operations, but the majority of funds should be applied to the capital program, and to work toward generating more state and federal funding. Mr. Jonson suggested sharing the presentation with the MPO, and Committee Chair Barkley also suggested showing this presentation to the County Commissioners. Committee Chair Barkley asked what other types of funds are available that PSTA could pursue. Mr. Miller responded that there are TIGER grants and funds for electric buses. He noted that there are more federal funds available than state.

REPORTS

Monthly Financial Statement – Debbie Leous, Chief Financial Officer, presented the financial status report for the period ending February 28, 2015. She reported that for the month of February, there was a net deficit of $604,000, which was $228,000 favorable to the budgeted deficit of $832,000. She reported that revenues were under budget by $482,000 due to the timing of the state grants. Ms. Leous indicated that expenses were under budget by $710,000 with every category being under budget. She presented the year to date (YTD) actuals as of February 2015, and reported that there was a surplus of $20.0 million as compared to the budgeted amount of $19.2 million. She said that revenues were under budget $1.1 million due to passenger fares and the timing of state grants. She noted that all expense categories were under budget. Ms. Leous reported on the budget on a year-to-year basis and noted there is a $1,781 variance from 2014.

Ridership/Performance – The report was handed out at the meeting. Mr. Scott noted that the on-time performance did poorly in March, and Mr. Miller stated his belief that it could be due to spring break traffic, but will investigate further.

Mr. Jonson pointed out the important fact that the ridership statistics report will now include verbiage that "Per Federal Transit Administration (FTA) requirements, each boarding equals one trip."

FUTURE MEETING SUBJECTS

- Advertising/Reserve/Investment/Liability Policies – May
- Bus tire lease
- Federal lobbyist contract
- Triennial review - June

OTHER BUSINESS

Mr. Scott distributed an article from the *National Bus Trader Magazine* on alternative fuels and reduced emissions.

Mr. Jonson indicated that there have been discussions in the past about alternatives such as diesel buses versus hybrid buses and using smaller buses versus full size buses. He said he is interested in seeing those comparative numbers at a future meeting.

ADJOURNMENT

The meeting was adjourned at 10:25 AM. The next meeting will be held May 20, 2015 at 9:00 AM.

ACTION ITEM

3B:	**Settlement with Marcia & Robin Oder**
Action:	**Recommend Board Approval of Settlement Authority of $300,000.**

FINANCE & PERFORMANCE MANAGEMENT

Staff Resource: Diane Randall, Risk Management Supervisor

Background:

- Marcia Oder sustained injuries from an incident on February 12, 2015. The driver of the bus was cited for failure to use due care toward a pedestrian.
- Staff is requesting settlement authority of $200,000 for Marcia Oder and $100,000 for Robin Oder for a total of $300,000.
- Our sovereign immunity limits of liability are $200,000 per person and $300,000 per accident so this is a full limit request.
- Settlement approval has already been obtained from PSTA's excess carrier and now requires Board approval to proceed with the settlement.

Fiscal Impact:

- $300,000 ($200,000 of which will be reimbursed by our Excess Carrier).

Recommendation:

- Recommend Board approval of the settlement with Mr. & Mrs. Oder.

Attachments:

1. Defense Evaluation

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ATTORNEYS AT LAW

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+American Board of Trial Advocates

MEMORANDUM

TO: Diane Randall, Risk Supervisor

FROM: T.R. Unice, Jr., Esquire

RE: Proposed Settlement Regarding Claimants Marcia and Robin Oder

DATE: May 4, 2015

Marcia Oder is a 72-year-old pedestrian who was impacted by a PSTA connector bus in the Publix parking lot at 36301 East Lake Road in Palm Harbor, Florida, on February 12, 2015. The incident has received media attention where it was reported that Mrs. Oder was dragged and trapped under the PSTA vehicle. After Mrs. Oder was extricated, she was air-lifted to Bayfront Medical Center where she was listed in critical condition. Media has reported that the PSTA driver stated to FHP that he did not see the claimant.

Liability in this matter is favorable to the claimants as the DVR video shows the pedestrian entered the crosswalk approximately twenty-five feet beyond a stop sign controlling the PSTA bus' lane of travel. The claimant walked uniformly into the crosswalk at a slow pace. The PSTA vehicle slows at the stop sign, but does not come to a full stop. The vehicle then traverses one crosswalk and approaches the crosswalk that the claimant had entered. The DVR video shows the claimant in full view through the vehicle's windshield. The PSTA vehicle then impacts the claimant as she is halfway through the crosswalk. In the Incident Report, the driver reported he did not see the claimant as his vision was obscured by the sun. The brake switch reveals the brakes were not engaged until after the claimant was pulled under the bus. The brake test on the vehicle did not reveal any issues. After an investigation by law enforcement, the PSTA operator was cited for violation of Fla. Stat. 316.130(15) for failure to use due care toward a pedestrian.

While the current information regarding the extent of the claimant's injuries is limited, staff on site had reported that Mrs. Oder's left arm was severely injured, she had severe facial injuries, and that her chest was concaved. The file also indicated Mrs. Oder had undergone

00222966.DOCX

several unspecified surgical procedures and had a brain injury. Rehabilitation and therapy related to her injuries is expected to be lengthy.

Mr. Oder has a claim for loss of consortium related to his spouse's injuries. It is believed Mr. Oder is disabled and is dependent upon Mrs. Oder for assistance with his activities of daily living. Considering the extent of Mrs. Oder's injuries, the loss of consortium claim may exceed the sovereign immunity limits after taking into account the loss of companionship and comfort, as well as the costs of providing home health services that were presumably provided by the spouse.

Assuming 100% liability for the accident for the injuries stated above, damages for the claimants will exceed the statutory sovereign immunity limits of $300,000.00.

ACTION ITEM

3C:	**Bus Tire Lease**
Action:	**Recommend Approval for a Three-Year Contract with Two One-Year Renewals with Michelin North America for an Amount not to Exceed $2,200,000 Over the Maximum Five-Year Period.**

taff Resource: Henry Lukasik, Director of Maintenance

FINANCE & PERFORMANCE MANAGEMENT

Background:

- It has been PSTA's practice to lease tires because by leasing tires the cost of inventory and tire disposal are avoided. Based upon a cost analysis, done by PSTA, leasing transit bus tires versus purchasing them continues to result in a significant savings.
- In February 2015, PSTA issued an Invitation for Bid (IFB) #15-07B, soliciting competitive bids from experienced, qualified, and capable vendors to supply tires for the PSTA bus fleet in the sizes and estimated mileage below:

MAKE	NUMBER OF BUSES	TIRE SIZE	NUMBER OF TIRES PER VEHICLE	AVERAGE ANNUAL MILEAGE PER YEAR
GILLIG	195	305/85/R22.5	6	9,159,750
MCI	10	315/80/R22.5	8	262,000
GILLIG	5	275/70/R22.5	6	199,000
FORD	8	225/75/R16	6	262,500

- PSTA received bid responses from two vendors:
  1) Goodyear Tire & Rubber Company (Incumbent)
  2) Michelin North America, Inc.
- After full evaluation it was determined that Michelin North America was the lowest bidder over the maximum five year life of the contract.

- PSTA's adopted Capital Improvement Program's (CIP) Federal Transit Administration (FTA) Section (5307) grant funds include funding for this contract.

Fiscal Impact:

- This project will be 100% federally funded by the FTA.

Recommendation:

- Recommend approval for a three-year contract with two one-year renewals with Michelin North America for an amount not to exceed $2,200,000 over the maximum five year period.

Attachments:

1. Bid Tabulation Sheet
2. Michelin Tire Lease—Lease vs Purchase Analysis
3. PowerPoint
4. Invitation for Bid (CLICK TO VIEW/PRINT)

Bid Tabulation Sheet
IFB 15-007B Bus Tire Lease
March 31, 2015 – 2:00 PM EST

PRICE BID FORM (YEAR 1 to YEAR 3) - FIXED PRICE PER MILE

Company Name:	Michelin		Goodyear	
TIRE SIZE	PER MILE	ANNUAL COST	PER MILE	ANNUAL COST
B305/85/R22.5	.00701	$385,259.08	.007046	$387,239.59
B315/80/R22.5	.00720	$15,091.20	.007046	$14,768.42
B275/70/R22.5	.00649	$7,749.06	.007046	$8,412.92
225/75/R16	.00447	$7040.25	.007046	$11,097.45
Annual Total		$415,139.59		$421,516.38
Total Y1 - Y3		$1,245,418.77		$1,264.549.14

PRICE BID FORM - 12 MONTH OPTION 1 – YEAR 4 - FIXED PRICE PER MILE

Company Name:	Michelin		Goodyear	
TIRE SIZE	PER MILE	ANNUAL COST	PER MILE	ANNUAL COST
B305/85/R22.5	.00743	$408,341.66	.007354	$404,164.81
B315/80/R22.5	.00763	$15,992.48	.007354	$15,413.98
B275/70/R22.5	.00688	$8,214.72	.007354	$8,780.68
225/75/R16	.00474	$7,465.50	.007354	$11,582.55
Total Y4		$440,014.36		$439,942.02

PRICE BID FORM - 12 MONTH OPTION 2 – YEAR 5 - FIXED PRICE PER MILE

Company Name:	Michelin		Goodyear	
TIRE SIZE	PER MILE	ANNUAL COST	PER MILE	ANNUAL COST
B305/85/R22.5	.00788	$433,072.98	.007648	$420,322.61
B315/80/R22.5	.00809	$16,956.64	.007648	$16,030.21
B275/70/R22.5	.00729	$8,704.26,	.007648	$9,131.71
225/75/R16	.00502	$7,906.50	.007648	$12,045.60
Total Y5		$466,640.38		$457,530.13
Total Y1 – Y5		$2,152,073.51		$2,162,021.29

Opened By: ______________________
John Samarkas, Purchasing Buyer

Recorded By: ______________________
Ana Owen, Purchasing Manager

LEASE vs PURCHASE ANALYSIS

TYPE OF BUS	QTY OF BUSES	TIRE SIZE	FLEET MILES /YR	TIRE LIFE (MILES)	TIRES USED/ (YR)	PURCHASE COST PER TIRE	TIRE LEASE COST /MILE	TOTAL PURCHASE COST (YR)	TOTAL LEASE COST (YR)
GILLIG	**195**	305/85/R22.5	9,159,750	70,000	785	$700	$0.00701	$549,585.00	$385,259.09
MCI COACH BUS	**10**	315/80/R22.5	262,000	65,000	32	$670	$0.00720	$21,604.92	$15,091.20
GILLIG	**5**	275/70/R22.5	199,000	60,000	20	$500	$0.00649	$9,950.00	$7,749.06
FORD CONNECTORS	**8**	225/75/R16	262,500	35,000	45	$250	$0.00447	$11,250.00	$7,040.25
TOTALS	**218**		**9,883,250**		**882**			**$592,389.92**	**$415,139.60**

	YEARLY	INITIAL 3 YEARS
PURCHASE COST	**$592,390**	**$1,777,170**
LEASE COST	**$415,140**	**$1,245,419**
LEASE SAVINGS	**$177,250**	**$531,751**

Transit Bus Tires Lease

Finance and Performance Management Committee

May 20, 2015

LEASING vs PURCHASING of TIRES

LEASE

- PSTA Does Not Have To Invest Money To Maintain It's Tire Inventory.
- Vendor Provides All Tire Inventory Including Spares As Needed.
- Lease Contract Assures Continuity Of Supply.
- PSTA Only Pays For Miles Travelled.
- No Additional Charges For Casings, Freight, With Prorate For Premature Tire Failure.
- Fixed Cost-per-mile Allows for Annual Budget Forecasting.
- Tire Rates Are Clearly Defined Through Out The Contract Term.
- No Tire Equipment and Supply Costs.

LEASING vs PURCHASING (Continued)

PURCHASE

- Pay Upfront For All Tire Inventory (Rolling Stock And Spare Stock)
- PSTA Must Store Inventory On-site.
- Negotiate Purchase Prices Based On Need Which Are Influenced By:
  - Economic Market Conditions
  - Purchase Volume
  - Tire Availability
- Pay For Charges For Scrap Tire Disposal And Premature Loss Of Tire.
- Variable Yearly Costs Present Unknowns For Budget Forecasting.
- Required Purchase of Equipment and Tire Supplies.

PSTA

COST ANALYSIS

LEASE vs PURCHASE ANALYSIS

TYPE OF BUS	QTY OF BUSES	TIRE SIZE	FLEET MILES /YR	TIRE LIFE (MILES)	TIRES USED/ (YR)	PURCHASE COST PER TIRE	TIRE LEASE COST /MILE	TOTAL PURCHASE COST (YR)	TOTAL LEASE COST (YR)
GILLIG	195	305/85/R22.5	9,159,750	70,000	785	$700	$0.00701	$549,585.00	$385,259.09
MCI COACH BUS	10	315/80/R22.5	262,000	65,000	32	$670	$0.00720	$21,604.92	$15,091.20
GILLIG	5	275/70/R22.5	199,000	60,000	20	$500	$0.00649	$9,950.00	$7,749.06
FORD CONNECTORS	8	225/75/R16	262,500	35,000	45	$250	$0.00447	$11,250.00	$7,040.25
TOTALS	218		9,883,250		882			$592,389.92	$415,139.60

	YEARLY	INITIAL 3 YEARS
PURCHASE COST	$592,390	$1,777,170
LEASE COST	$415,140	$1,245,419
LEASE SAVINGS	$177,250	$531,751

PSTA

CONCLUSION

- Leasing Tires Represents a $177,250 Yearly Cost Savings Compared to Purchasing Tires.
- Cost Savings Increases to $531,751 Over the Initial Three (3) Years Compared to Purchasing Tires.
- PSTA Does Not Have To Invest Money To Maintain It's Tire Inventory.
- Tire Rates Are Clearly Defined Through Out The Contract Term.

4 PSTA

QUESTIONS

5 PSTA

ACTION ITEM

3D:	**Bus Advertising Contract/Policy**
Action:	**A. Recommend Approval of Transit Advertising Services Agreement with Advertising Vehicles, Inc.** **B. Recommend Repeal of Existing Resolution #99-01 – PSTA's Bus Advertising Policy** **C. Recommend Approval of the Revised Bus Advertising Policy**

Staff Resource: Cyndi Raskin-Schmitt, Dir. of Comm.
Sangita Land, Chief Compliance Officer
LouEmma Cromity, Dir. of Procurement

FINANCE & PERFORMANCE MANAGEMENT

A. TRANSIT ADVERTISING CONTRACT

Background:

- PSTA used an outside firm to handle its bus advertising sales until around 2000 when bus advertising was brought in-house to be run by Marketing staff. In June 2014, a part-time sales representative was hired in the effort to boost sales. While this has been a success, outsourcing the program to a firm that specializes in this type of advertising business has the potential to significantly increase the revenues generated.
- The Procurement Division, in concert with the Marketing Department, developed and released a Request for Proposal (RFP) for Transit Advertising Services. The RFP was sent to over 15 suppliers directly and was posted on PSTA's Procurement website. Eight suppliers participated in the Pre-Proposal Meeting with three suppliers submitting formal responses:

Firm Name	Home Office
Advertising Vehicles, Inc.	Cincinnati, OH
Direct Media, USA	Hingham, MA
Signal Outdoor Advertising, LLC	Roswell, GA

- A Selection Committee comprised of PSTA staff members evaluated each of the proposals and then following in-person presentations, Advertising Vehicles was selected as the highest ranked supplier.
- Advertising Vehicles will provide this service under contractual terms of three years with the option to extend for two one-year periods.

Potential Advertising Revenue to PSTA

In addition to demonstrating a sound sales plan, another critical evaluation measure in selecting an outsourced advertising firm is their revenue sharing proposal. In the bus advertising business, contracts are typically established to pay the transit authority a "minimum guaranteed" lump sum amount and then a percentage of the net revenues on sales exceeding the minimum guarantee.

- Following negotiations, Advertising Vehicles has agreed to a minimum guarantee for the first year of $325,000, which significantly exceeds PSTA's advertising revenue last year.
- Advertising Vehicles will pay this first year guarantee, quarterly with the payments to PSTA due at the beginning of each quarter. Additional revenue due to PSTA above the guarantee will be settled at the end of the year.
- PSTA will also receive 58% of revenues for sales exceeding the minimum guarantee.

Fiscal Impact:

- A minimum annual revenue of $325,000 will be included in PSTA's operating budget June 1st of each contractual year.

Recommendation:

- Approve the three-year Transit Advertising Services contract with Advertising Vehicles with the option to extend two one-year periods.

B. REPEAL OF EXISTING PSTA ADVERTISING POLICY RESOLUTION #99-01

Background:

- PSTA's bus advertising program is currently governed by Board Resolution #99-01. The new Resolution #15-04 repeals Resolution #99-01 and replaces it with the new Bus Advertising Policy.
- The Bus Advertising Policy would be maintained by the PSTA Marketing Department, but any future changes would be subject to Board review and approval.

Recommendation:

- Approve Resolution #15-04 to Repeal Resolution #99-01.

C. REVISED BUS ADVERTISING POLICY

Background:

- A Board resolution from 1999 restricts bus advertising to strictly commercial messages and prohibits several categories of advertising content including governmental entity advertisement and alcoholic beverage advertisement.
- Expanding the permissible advertising content has the strong potential to increase advertising revenue.
- The proposed revisions to PSTA's Bus Advertising Policy allow advertising by governmental entities with messages that further their functions, objectives and/or public responsibilities. The revision also eliminates the prohibition against alcoholic beverages advertisement.

Fiscal Impact:

- Has the potential for increased advertising revenue.

Recommendation:

- Approve the revised PSTA Bus Advertising Policy.

Attachments:

1. Scope of Work
2. Resolutions #99-01 and #15-04
3. Bus Advertising Policy

Transit Advertising Scope of Work

1.1 BACKGROUND

PSTA is part of a regional solution to transportation, and is working across the region with transit partners and planning agencies. Currently, PSTA operates bus and paratransit systems within Pinellas County. To help provide regional mobility, PSTA plans to implement operational efficiencies and envisions new services, infrastructure upgrades, transit partnerships, and other new transit solutions in concert with the community interests. PSTA will also continue an active dialogue with the public for all projects and system changes. PSTA is seeking a Supplier to manage its Transit Advertising Program.

1. Purpose

(a) PSTA's Transit Advertising Program contains Traditional Transit Advertising space opportunities that will be limited to on-vehicle advertising for exterior space. Traditional Transit Advertising may include, but not be limited to, on-vehicle Traditional Units and Signature Units (Traditional King; Traditional Queen, Super Tail, Super King, among others).

(b) The Supplier shall have rights to sell PSTA approved advertising space upon the exterior of the fixed-route fleet subject to the terms and conditions set forth in this contract.

(c) This program may include such graphic formats as full bus wraps (excluding bus fronts), ½ side Murals (vehicle wrapped only below the windows using approved production materials), and back/tail. Other related traditional and non-traditional advertising opportunities will be considered on a case by case basis, and are subject to PSTA's approval prior to installation. All advertising must be in accordance with ADA (American Disability Act) requirements.

(d) The Supplier shall develop PSTA as an advertising franchise that returns an increasing amount of revenue based upon the value that advertisers receive. The Supplier shall achieve this in part through aggressive sale of the space, program made available to the Supplier, and by selling that space at market rates that significantly add to the revenue returned to both the Supplier and PSTA.

2. Advertising Guidelines

(a) All advertising shall conform to the Advertising Policy as set forth in PSTA's Board Policy Manual, presented as Attachment A to this RFP and any updates that may occur to the Policy from time to time. All advertisements shall be presented to PSTA for its review. PSTA shall have the sole discretion of whether an advertisement (not limited to graphics, words, phrases and/or names) will be posted or displayed.

(b) Any advertisements that are inadvertently posted without pre-approval and are later determined not to be in compliance with PSTA's standards shall be removed by the Supplier at the direction of and at no cost to PSTA and within seventy-two (72) hours of the date/time of PSTA's written notice to the Supplier.

3. Business Plan

(a) Within 60 days of Notice to Proceed, the Supplier shall submit a Business Plan for PSTA's review and approval. The Business Plan shall be, at the least, similar and of the quality provided in the Supplier's Technical Proposal. The Business Plan shall address the handling of all or any combination of the advertising. The plan shall detail proposed medium, as well as, specific plans and expectations for the Tampa Bay market. The primary goal of the plan shall be to sell the space available for sale as possible at the highest possible rates.

(b) Throughout the implementation of the plan, the Supplier shall preserve PSTA brand image. The Supplier shall take every reasonable measure to maintain a high graphic standard for all materials that will be displayed on PSTA's fleet. These standards shall be reasonable and customary in the industry. All materials must be pre-approved by PSTA prior to use. In addition, any damage to the paint or underlying vinyl (e.g. logos) shall be repaired/replaced at Supplier's cost.

4. Sales Plan

(a) Within 60 days of Notice to Proceed, the Supplier shall submit a detailed Sales Plan for PSTA's review and approval. The Sales Plan shall be, at the least, similar and of the quality provided in the Supplier's Technical Proposal. The Sales Plan must describe the business/sales strategies of its organization. The Sales Plan shall be focused to maximize revenues from the Supplier's advertising franchises through achievement of a reasonable mix of national, regional and local sales that is customary and usual for the industry. International based sales may also be considered. The plan shall include sales strategies that the Supplier will employ to sell advertising with the goal of achieving the maximum utilization of all space available for sale.

(b) The Sales Plan shall respond to the different demographic, psychographic, and socioeconomic profiles of markets within PSTA's service area and the Tampa Bay Geographic Market footprint, and the special opportunities that these markets present. The Sales Plan shall detail efforts the Supplier will make to win national, regional and local advertising buys.

(c) The Sales Plan shall discuss the potential for opportunities such as cross promotions or merchandising with advertisers. The Sales Plan shall include information regarding how national sales will be handled. In particular, the Sales Plan shall provide information on who will bear primary responsibility for national sales. The Sales Plan shall identify staff responsible for national, regional, and local sales and the offices where these individuals will be located.

(d) At no time will PSTA allow for its advertising space to be subdivided or resold by any parties other than the Supplier and its designated sales agents without the express written consent of PSTA.

(e) Throughout the duration of this contract, the Supplier shall recognize the importance PSTA places on national, regional and local sales activities for building a more robust PSTA advertising franchise. The Supplier must address the unique features of the Tampa Bay market and take actions to insure that sales will be maximized throughout PSTA's service area. The Supplier shall utilize creative sales strategies, but not at the expense of revenue. The Supplier's Sales Plan shall demonstrate that it employs the best strategies to maximize revenues.

(f) The Sales Plan shall explain the types of marketing/sales materials that will be developed to support the sales activity and any advertising or other forms of marketing, current internal research, primary, secondary or third party research, trade publications, and other vehicles employed to maximize revenue that will be used to influence media buyers, or other persons of decision-making capacity, to consider PSTA advertising franchises. The Supplier's Sales Plan shall also include sales staff inside sales quotas, outside sales quotas, cold call solicitation quotas, revenue quotas, on both an individual and collective sales basis, as well as rationalization as to the quotas imposed and timing of review of said goals (i.e., weekly, monthly, quarterly).

(g) The Sales Plan shall list all current proprietary, primary, secondary, or related third party research it currently subscribes and how it will be used to procure PSTA advertising business. Any primary, secondary, or third party research, or otherwise that is to be obtained by the Supplier should be listed separately.

(h) The Supplier shall disclose the cost of any current or procurement of any additional research it deems necessary only if it is being included in any PSTA advertising rate plans.

5. Vehicle Staging

PSTA cannot guarantee vehicles will be available for promotional staging. PSTA will not remove vehicles from scheduled service or in any way diminish quality of service to provide vehicles for staging. The Supplier shall give notice to PSTA's designated representative at least 72 hours in advance of the staging event. The Supplier shall supply the exact location and duration of the promotional event with the contact name(s) of person(s) and organizations that vehicle will support. PSTA will consider Advertiser promotional opportunities only on a case by case basis.

6. Annual Audits

(a) PSTA may execute periodic, unscheduled and unannounced physical and financial audits of all the advertising elements included in this contract. Audits will be reconciled with the Supplier's sales for the same period of time. Audits may serve as an assessment of the Supplier's performance in compliance with the terms and conditions of the contract.

(b) The physical audit may include visible audits of all, or samples, of the advertising posted on PSTA's fixed route fleet, or other PSTA advertising vehicles and any advertising mediums, or advertising vehicles and programs implemented and approved by PSTA.

(c) Financial audits will constitute a detailed review of the Supplier's sales and will collect records for the purpose of determining that sales were executed at the established rate card rates, discounts offered (if any), premiums (if any) and that the number of advertising spaces allocated to the advertiser were the amount sold and that the amounts collected were in accordance with the rates approved by PSTA. PSTA's financial audit may include gross sales, net revenue earned or full disclosure of any rates from which PSTA receives revenue.

(d) In order to assist PSTA in its efforts to perform both physical as well as financial reviews, the Supplier shall provide a listing of all advertising elements sold (and unsold) and posted each month on or before the 15th day of each month. This report shall be sent to a PSTA designated representative by the 28th day of each month that the Supplier's contract shall remain in effect.

(e) The results of both reviews shall be compared with the Supplier billings and any deficiencies or irregularities shall be corrected in the Supplier billing statements within ten (10) working days of notification by PSTA. Any net underpayment to PSTA disclosed by audit shall be due and payable upon demand by PSTA.

7. Contract and Billing Reports

The Supplier shall provide monthly reports detailing all contracts and billing collection activity, as well as monthly (and total) net revenue earned by PSTA by advertising vehicle, and medium, during that monthly reporting period, as well as the number of months contracted and number of months left on the contract. This will include a report breakdown by different PSTA fixed route bus sizes, and by proposed and implemented established rate card categories and future opportunities. The report shall include a copy of all fully executed space advertising sales contracts. The contracts should detail the amount of advertising purchases including the size and duration of the buy. Report data relating to sales and billings shall be provided, in an electronic form. Electronic copies shall be presented in a storable spreadsheet file format.

8. Over Posting and Removal of Dated Materials

(a) The Supplier shall maintain a clean and well-kept environment for PSTA's customers, the public and PSTA's employees. Since empty advertising spaces may diminish the appearance of vehicles, the practice of over posting is allowable.

(b) Over-posted advertising must remain in "like-new" condition. The Supplier shall report monthly on the rate of over posting in conjunction with its monthly reporting on available and used inventory.

(c) The Supplier must remove all dated materials within three (3) days of the end of a contract.

(d) All removed materials shall be removed by the Supplier from PSTA's premises and disposed of properly.

9. Reserved (5%) and Unsold Space

(a) Each contract year, five percent (5%) of all exterior advertising space shall be reserved for PSTA's own messages or co-promotional messages, at the sole discretion of PSTA, and is not pre-emptible by the Supplier. PSTA may review the reserved amount of reserved space at any time of the contract and increase/decrease said amount depending upon marketplace conditions. Every attempt will be made to maximize revenue for PSTA and the Supplier.

(b) Every reasonable effort shall be made by PSTA and the Supplier to apportion the use of this space so as to not interfere with the Supplier's potential sale of the space. PSTA shall coordinate with the Supplier for the intended use of the space no later than thirty (30) days prior to the intended use of the space. PSTA will coordinate to ensure that the use of any unsold space does not limit the Supplier's ability to sell future advertising. For this purpose the Supplier will provide copies of the Monthly Contract and Billing Reports to PSTA.

(c) PSTA shall maintain the right to place its own promotional materials in unsold spaces, in addition to the 5% of all space that is reserved for the use of PSTA. PSTA also reserves the right to enter into cooperative promotions that will utilize unsold spaces to promote the use of PSTA services.

(d) PSTA self-promotion materials may be provided to the Supplier to fill unsold space. PSTA may produce these materials and provide them to the Supplier that shall post these materials at no cost to PSTA.

(e) PSTA may also permit the use of unsold space for the purpose of promoting the advertising franchise of PSTA. PSTA will not grant the Supplier any other use of unsold space without compensation to PSTA without the express written permission of PSTA's Director of Communications.

(f) The Supplier will provide an available monthly space report to PSTA's designated representative to ensure PSTA's reserved 5% space is maximized.

(g) However, as stated above PSTA would prefer that no advertising space be left empty for long durations of time. PSTA may provide the Supplier with self-promotion materials that shall be used to fill unsold space.

10. Barter Agreements

PSTA will not allow barter agreements for goods or services. PSTA will consider barter agreements for media time, space, new and emerging technologies, or other appropriate marketing or marketing related vehicle(s), on an individual basis, which can be used exclusively for the benefit of PSTA. Barter rates will either be market rates or rate card rates, whichever is higher at the time of contracting for service.

11. Cooperative Promotions and Retained Rights

(a) PSTA may enter into cooperative promotions with advertisers that would benefit both existing and potential users of PSTA's services.

(b) PSTA reserves the right to develop cooperative promotions on its own and to enter into direct trade and other compensatory relationships with advertisers in support of those cooperative promotions.

(c) PSTA reserves the right to use unsold space to publicize these promotions without compensation to the Supplier. PSTA may provide the Supplier with co-promotional advertising materials to be installed by the Supplier's personnel at no cost to PSTA.

(d) PSTA reserves the right to use advertised images on all PSTA advertising inventory for promotional and marketing purposes.

12. Service Interruptions and Changes in Fleet Size

(a) Should PSTA suffer an interruption of service of more than five (5) consecutive days on more than 50% of its assigned fleet because of labor disputes, fire, mechanical failures, acts of God or public emergencies causing loss of revenue for the Supplier, the minimum guarantee on all affected advertising elements will be reduced on a pro-rated basis for the period services were not operated.

(b) In the event PSTA increases or decreases the size of its transit advertising inventory through a reduction or increase in fleet size of more than 20%, the Supplier and PSTA will renegotiate the compensation terms of the agreement for all affected advertising elements.

13. Labor, Training and Cost of Service

(a) The Supplier shall utilize its own labor, at its own expense, to perform all work associated with the design, development, sales, installation and maintenance of all advertising elements

(b) Production of materials may be charged at market rates. Installation and production charges shall not be included in the calculation of net revenues earned by PSTA.

14. Acceptance of Existing Contracts

The Supplier agrees to accept assignment of existing advertising contracts that are in effect on the date of contract execution. The Supplier agrees to enter into negotiations with PSTA to determine an acceptable assignment of existing advertising contracts prior to award of this contract.

15. Assignment of Future Contracts for Advertising Space

At the end of the contract, the Supplier shall immediately transfer all existing advertising contracts to PSTA or its designee. The Supplier will be entitled to the payment of a twenty percent (20%) commission of the gross amount collected from such contracts for a period of six months. For this purpose the Supplier shall not enter into any contract with advertisers, which extends for more than a 12 month period without the express written permission of PSTA. No payment shall be made to the Supplier if the Contract is terminated early

16. Ownership of Existing Advertising Materials

The Supplier will be allowed to post self -adhesive materials, as no frames will be allowed on PSTA vehicles. At the end of the contract, the Supplier will give to PSTA any remaining advertising devices or materials that it has applied to PSTA's vehicles or programs implemented and approved by PSTA within contract term.

17. Required Advertising Materials

(a) All materials to be used in the placement of advertising shall be of the highest industry standards. PSTA wishes to maximize the use of direct application materials on the exterior of its vehicles. The vinyl allowed for use must be 3M products, or an equivalent material preapproved by PSTA. The wrap materials currently approved are 3M Controltac 160 or 180, Flexcon or industry equivalent.

(b) All static advertising displays and units to be placed on or in PSTA owned and operated inventory or elsewhere are subject to review by PSTA prior to installation.

(c) All maintenance shall be performed using industry standard practices. All work in and on PSTA's facilities shall be approved in advance by PSTA and will be scheduled by PSTA as requested by the Supplier. At no time will the Supplier schedule or perform maintenance that will impede or interfere with PSTA operations.

(d) Due to the nature of bus operations and the safety measures required, the Supplier is obligated to contact PSTA prior to the installation of advertising materials and or equipment. At all times, the employees of the Supplier will be allowed the right of reasonable entry and egress to all facilities subject to the rules and regulations of PSTA. All of the Supplier's employee shall wear PSTA-issued Supplier Identification Cards at all times when on PSTA property.

(e) The Supplier shall assume all costs attributable to damage to the fleet and facilities which result from such activities or from any other actions performed by the Supplier, its employees, agents or representatives.
(f) When posting and re-posting advertising, the Supplier shall remove and properly dispose of scrap materials at the time of removal. In the event that scrap materials left by the Supplier are discovered on PSTA property, PSTA may, without prior notice, remove and dispose of the materials of the Supplier.

18. Design, Develop, Install and Maintain Advertising Signage

PSTA grants the Supplier the exclusive right to design, develop, sell, install and maintain various types of advertising signs, displays and materials on, and upon the buses owned or operated by PSTA. The Supplier hereunder extends only to the inventory set forth and any additional inventory which PSTA subsequently adds thereto.

19. Vehicle Frames and Inventory

(a) The Supplier shall use only direct application materials on the exterior of buses, such as the 3M and FlexCon materials. Frames shall not be allowed on buses under this program. All advertising will be manufactured with direct application materials.

(b) The change out of advertising displays is the sole responsibility of the Supplier. Further, the Supplier is responsible for all costs attributable to damage resulting from the activities of the Supplier, especially damage to paint resulting from the misapplication of pressure-sensitive direct application materials.

(c) When damage is identified by PSTA, the Supplier shall be notified. Repairs to PSTA assigned fleet, or other inventory in any PSTA program under this contract will be made by PSTA or its designee and the cost of these repairs will be paid by the Supplier directly to PSTA.

20. Approval of Advertising Materials, Devices and Locations

(a) PSTA reserves the right to approve all materials, devices and locations of advertising to be placed under this contract

(b) All PSTA buses are available for exterior application of advertising. All proposed advertising content must be approved by PSTA in advance of posting. All types of wraps will be considered as long as the material does not excessively block vision into the interior of the bus for safety and security purposes. While partial coverage of window area via spectaculars may be approved for use, these devices cannot block more than 50% of the window area of any bus. Trolley vehicles may not have ads covering the windows. Advertising may not be placed on the front of PSTA's vehicles. In addition, PSTA reserves the right to restrict future advertising from specific routes.

21. Rate Changes

(a) PSTA reserves the right to review rates charged for all its advertising vehicles, and inventory. The Supplier shall establish a rate card with rates for all advertising space to be sold on PSTA buses, and other PSTA inventory related to this contract. This rate card will be published and furnished to PSTA for review at least once each year during the term of the contract. All materials must be reviewed by PSTA's Director of Communications to ensure proper use of PSTA branding and logo.

(b) The rates for production and advertising space shall be separate. PSTA will not allow the Supplier to co-mingle the charges for production and space. Production costs are separate and apart from the agreement between PSTA and the Supplier. The guarantee to be paid to PSTA will be based solely on the value of the advertising space sold and not production costs.

22. Storage and Work Space

(a) The Supplier agrees to assume all expenses associated with the installation and maintenance of advertising space on PSTA buses. Reasonable space will be provided at PSTA's garage for the handling and storage of materials and supplies.

(b) PSTA shall incur no expenses or liability whatsoever for the activities of the Supplier and/or Supplier's employees or Suppliers while on PSTA's property.

(c) The Supplier shall hold PSTA harmless from any claims resulting from injuries to its employees while installing or maintaining advertising materials on its property.

23. General Requirements

(a) Availability of exterior advertising space on dedicated buses, or any other advertising space may change during the period of this agreement for reasons including, but not limited to, the procurement of new buses, or other vehicles and the retiring of old buses, or other vehicles and the implementation of any new advertising opportunities as implemented and approved by PSTA.

(b) A single Supplier representative shall be designated as the point of contact to answer any inquiries, troubleshoot any problems, resolve any issues and be the general liaison for any business between PSTA and the Supplier. Said person must be accessible during regular business hours, Saturdays and Sundays and must provide to PSTA two reliable telephone numbers for contact.

(c) The Supplier shall comply with generally accepted industry standards with respect to good taste and applicable laws, regulations, and other applicable governmental requirements, including but not limited to, truth in advertising, copy rights and trademarks. The Supplier will have a graphic bus, vehicle, or transit advertising space and transit related advertising space designer who will oversee or prepare bus designs for consistency, quality and appearance of the assigned fleet.

24. Monthly Remittance and Reports

(a) The Supplier shall submit an annual reconciliation with financial statements, in a form satisfactory to PSTA within 90 days of the end of each contract year with respect to the prior year and upward adjustments at the Supplier's participation made immediately, at that time.

(b) The Supplier shall report the annual income at the end of each contract year. In the event that PSTA's contractual share of this revenue exceeds the minimum annual guarantee for the contract year, the extra income shall be paid to PSTA within 30 days of the contract year.

(c) The Supplier is required to remit the minimum guaranteed payment each month within 20 calendar days after the end of the month in which they were earned. The revenue must be accompanied by a report that includes details of:

(i) All contracts in effect
(ii) All advertising elements sold and unsold in the month
(iii) Gross Billings for the month
(iv) Gross Revenues Earned for the Month
(v) Net Revenue Earned for the Month
(vi) Collections for the month, including bus and graphics
(vii) Past due amounts
(viii) Total remaining balances on accounts
(ix) Contract expiration dates
(x) Total % and Number of Advertising Space sold vs. total inventory by Advertising space, space type, positioning on PSTA's fleet (i.e. bus operator side vs. curb-side), or what is applicable to that particular advertising medium
(xi) A rolling total of 60% of Net Revenue Earned compared to the a rolling total of guaranteed monthly minimum revenue

(d) The Supplier shall also supply the quarterly sales activity report this RFP.

(e) The Supplier shall furnish PSTA with copies of all signed contracts and correspondence (including changes in process, lengths of contracts and cancellation notices) within a month of their execution.

(f) The Supplier shall maintain all required records for three (3) years after the final payment by the Supplier to PSTA. However, if any audit, claim, or litigation is started before the expiration of the three (3) year period, the records shall be retained until all litigation, claims, or audit findings involving the records have been resolved.

(g) The Supplier will permit PSTA to inspect/audit all records and financial data involved in the operation of the concession during regular business hours maintained by the Supplier, and at such other times upon ten (10) day's written notice.

25. Specific Requirements

(a) PSTA shall provide the Supplier bus and other applicable vehicle route assignment schedule information which identifies by unit number what the bus, or vehicle assignments are. This data shall include buses or other vehicles available for the program, and buses or other vehicles under current contract with advertisers. Sole discretion of bus, or vehicle assignments shall remain with PSTA.

(b) No guarantees shall be made about route specific advertising.

(c) The Supplier shall not self-promote on any PSTA vehicle without express written consent from PSTA.

(d) Potential trade agreements for space initiated by the Supplier must be presented to PSTA in writing by the Supplier for PSTA review and approval on a case by case basis.

(e) The Supplier guarantees that any trade time negotiated will not be pre-empted by paid advertising contracts by said media. Certified logs are required to verify the placements made of advertisements. PSTA may cancel the provisions of this paragraph at any time, except for previously approved contracts.

(f) PSTA initiated trades shall be placed against PSTA allotted space.

(g) No barter or trade for anything other than media time, or media space to be used by PSTA will be allowed.

(h) All installations, unless otherwise arranged, must be scheduled through PSTA.

(i) The Supplier's designated representative shall be responsible for submitting all proposed advertising for review, approval or disapproval to PSTA.

(j) This review and subsequent feedback shall take place within 10 business days after receipt unless extenuating circumstances prevail. The Supplier is responsible for the cost associated with bus preparation, maintenance of exterior ad, and return to white envelope after ads have run its course.

26. Approval of Advertising Material

PSTA shall approve all advertising, exhibit material, announcements, or any other communications displayed and/or exhibited on its fleet, or its owned, leased or managed property. No defamatory, libelous, slanderous, obscene, religious or political advertising shall be allowed, and final determination about such shall be at the sole discretion of PSTA. Any communication that fails to meet PSTA's standards as set forth in Board Advertising Policy (see Attachment A), will not be accepted by the Supplier for display on PSTA fleet, or other inventory.

27. Compensation

In consideration for the rights and privileges granted herein, Supplier shall pay PSTA for each contract year the total lump sum annual revenue guarantee listed below or percent of total gross billings, whichever is greater.

A contract year commences upon PSTA's Board Approval. Commencing upon Board Approval and every quarter thereafter during the term of this contract, Supplier shall pay in advance twenty-five percent of the annual revenue guarantee in effect for that contract year to PSTA. Commencing one month after PSTA's Board Approval, and every quarter thereafter during the term of this Agreement, by the fifteenth business day after the quarter end, Supplier shall send PSTA a statement signed by an officer of Supplier of the previous quarter's billings together with any sum due and owing to PSTA in addition to the revenue guarantee Within forty-five days after the conclusion of each contract year Supplier shall provide PSTA with a summary of quarterly and annual gross billings which shall be certified by an independent certified public accountant, together with any sum due and owing PSTA in addition to the annual revenue guarantee.

The term gross billings, as used herein, shall be defined as the amount billed by Supplier to advertisers or their agencies for the use of the advertising facilities pursuant to this Agreement. Gross billings shall not include standard commissions paid to advertisers' recognized advertising agencies, or any taxes imposed by law which are separately stated to and paid by a customer directly to Supplier, but shall include late or uncollected billings.

28. Use of Advertisements

PSTA shall have the right to make photographs and videotapes of its property and buses with advertising displayed in or upon them, and to use such photographs and videotapes for the promotion of PSTA's transit system and services, without further consent of Suppliers or of the advertisers. Supplier shall secure the consent and agreement of all advertisers to such use by PSTA.

29. Services and Equipment to Be Furnished By Supplier

a) Supplier shall make a continuous, full-time and good faith effort to sell the greatest practicable amount of advertising on PSTA's vehicles to advertisers throughout the world. Supplier shall provide an adequate national and local organization and adequate sales and other personnel sufficient for this purpose. All sales shall be made in the name of Supplier. Supplier shall bill and collect all advertising revenues from clients for the display spaces sold.
b) Supplier shall produce, at its own expense, all advertising materials to be displayed, or shall secure them from the advertisers or their agencies, and ensure that they are of the best design and quality.
c) Supplier shall install and remove, at its own expense, all advertising materials to be displayed, and shall maintain all such materials and displays in a clean, safe and first-class condition. Supplier shall remove all graffiti from such materials and displays, and shall remove or replace all damaged and defaced materials and displays. Supplier shall inspect all displays for this purpose in accordance with a schedule approved by PSTA and shall clean or remove any damaged or defaced materials within one business day after being notified by PSTA
d) Upon installation of any advertising Supplier must clean installation area and be sure it is free of all debris, mastics, adhesives or glues when the job is completed. Debris from advertising that was removed or installed must be totally disposed of according to rules set forth by PSTA.
e) Supplier shall remove all dated or time-sensitive advertising materials and displays within three business days after the period for which they are to be displayed expires.
f) Supplier shall be responsible for its own sales, service and traffic material costs.
g) Supplier shall at all-time keep the areas used for advertising free from debris and waste materials and in a clean and presentable condition.
h) PSTA shall repair or have repaired any damage which results from the operation of Supplier under this Contract.
i) Neither party shall be liable to the other party for indirect, special, incidental, punitive or consequential damages arising from this Contract or the performance or nonperformance of services hereunder, irrespective of whether the claims or actions for such damages are based upon contract, tort, negligence, strict liability, warranty or otherwise.
j) The Supplier will provide a report identifying each bus asset identification number with the corresponding revenue realized relative to that asset on a monthly basis.

Wrap or Direct Application Material Installation Requirements – When wrap or direct application materials are applied to a bus:

If the wrap material covers a bus number, the Supplier must provide and install a number of the same height and of contrasting color at the approximate location of the existing number. The location and color of the number shall be approved when the creative for the wrap is approved.

If the wrap material covers a required safety label, the Supplier must expose the existing label or provide and install the required label over the wrap material. The safety label requirements shall be approved when the creative for the wrap is approved.

Wrap or Direct Application Material Requirements

PSTA must approve all materials furnished by the Supplier. Wrap or direct application materials must be 3M Controltac Plus, MACtac BFree or an approved equal.

The wrap and direct application materials must be covered with 3M UV laminate 8519 or an approved equal.

Perforated wrapped or direct application material placed on a window must have a clear film placed over the perforated material. Such clear film must be of the same manufacture of the underlying wrap or direct application material and comply with the manufacturer's requirements. The supplier of the wrap and direct application materials must meet all of the requirements of and be certified by the material manufacturer with regards to printing and installation in order to realize material manufacturer's warranty.

If wrap or direct application material is applied over a surface not permitted by the material manufacturer, the Supplier must apply 3M #77 spray adhesive or an approved equal to such a surface before the material is installed.

The material type must be listed on the creative list for approval. Printed materials must have a minimum of 300 DPL.

Logo, Numbers, and Safety Label Material Requirements

- PSTA must approve all materials furnished by the Supplier.
- Logo, numbers, and safety labels must be 3M – 680CR-10 and when necessary be printed with 3M 9800 series or an approved equal colored and clear inks.
- The labels must be applied over the wrap or direct application material. The wrap or direct application material must not be trimmed to expose the existing label.
- The safety labels must not be covered with wrap or direct application material. The wrap or direct application material may be trimmed to expose these labels.

Supplier Employee Requirements

The Supplier must submit picture identification for all employees to PSTA. Such identifications must be displayed at all times.

The Supplier's fall protection plan must be submitted to PSTA. The Supplier must demonstrate that employees have been trained in the fall protection plan before they start work.

Material Safety Data Sheets are required to be submitted to PSTA before products are brought on site. Suppliers must demonstrate that employees have been trained according to the Hazardous Communications Act.

Supplier employees are required to wear appropriate footwear (no sneakers) and safety glasses.

The Supplier must maintain a telephone contact or email address to be used by PSTA to report damage to Supplier supplied materials. The Supplier must replace and install such materials within 5 business days after notification. This activity must be recorded on the monthly report.

Bus Garage Hours of Work

The Supplier's work must be accomplished simultaneously with ongoing daily operations. Such operations include, but are not limited to, the passage of buses, storage of buses, and maintenance of buses, etc. To avoid disruption to PSTA operations, the Contractor shall coordinate the installation schedule with PSTA. PSTA may require the Supplier to perform the Work at night or on the weekends when the buses are available.

#99-01

A RESOLUTION OF THE PINELLAS SUNCOAST TRANSIT AUTHORITY BOARD OF DIRECTORS ADOPTING ADVERTISING STANDARDS FOR ADVERTISEMENTS PLACED ON THE EXTERIOR AND INTERIOR OF PINELLAS SUNCOAST TRANSIT AUTHORITY'S BUSES, AND PROVIDING FOR AN EFFECTIVE DATE

WHEREAS, the PINELLAS SUNCOAST TRANSIT AUTHORITY (PSTA) Board of Directors desires to make it clear that the advertising space on the exterior and interior of PSTA's buses is intended to be considered non-public fora;

WHEREAS, PSTA has entered into agreements with contractors to place advertisements on the exterior and interior of PSTA buses, for the purpose of creating revenue for PSTA; and

WHEREAS, PSTA has consistently restricted certain types of advertising; and

WHEREAS, PSTA Board of Directors does not wish to allow the advertising space on the exterior and interior of its buses to be a place for general discourse; and

WHEREAS, in order to maintain a position of neutrality on political, religious, and other non-commercial issues, and to prevent a reduction in income earned for selling advertising space by commercial advertisers, and so as to protect and increase revenue;

NOW, THEREFORE, the PSTA Board of Directors resolve that:

1. The above recitals are true and correct and incorporated herein as if set forth in full.

2. The Executive Director, or his designee, and PSTA's bus advertising contractor shall reject advertising that does not comply with the standards set forth in paragraphs 3 and 4.

3. The subject matter of all on-bus advertising shall be limited to speech which proposes solely a commercial transaction. The advertisements must contain only expressions related to the economic interest of the advertiser and its audience. Non-commercial advertisements that add an offer to purchase some item containing a non-commercial message are not permitted pursuant to this policy.

4. The following standards for advertising on the exterior or interior of buses is hereby adopted and advertising copy may be not displayed which:

a. Is false, misleading, libelous, or deceptive
b. Relates to an illegal activity
c. Is explicit sexual material, or obscene material, or material harmful to minors as these terms are defined in Chapter 847, Florida Statutes
d. Advertises alcohol or tobacco products
e. Depicts violence
f. Includes language which is obscene, vulgar, profane, or scatological
g. Promotes a commercial transaction that is expressly prohibited by federal, state, or local law or regulations
h. Presents a clear and present danger of causing riot, disorder, or other immediate threat to public safety, peace, or order

5. Any person, firm, or corporation who believes that he, she, or it is aggrieved by the failure or refusal of advertising material to be placed on any PSTA vehicles shall have the right to appeal such refusal to the Executive Director. Such decision shall be final and binding upon all parties. In determining whether the ads or proposed ads comply with this policy, the Executive Director shall make his determination based upon commonly used and understood English language definitions and inferences which can be drawn from the material in question.

6. This Resolution shall take effect immediately upon its passage and adoption.

ATTEST:

Jean Halvorsen

Jean Halvorsen
Secretary-Treasurer

DATE: February 24, 1999

PINELLAS SUNCOAST TRANSIT AUTHORITY
PINELLAS COUNTY, FLORIDA

John Doglione

John Doglione
Chairperson

APPROVED AS TO FORM

Alan S. Zimmet
General Counsel

RESOLUTION # 15-____-04

A RESOLUTION OF THE PINELLAS SUNCOAST TRANSIT AUTHORITY BOARD OF DIRECTORS REPEALING RESOLUTION #99-01 ADOPTING STANDARDS APPLICABLE TO ~~REGARDING~~ ADVERTISEMENTS ON THE EXTERIOR AND INTERIOR OF PINELLAS SUNCOAST TRANSIT AUTHORITY BUSES; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the Pinellas Suncoast Transit Authority (PSTA) Board of Directors has approved Resolution #99-01 adopting advertising standards for advertisements placed on the exterior and interior of PSTA's~~inellas Suncoast Transit Authority's~~ Buses;

WHEREAS, the PSTA Board of Directors desires to repeal that Resolution to be replaced with a PSTA a~~A~~dvertising policy that shall be approved by PSTA's CEO and administered by ~~drafted and maintained by~~ the PSTA Marketing Staff.

NOW, THEREFORE, BE IT RESOLVED BY THE PINELLAS SUNCOAST TRANSIT AUTHORITY BOARD OF DIRECTORS THAT:

1. Resolution #99-01 is hereby repealed.

2. PSTA's CEO shall implement an advertising policy applicable to advertisements placed on the exterior and interior of PSTA's buses, which shall be administered by PSTA's Marketing Staff ~~shall draft and maintain a PSTA Advertising Policy~~.

3. This Resolution shall take effect immediately upon its adoption.

Dated this ___ day of May, 2015

ATTEST:

PINELLAS SUNCOAST TRANSIT AUTHORITY
PINELLAS COUNTY, FLORIDA

____

Janet C. Long
Secretary-Treasurer

____

~~Bill~~ William C. Jo~~h~~nson
Chairperson

DATE: May ___, 2015

APPROVED AS TO FORM:

____

Alan S. Zimmet
PSTA General Counsel

PSTA POLICY 22
BUS ADVERTISING

A. PURPOSE

This Policy applies to the posting of all new advertisements on the exterior and interior of PSTA's transit vehicles on or after the effective date hereof.

1. The advertising space on PSTA's transit vehicles constitutes a non-public forum. PSTA's acceptance of transit advertising will not provide or create a general public forum for expressive activities. In keeping with its proprietary function as a provider of public transportation, PSTA does not intend its acceptance of transit advertising to permit its transit vehicles to be used as open public forums for public discourse and debate.

2. PSTA's fundamental purpose and intent is to accept advertising as an additional means of generating revenue to support its transit operations, while minimizing the chances of abuse and appearance of favoritism. In furtherance of that discreet and limited objective, PSTA will retain strict control over the nature of the advertisements accepted for posting on or in its transit vehicles and will maintain its advertising space as a nonpublic forum.

B. SCOPE

This policy applies to the posting of all new advertisements on PSTA's transit vehicles on or after the effective date hereof. PSTA shall maintain a position of neutrality on political, religious, and other non-commercial issues.

C. GUIDELINES

The Chief Executive Officer, or his designee, and PSTA's bus advertising contractor(s) shall reject advertising that does not comply with the standards set forth herein.

1. The subject matter of all on-bus advertising shall be limited to either: (1) Commercial Advertisements; or (2) Governmental Entity Public Service Announcements.~~.~~

2. "Commercial Advertisement" shall mean an advertisement that solely proposes a commercial transaction related to the economic interest of the advertiser and his or her audience. Non-commercial advertisements that add an offer to purchase some item containing a non-commercial message are not permitted pursuant to this policy.

3. "Governmental Entity Public Service Announcements" are announcements or information provided by any governmental entity or governmental agency in furtherance of such governmental entities' or agencies' functions, objectives and/or public responsibilities. A governmental entity is a state, county or municipality or any agency, department, commission, authority, or board created for the purpose of carrying out any functions of the state, county or

municipality or any other entity statutorily created or created pursuant to a statutorily authorized process, such as special districts or the like to carryout, implement or monitor any governmental function whether it be proprietary, regulatory, administrative, educational or otherwise related to the public health, safety or welfare.

~~3.~~4. The following standards for advertising on the exterior or interior of PSTA's transit vehicles is hereby adopted and advertising copy may be not displayed which:

a) Is false, misleading, libelous, or deceptive;

b) Relates to an illegal activity;

c) Is explicit sexual material, or obscene material, or material harmful to minors as these terms are defined in Chapter 847, Florida Statutes;

d) Advertises ~~alcohol or~~ tobacco products;

e) Depicts violence;

f) Includes language which is obscene, vulgar, profane, or scatological;

g) Promotes a commercial transaction that is expressly prohibited by federal state, or local law or regulations;

h) Presents a clear and present danger of causing riot, disorder, or other immediate threat to public safety, peace, or order.

~~4.~~5. Any person, firm, or corporation who believes that he, she, or it is aggrieved by the failure or refusal of advertising material to be placed on any PSTA vehicles shall have the right to appeal such refusal to the Chief Executive Officer. Such decision shall be final and binding upon all parties. In determining whether the ads or proposed ads comply with this policy, the Chief Executive Officer shall make his determination based upon commonly used and understood English language definitions and inferences which can be drawn from the material in question.

D. D. POLICY ADMINISTRATION

The overall administration of this policy will rest with the Director of Communications.

____________________________ ____________________________

Chief Executive Officer Date

Adopted:

ACTION ITEM

3E:	**Financial Policies Annual Updates**
Action:	**Receive and File this Annual Policy Review and Recommend Several Minor Policy Modifications to PSTA's:** **A. Reserve Policy** **B. Liability/Debt Management Policy** **C. Investment Policies**

Staff Resource: Deborah Leous, Chief Financial Officer
Michael Hanson, Dir. of Finance

FINANCE & PERFORMANCE MANAGEMENT

Background:

- In 2014 the PSTA Financial Policies were amended to require an annual review and update that we are implementing for the first time.
    - PSTA's Reserve Policy was amended to include a *Revenue Stabilization Reserve Fund* for sales tax revenue, which is no longer needed.
    - PSTA's Reserve Policy also created a Debt Service Reserve Fund for anticipated future bond issuances which we are recommending retaining but not implementing the related change to the Operating Reserve Funds (increasing from 2 months to 3 months).
    - Additionally PSTA Finance Staff have reviewed PSTA's Investment Policy and recommend a slight change that will maintain diversity of investments but increase interest income.

Recommendation:

A. RESERVE POLICY AMENDMENTS:

- Eliminate the Sales Tax Revenue Stabilization Reserve Fund.
- Maintain the Operating Reserve Fund to be equal to two months operating expense.
- Better define the intent of each of the reserve funds in the policy.

B. LIABILITY DEBT MANAGEMENT AMENDMENTS:

- No changes recommended.

C. INVESTMENT GUIDELINES:

- Section 10 D – Diversification:
    - Increase the percent that may be allocated to interest bearing accounts from 75% to 100%
    - Increase the maximum percent allocation of Certificates of Deposit to any one institution from 10 to 25%.

Attachments:

1. Reserve Policy
2. Liability Debt Management Policy
3. Investment Guidelines

Policy #18
RESERVE POLICY GUIDELINES

1. Scope

This Reserve Policy provides guidance on the establishment and reporting of reserve funds.

From time to time, it may be deemed either legally necessary or fiscally prudent to establish reserve funds.

Currently the following funds exist:

Discretionary Reserves:

- **Self- Insurance Reserves** – represents funding of the liability adjusted annually based on the actuarial report
- **Operating Reserves** – represents 2 months of expenses, adjusted annually based on the budget for the following fiscal year
- **Capital Reserves** – funding for capital projects and may be used to leverage new grant opportunities.
- **Debt Service Reserve Fund –** Required by lenders to provide assurance that debt service payments will be made in the event pledged revenues fail to meet ~~provide~~ debt service requirements e~~. E~~stablished at the time of debt issuance.
- **Health Insurance Liability Reserve –** To be established if PSTA uses the Minimum Premium or Self Insurance approach to health insurance.

Legally Restricted Funds:

- FTA Restricted Funds – these represent FTA's interest in a disposed grant asset that PSTA has received permission for a like exchange in the future.

~~**Recommended reserves to be established or amended:**~~

~~With the passage of Greenlight Pinellas the following reserve will be established:~~

- ~~**Revenue Stabilization Reserve Fund** – any sales tax revenue collection above the anticipated annual growth of 3% will be swept into this fund. In years when sales tax growth fails to reach 3%, withdrawals can be made from this fund.~~

- ~~**Increase to the Operating Reserve Funds** from 2 months to **3 three months.**~~
- ~~**Debt Service Reserve Fund** – Required by lenders to provide assurance that debt service payments will be made in the event pledge revues fail to provide debt service requirements. Established at the time of debt issuance.~~

2. Reporting Requirements:

All reserve fund balances will be reported to the board on a quarterly basis as part of the quarterly investment reports.

The report will indicate:

- Unrestricted funds
- Funds restricted at the Board's discretion, with each fund reported separately
- Funds legally restricted (i.e. Debt Service Reserve Fund), with each fund reported separately

3. Authority and Review of the Policy

PSTA Board establishes fiscal policies and guidelines.

This policy will be reviewed, by PSTA Board of Directors, at least annually and any amendments, deletions, additions, improvements or clarification will be made if deemed appropriate. ~~A copy will be supplied to The County of Pinellas.~~

POLICY #21

Pinellas Suncoast Transit Authority

Master Liability/Debt Management Policy Guidelines

May 27, 2015

1. Scope:

This Liability Management Policy applies to all present and future debt of the Pinellas Suncoast Transit Authority (PSTA).

All debt transactions or commitments will be subject to this policy and prior review and approval of the PSTA Board of Commissioners.

2. Liability Management Policy Objectives:

- Establish a basis for the PSTA's Liability Management Program based on sound financial principles.
- Set forth a liability management structure to facilitate the sound and efficient management of debt and cash flows.
- To define permissible debt instruments and limitations on their use.
- To comply with the due diligence requirements that prudent professionals utilize.
- To conform to all applicable federal, state, local and Authority legal requirements.
- To provide guidelines to control the overall process so that all liabilities are managed in accordance with the stated objectives.
- Develop formalized criteria to monitor, evaluate and establish the basis for comparing the performance results achieved by the liability management program, thereby establishing accountability.

3. Philosophy:

PSTA has historically assumed a "pay as you go" philosophy in the funding of infrastructure. However, there may be circumstances where this is not a viable approach and financing may be needed to generate additional capital.

PSTA takes an active role in managing exposures to fluctuations in project cash outflows. The active management of exposures involves an ongoing assessment of the risks facing PSTA and the most efficient methods for eliminating, reducing or transferring these risks of cash flow fluctuations and other external influences.

PSTA, in its liability management, assesses risks and market conditions to determine:

- The most appropriate level of exposure to a particular cash flow or rate level, and
- The most effective vehicle for achieving that exposure.

PSTA recognizes that the costs and benefits of different debt instruments and the desirability of exposure to a particular cash flow or interest rate, or financial price, can vary over time depending on the market conditions and circumstances of PSTA. We further recognize that our target exposure to cash flows and interest rates and the instruments used to achieve the stated targets, will also vary with market conditions and PSTA's credit rating, as well as other items known and unknown at this time, that change on a periodic basis.

Therefore, to reduce exposure PSTA has determined that variable rate debt will be limited to 20% of outstanding debt and derivatives will not permitted. A fixed interest rate on a long-term tax-exempt bank loan which adjusts to protect the after-tax yield to the bank does not constitute a variable rate.

4. Authority:

Pursuant to PSTA's enabling legislation, PSTA is authorized to borrow.

PSTA Board establishes liability management policies and guidelines. Based on those policies and guidelines, independent liability management consultants and financial advisor(s) with demonstrated expertise may be chosen to help manage the liabilities of PSTA.

In order to capitalize on fast-changing market conditions, the Chief Executive Officer and the Chief Financial Officer may enter into any transaction authorized by this policy, pursuant to **the prior approval** of the Board of a resolution setting the general parameters of the transaction.

The Chief Financial Officer, in consultation with the financial advisor as needed, shall have the authority to determine if transactions shall be on a negotiated, competitive or on a private placement basis.

5. Guidelines for the Use of Variable Rate Debt:

Variable rate debt can be a valuable tool for PSTA to use in the management of its assets and liabilities. However, the use of variable rate debt, though historically allowing lower borrowing costs, presents some risks that PSTA must consider. The following guidelines shall be used in determining if variable rate debt is appropriate.

In general, PSTA should maintain its flexibility and continuously review new products and opportunities to allow the Authority to take advantage of changing interest rate environments and new products or approaches as they become available. In low interest rate environments, PSTA should lock in low fixed rates, through conversions, fixed rate debt issuance, and traditional refunding debt. In high interest rate environments, PSTA should increase variable rate debt issuance, defer borrowing and evaluate other alternatives that will allow the Authority to reduce its overall cost of capital when interest rates decrease.

Due to the historical spread between long-term rates and short-term rates, PSTA should consider maintaining a portion of its portfolio in variable rate debt. However, PSTA shall attempt to constrain its variable rate exposure to no more than 20% of the Authority's outstanding indebtedness. PSTA shall identify any short-term cash reserves or balances since the earnings from these funds will serve as a natural protection offsetting the impact of higher variable rate debt costs.

Variable Rate Debt Alternatives
Each mode of variable rate exposure has its unique advantages and disadvantages. Decisions about which mode PSTA should utilize at any point in time should be based on a number of factors including the relative cost benefit to the Authority. Variable Rate Demand Obligations (VRDOs) are the traditional means of achieving variable rate exposure and provide municipal issuers with access to a large, well-established liquid market.

PSTA should determine allocations to each class of variable rate debt within caps and floors and manage the precise allocation based on market constraints in advance of issuing bonds or other debt instruments. Factors impacting decisions will be the capacity of insurers to insure PSTA bonds, the cost of bond insurance, and the cost and availability of letters of credit, as well as any other related costs.

Variable rate debt is an important municipal finance tool. However, variable rate debt has certain risks and benefits that must be analyzed and understood by PSTA prior to entering into a variable rate transaction.

Rationale
PSTA may utilize financial instruments that:

- Optimize capital structure; including schedule of debt service payments and/or fixed vs. variable rate allocations
- Achieve appropriate asset/liability match
- Actively manage or reduce interest rate risk
- Provide greater financial flexibility
- Generate interest rate savings
- Enhance investment yields.

Limitations
PSTA may not use financial instruments that in PSTA's sole discretion:

- Are speculative or create extraordinary leverage or risk
- Lack adequate liquidity to terminate at market
- Provide insufficient price transparency to allow reasonable valuation

In connection with any transaction, the Chief Financial Officer, the Chief Executive Officer, the General Counsel and PSTA's Financial Advisor and Bond Counsel shall review the proposed transaction and outline any considerations associated with the transaction to the Board of Commissioners, or a designated committee of the Board. Such a review shall include the identification of the proposed benefit and potential risks, which shall include, but not necessarily be limited to, those risks outlined herein. As part of this analysis, PSTA shall present both the existing and any proposed transactions consistent with the Market Net Termination Exposure outlined herein.

Understanding the Risks

Among the items that PSTA shall examine in determining whether to enter into debt agreement, are the following:

Market or Interest Rate Risk

- The possibility that your debt service costs associated with variable rate debt increase and negatively affects coverage ratios and cash flow margins.

Tax Risk

- The possibility that the transaction is subject to a future change in federal income tax policy.

Liquidity Risk

- The possibility that a VRDO remarketing may fail.

Termination Risk

- The possibility that the transaction be terminated by either party. There may be a cost involved in termination.

Risk of Uncommitted Funding (Put Risk)

- The transaction may create additional financing dependent upon third party participation.

Legal Risk

- The possibility that the transaction is not expressly authorized.

Rating Agency Risk

- The proposed transaction may not be consistent with current ratings.

Tax Exemption Risk

- The transaction puts PSTA's bonds at the risk of being deemed taxable.

Accounting Risk

- The transaction creates any unanticipated accounting issues from a financial statement perspective.

Administrative Risk

- The potential the transaction can not be readily administered and monitored consistent with the policies outlined herein.

Subsequent Business Conditions

- The transaction or its benefits depend upon the continuation, or realization, of specific industry or business conditions.

Savings Thresholds

Currently a common threshold in the municipal finance industry is that a refunding should generate 3% net present value debt services savings. This threshold will serve as a guideline and will be subject to amendment should the transaction, in PSTA's sole judgment, help to meet any of the objectives outlined herein.

6. Amount of Debt to be Issued:

The amount of bond debt that may be issued is governed by the Trust Agreement.

All debt must be reviewed and approved by the Finance and Performance Committee before full Board approval.

7. Liability Management Policy Review:

This policy will be reviewed, by PSTA Board of Directors, at least annually and any amendments, deletions, additions, improvements or clarification will be made if deemed appropriate. A copy will be supplied to the Pinellas County Board of County Commissioners.

PINELLAS SUNCOAST TRANSIT AUTHORITY

INVESTMENT POLICY

Revised May 27, 2015

TABLE OF CONTENTS

APPENDICES

PINELLAS SUNCOAST TRANSIT AUTHORITY

Investment Policy

1.0 POLICY

It is the policy of Pinellas Suncoast Transit Authority (PSTA) to invest public funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of PSTA and conforming to all state statutes and local ordinances governing the investment of public funds. This policy statement supersedes all other policies previously governing the investment of PSTA funds.

2.0 SCOPE

This policy is applicable to all cash available for investments including operating funds and reserves. The General Reserve Fund must maintain a balance that will ensure daily operating cash flow. Any investment that becomes non-compliant due to market conditions shall be exempted from the requirements of this policy. At maturity or liquidation, all money invested in non-compliant investments shall be reinvested in compliance with this policy.

3.0 PRUDENCE

The “prudent person” and/or “prudent investor” standard that shall be applied in managing the overall portfolio states: “Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived from the investment.”

The third party investor or staff performing the investment function, acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security’s credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

4.0 OBJECTIVES

The prime objectives, in priority order, of PSTA investment activities shall be:

4.1 **Safety:** Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, PSTA will diversify its investments by investing funds among a variety of securities offering independent return and financial institutions.

4.2 **Liquidity:** The investment portfolio will remain sufficiently liquid to enable PSTA to meet all operating requirements which might be reasonably anticipated. Since all possible cash demands cannot be anticipated, the portfolio should consist of investments with maturities concurrent with cash needs and/or State of Florida local government investment pool or money markets, or time deposits with same-day liquidity.

4.3 **Yield:** PSTA's investment portfolio shall be designed with the objective of attaining a benchmark rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. The core of investments is limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed.

5.0 DELEGATION OF AUTHORITY

Authority to manage PSTA's investment program is granted to the Director of Finance who shall act in accordance with established written procedures and internal controls for the operation of the investment program. The Chief Financial Officer shall annually review and approve the policies, procedures and internal controls. Any significant changes will require Board Approval. The Director of Finance shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of others designated to act in his/her absence. No person shall engage in an investment transaction not authorized by this policy and the procedures established by the Director of Finance. The Chief Financial Officer shall review and approve all investment transactions of the Director of Finance or his/her designee.

5.1 **Investment Procedures** The Director of Finance shall establish written investment policy procedures for the operation of the investment program consistent with this policy. The procedures should include reference to safekeeping, repurchase agreements, wire transfer agreements, banking service contracts and collateral/depository agreements. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. The Chief Financial Officer shall annually review and approve the policies, procedures and internal controls. Any changes to this investment policy will require PSTA Board approval. Updated polices shall also be sent to the County Board of Commissioners.

6.0 ETHICS AND CONFLICTS OF INTEREST

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. The Director of Finance and any delegated designees shall disclose to the Chief Financial Officer any material financial interests in financial institutions with which they conduct business, and they shall further disclose any large personal financial/investment positions that could be related to the performance of PSTA's investment portfolio.

7.0 AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS

The Director of Finance shall maintain a list of financial institutions authorized to provide investment services. In addition, a list will also be maintained for approved or security broker/dealers selected by credit worthiness that are authorized to provide investment services in the State of Florida. These may include "primary" dealers or regional dealers that qualify under Securities & Exchange Commission Rule 15C3-1 (uniform net capital rule).

No public deposit, as defined in Section 8 (D), shall be made except in a qualified public depository as established by the Chief Financial Officer of the State of Florida.

All financial institutions and brokers/dealers who desire to become qualified bidders for investment transactions must supply the Director of Finance with the following:

- Audited financial statements
- Proof of Financial Industry Regulatory Authority (FINRA) registration
- Proof of State registration
- Certification of having read and understood the PSTA investment policy.

8.0 AUTHORIZED AND SUITABLE INVESTMENTS

PSTA will invest in the following eligible and suitable investments in conformity with all State of Florida and local laws governing the investment of public funds:

A. **State of Florida Board of Administration Local Government Surplus Funds Trust Fund (Florida PRIME)**

B. **State of Florida Board of Administration Commingled Asset Management Program, Money Market Funds (CAMP MM).** A portion of PSTA's investments are included in this fund as a restricted investment and no additional deposits are to be made in the restricted portion of this fund. New deposits to this fund would not be restricted and are permissible.

C. **Direct Obligations of the United States Treasury and any instrument backed by the full faith and credit of the U.S. Federal Government**. Authorized types of securities include, but are not limited to:
   a. Treasury Bills
   b. Treasury Notes
   c. Treasury Bonds
   d. Treasury STRIPS

D. **Interest Bearing Savings Accounts, Demand Deposit Accounts, Negotiable Order of Withdrawal Accounts, or Certificates of Deposit**
   a. Authorized types of securities: interest bearing time certificates of deposit, demand deposit accounts, savings accounts, or negotiable order of withdrawal accounts in banks organized under the laws of this State and in national banks organized under the laws of the United State and doing business and situated in this State.
   b. Additional conditions:
      i. Deposits must be in a Qualified Public Depository secured by the Florida Security for Public Deposits Act, Chapter 280, Florida Statutes, and
      ii. Bank is not listed with any recognized credit watch information service.

E. Repurchase Agreements
   a. Authorized types of securities:
      i. Those investments whose underlying purchased securities consist of United States Treasury, United State Federal Agency and/or United

States Government Sponsored Enterprise securities, and based on the requirements set forth by the Master Repurchase Agreement. All firms with whom PSTA enters into repurchase agreements will have in place an executed Master Repurchase Agreement with PSTA.

ii. A third party custodian shall hold collateral for all repurchase agreements.

iii. Securities authorized for collateral shall have maturities under five (5) years and a mark to market value of 102 percent during the term of the repurchase agreement. Immaterial short-term deviations from the 102 percent requirement are permissible only upon the approval of the Chief Financial Officer.

F. Commercial Paper

a. Ratings:"Prime-1" by Moody's and "A-1" by Standard & Poor's (Prime commercial paper)

i. If backed by a letter of credit, (LOC), the long term debt of the provider must be rated at least "A" by at least two nationally recognized rating agencies.

ii. The LOC provider must be ranked in the top fifty (50) domestically chartered insured commercial banks that have consolidated assets of $300 million or more as compiled and reported quarterly by the Federal Reserve Board in its Large Commercial Banks release.

G. Asset-Backed Corporate Notes

a. Rating: Securities longer than 13 months shall be "Aaa by Moody's and "AAA by Standard & Poor's. Securities shorter than 14 months shall be "P-1" by Moody's and "A-1+" by Standard & Poor's.

b. Asset-backed corporate notes must be issued by corporations organized and operating within the United States or by depository institutions licensed by the United States.

c. Investment will be directly with companies and non-derivative in nature.

H. Securities and Exchange Commission (SEC) registered Money Market Funds

a. Ratings: "AAAm" or "AAAg" by Standard & Poor's

b. Registered under the Federal Investment Company Act of 1940 and operate in accordance with 17 C.F.R. 270.2a-7.

c. Share Value must equal $1.00

d. Underlying securities are only obligations of the United States Treasury, United States Federal Agencies, GSE's or repurchase agreements with these underlying securities.
e. Investments in Collateralized Mortgage Obligations, Real Estate Mortgage Investment Conduits or other derivative instruments are prohibited.

I. Investment Pools/Mutual Funds

A thorough investigation of the pool/fund is required prior to investing, and on a continual basis. There shall be a questionnaire developed which will answer, at minimum, the following general questions:

- A description of eligible investment securities, and a written statement of investment policy and objectives.
- A description of interest calculations and how it is distributed, and how gains and losses are treated.
- A description of how the securities are safeguarded (including the settlement processes), and how often securities are priced and the program audited.
- A description of who may invest in the program, how often, what size deposit and withdrawal are allowed.
- A schedule for receiving statements and portfolio listings.
- A fee schedule, and when and how is it assessed.
- Is the pool/fund eligible for bond proceeds and/or will it accept such proceeds?

9.0 SAFEKEEPING AND CUSTODY

All security transactions, including collateral for repurchase agreements, entered into by PSTA shall be conducted on a delivery-versus-payment (DVP) basis. Securities will be held by a third party custodian designated by the Director of Finance and evidenced by safekeeping receipts.

The Director of Finance will execute a Third-Party Custodial Safekeeping Agreement with a depository chartered by the authorized PSTA staff member. All securities purchased and/or collateral obtained by the Director of Finance shall be properly designated as an asset of PSTA and held in an account separate and apart from other assets held by the depository and no withdrawal of such securities, in whole or in part, shall be made from safekeeping except by authorized PSTA staff.

The Third-Party Custodial safekeeping Agreement shall include letters of authority from the Director of Finance, details as to responsibilities of each party, notification of security purchase, sales, delivery, repurchase agreements, wire transfers, safekeeping and transaction costs, procedures in case of wire failure or other unforeseen mishaps including liability of each party.

10.0 DIVERSIFICATION

The Director of Finance will diversify PSTA's investments by security type and institution.

The investments shall be diversified by:

- Limiting investment to avoid over-concentration in securities from a specific issuer or business sector
- Limiting investment in securities that have higher credit risk,
- Limiting the amount purchased from any one bank, broker, or dealer,
- Investing in securities with varying maturities, and
- Continuously investing a portion of the portfolio in readily available funds such as local government investment pools (LGIPs), money market funds or overnight repurchase agreements to ensure that appropriate liquidity is maintained in order to meet ongoing obligations.

To allow efficient placement of bond sales, the limit on repurchase agreements and depository accounts may be exceeded for a maximum of five (5) business days following the receipt of bond proceeds, on the direction of the Director of Finance.

Money market funds may be used by Trustees, Paying Agents, Safekeeping Agents, etc., as a temporary investment for bond proceeds or payouts.

Diversification strategies shall be determined and revised periodically by the investment committee.

Diversification guidelines are as follows:

	Investment	Portfolio Maximum	Issuer Limitation	Maximum Maturity
A.	State of Florida Board of Administration Local Government Surplus Funds Trust Fund (Florida Prime)	75%	N/A	N/A
B.	State of Florida Board of Administration Commingled Asset	20%	N/A	N/A

	Management Program Money Market Funds (CAMP MM)			
C.	Direct Obligations of the US Treasury and instruments backed by the full faith and credit of the U.S. Federal Government	75%	N/A	5 years
D.	Interest Bearing Savings Accounts, Demand Deposit Accounts, Negotiable Order of Withdrawal Accounts, or Certificates of Deposit	~~75~~100%	~~10~~25% for CDs	2 yrs. for CDs
E.	Repurchase Agreements	20% (See note 1)	10%	60 days
F.	Commercial Paper	10%	5%	5 years
G.	Asset-Backed Corporate Notes	10%	3%	5 years (note 2)
H.	SEC-Registered Money Market Mutual Funds	10%	10%	90 days (note 3)
I.	Investment Pools/Mutual Funds	10%	10%	N/A

Note 1: With the exception of one (1) business day agreements and overnight sweep agreements.
Note 2: Total Asset-Backed Corporate Notes shall have a weighted average duration up to 2 years
Note 3: The maximum length to maturity (average weighted) shall be 90 days.

11.0 MAXIMUM MATURITIES

Because of inherent difficulties in accurately forecasting cash flow requirements, a portion of the portfolio should be continuously invested in ready available funds such as various overnight bank agreements to ensure that appropriate liquidity is maintained to meet ongoing obligations.

12.0 INTERNAL CONTROLS

The Director of Finance shall establish a system of internal controls which shall be in writing and made part of PSTA’s operational procedures, designed to ensure PSTA’s assets are protected from loss, theft, or misuse. The internal control structure shall be designed, established and maintained to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by management.

Internal controls deemed most important shall include (but not limited to):

- Control of collusion

- Separation of transaction authority from accounting and recordkeeping
- Custodial safekeeping
- Clear delegation of authority
- Written or electronic confirmation of telephone and wire transactions
- Monitoring of results
- Development of wire transfer agreements with the lead bank and third-party custodian, if appropriate.

PSTA's independent external auditors shall review internal controls of this investment policy and its related operating procedures on an annual basis. This review will provide internal control by assuring compliance with policies and procedures.

13.0 PERFORMANCE STANDARDS

The investment portfolio shall be designed with the objective of obtaining a rate of return throughout budgetary and economic cycles, commensurate with safety and liquidity needs.

Suggested benchmarks are the 3 month Treasury bill for the short-term portfolio and the 2-Year Treasury constant maturities (monthly) for the long-term portfolio. Since the benchmarks should have a similar weighted average maturity as the portfolio, benchmarks may be modified at the discretion of the Director of Finance with concurrence from the Chief Financial Officer due to planned changes in investment horizons.

14.0 REPORTING

The Director of Finance shall provide the Finance & Performance Management Committee of the Board of Directors quarterly investment reports, which provided a clear picture of the status of the current investment portfolio. The report will include comments on the fixed income markets and economic conditions, discussions regarding compliance with restriction on percentage of investment by categories, possible changes in the portfolio structure going forward and thoughts on investment strategies. Schedules in the quarterly report will include the following:

➢ A listing of individual securities held at the end of the reporting period by authorized investment category.

- Average life and final maturity of all investments listed.
- Coupons, discount or earnings rate.
- Par value, amortized book value and market value.
- Percentage of the portfolio represented by each investment category.
- Average weighted yield to maturity of portfolio on investments as compared to applicable benchmarks.
- A quarterly comparison of returns for the last five quarters
- Areas of policy concern and suggested or planned revisions of investment strategies.

Annual reporting: Within 60 days of the end of the fiscal year, the Director of Finance shall present an annual report on the investment program and investment activity. In addition to the items listed above, the annual report shall suggest policies and improvements, if deemed necessary that might be made to the investment program.

External Reporting: Copies of the quarterly and annual investment report shall be made available to the public.

15.0 CONTINUING EDUCATION

The Chief Finance Officer and Director of Finance shall annually complete eight (8) hours of continuing education in subjects of courses of study related to investment practices and products.

16.0 INVESTMENT POLICY ADOPTION

PSTA's Investment policy may be adopted only by resolution of PSTA Board of Directors.

ATTACHMENT A

Glossary

ACCRUED INTEREST: The accumulated interest due on a bond as of the last interest payment made by the issuer.

AGENCIES: Federal agency securities and/or Government-sponsored enterprises.

AMORTIZATION: The systematic reduction of the amount owed on a debt issue through periodic payments of principal.

ASKED: The price at which securities are offered.

ASSET-BACKED SECURITY (ABS): A security backed by notes or receivables against assets other than real estate. Some examples are autos, credit cards, and royalties.

BANKERS' ACCEPTANCE (BA): A draft or bill or exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer.

BASIS POINT: A unit of measurement used in the valuation of fixed-income securities equal to 1/100 of 1 percent of yield, e.g., "1/4"of 1 percent is equal to 25 basis points.

BENCHMARK: A comparative base for measuring the performance or risk tolerance of the investment portfolio. A benchmark should represent a close correlation to the level of risk and the average duration of the portfolio's investments.

BID: The price offered by a buyer of securities. (When you are selling securities, you ask for a bid). *See* "Offer."

BOOK VALUE: The value at which a security is carried on the inventory listed or other financial records of an investor. The book value may differ significantly from the security's current value in the market.

BROKER: A broker brings buyers and sellers together for a commission.

CALLABLE BOND: a bond issue in which all or parts of its outstanding principal amount may be redeemed before maturity by the issuer under specified conditions.

CALL PRICE: The price at which an issuer may redeem a bond prior to maturity. The price is usually at the slight premium to the bond's original issue price to compensate the holder for loss of income and ownership.

CALL RISK: The risk to a bondholder that a bond may be redeemed prior to maturity.

CASH MANAGEMENT BILL: A short-term money market instrument issued by the US Treasury to pay for its short-term financial obligations.

CERTIFICATE OF DEPOSIT (CD): A time deposit with a specific maturity evidenced by a certificate. Large-denomination CD's are typically negotiable.

COLLATERAL: Securities, evidence of deposit or other property, which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

COMMERCIAL PAPER (CP): An unsecured short-term promissory note issued by corporations primarily used to finance receivables, with maturities from 2 to 270 days.

COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR): The official annual report for Pinellas Suncoast Transit Authority. It is prepared in conformity with generally accepted accounting principles (GAAP) in the United States of America for finance-related legal and contractual provisions, extensive introductory material, and detailed Statistical Section.

CONVEXITY: A measure of a bond's price sensitivity to change interest rates. A high convexity indicates greater sensitivity of a bond's price to interest rate.

CORPORATE NOTE: Debt instrument issued by a corporation with a maturity of greater than one year and less than ten years.

COUPON: (a) The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value, (b) A certificate attached to a bond evidencing interest due on a payment date.

CREDIT QUALITY: The measurement of the financial strength of a bond issuer. This measurement helps an investor to understand an issuer's ability to make timely interest payments and repay the loan principal upon maturity. Generally, the higher the credit quality of a bond issuer, the lower the interest rate paid by the issuer because the risk of default is lower. Credit quality ratings are provided by nationally recognized rating agencies.

CREDIT RISK: The risk to an investor that an issuer will default in the payment of interest and/or principal on a security.

DEALER: A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account.

DEBENTURE: A bond secured only by the general credit of the issuer.

DELIVERY VERSUS PAYMENT (DVP): There are two methods of delivery of securities: delivery versus payment and delivery versus receipt. Delivery versus payment is delivery of securities with an exchange of money for the securities. Delivery versus receipt is delivery of securities with an exchange of an exchange of a signed receipt for the securities.

DERIVATIVES: (1) Financial instruments whose return profile is linked to, or derived from the movement of one or more underlying index or security, and may include a leveraging factor, or (2) financial contracts based upon notional amounts whose value is derived from an underlying index or security (interest rates, foreign exchange rates, equities or commodities).

DISCOUNT: The difference between the cost price of a security and its maturity when quoted at lower than face value. A security selling below original offering price shorty after sale also is considered to be at a discount.

DISCOUNT SECURITIES: Non-interest bearing money market instruments that are at a discount and redeemed at maturity for full face value (e.g., U.S. Treasury Bills).

DIVERSIFICATION: Dividing investment fund among a variety of securities offering independent returns.

DURATION: A measure of the timing of the cash flows, such as the interest payments and the principal repayment, to be received from a given fixed-income security. This calculation is based on three variables: term to maturity, coupon rate, and yield to maturity. The duration of a security is a useful indicator of its price volatility for given changes in interest rates.

FAIR VALUE: The amount at which an investment could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC): A federal agency that insures bank deposits, up to $250,000 per deposit.

FEDERAL FINANCING BANK: A government-owned bank created to reduce the cost of federal agencies though government-guaranteed obligations.

FEDERAL FUNDS (FED FUNDS): Funds placed in Federal Reserve banks by depository institutions in excess of current reserve requirement. These depository institutions may lend fed funds to each other overnight or on a longer basis. They may also transfer funds among each other on a same-day basis through the Federal Reserve banking system. Fed funds are considered to be immediately available funds.

FEDERAL FUNDS RATE: the rate of interest at which Fed funds are traded. This rate is currently pegged by the Federal Reserve through open-market operations.

FEDERAL OPEN MARKET COMMITTEE (FOMC): Consists of seven members of the Federal Reserve Board and five of the twelve Federal Reserve Bank Presidents. The president of New York Federal Reserve Bank is a permanent member, while the other Presidents serve on a rotating basis. The Committee periodically meets to set Federal Reserve guidelines regarding purchases and sales of Government Securities in the open market as a means of influencing the volume of bank credit and money.

FEDERAL RESERVE SYSTEM: The central bank of the United States created by Congress and consisting of a seven member Board of Governors in Washington, D.C., 12 regional banks and about 5,700 commercial banks that are members of the system.

FINANCIAL INDUSTRY REGULATORY AUTHORITY (FINRA): A self-regulatory organization (SRO) of brokers and dealers in the over-the-counter securities business. Its regulatory mandates includes authority over firms that distribute mutual funds shares as well as other securities.

FLORIDA LOCAL GOVERNMENT SURPLUS FUNDS TRUST FUND (SBA): The aggregate of all funds from political subdivisions that are placed in the custody of the State Board of Administration for investment and reinvestment.

FLORIDA SECURITY FOR PUBLIC DEPOSITS ACT: Chapter 280, Florida Statutes establishes a statewide "pool" program ensuring the protection from financial institution failure of public deposits of the state and its political subdivisions not covered by federal deposit insurance. All qualified public depositories are required to meet certain collateral requirements established by the Chief Financial Officer of the State of Florida.

INTEREST RATE: *See* "Coupon Rate."

INTEREST RATE RISK: The risk associated with deadlines or rises in interest rates which cause an investment in a fixed-income security to increase or decrease in value.

INVESTED YIELD CURVE: A chart formation that illustrates having lower yields than short-term securities. This configuration usually occurs during periods of high inflation coupled with low levels of confidence in the economy and restrictive monetary policy.

INVESTMENT COMPANY ACT OF 1940: Federal legislation which sets the standards by which investment companies, such as mutual funds, are regulated in the area of advertising, promotion, performance reporting requirements, and securities valuations.

INVESTMENT-GRADE OBLIGATIONS: An investment instrument suitable for purchase by institutional investors under the prudent person rule. Investment-grade is restricted to those obligations rated BBB or higher by a rating agency.

ISSUER LIMITATION: The issuer limitation percent shown in the "summary of key limitations on authorized investments" table is based on the total portfolio balance.

LIQUIDITY: A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bids and asked prices is narrow and reasonable size can be done at those quotes.

LIQUIDITY RISK: The risk that a liquid asset cannot be converted without a substantial loss of value or earnings.

LOCAL GOVERNMENT INVESTMENT POOL (LGIP): An investment by local government that are placed in the custody of the State Treasurer for investment and reinvestment.

MARK-TO-MARKET: The process whereby the book value or collateral value of a security is adjusted to reflect its current market value.

MARKET RISK: The risk that the value of a security will rise or decline as a result of changes in market conditions.

MARKET VALUE: The price at which a security is trading and could presumably be purchased or sold.

MASTER REPURCHASE AGREEMENT: A written contract covering all future transactions between the parties to repurchase-reverse repurchase agreement that establishes each party's rights in the transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller-borrower.

MATURITY: The date upon which the principal or stated value of an investment become due and payable.

MONEY MARKET: The Market in which short-term debt instruments (bills, commercial paper, bankers' acceptances, repos and federal funds) are issued and traded.

MONEY MARKET MUTUAL FUND: Mutual funds that invest solely in money market instruments.

MUTIAL FUND: An investment company that pools money and can invest in a variety of securities, including fixed-income securities and money market instruments. Mutual funds are regulated by the Investment Company Act of 1940 and must abide by the following Securities and Exchanges Commission (SEC) disclosure guidelines:

1. Report standardized performance calculations.
2. Disseminate timely and accurate information regarding the fund's holdings, performance, management and general investment policy.
3. Have the fund's investment policies and activities supervised by a board of trustees, which are independent of the adviser, administrator or other vendor of the fund.
4. Maintain the daily liquidity of the fund's shares.
5. Value their portfolio on a daily basis.
6. Have all individuals who sell SEC-registered products licensed with a self-regulating organization (SRO) such as the Financial Industry Regulatory Authority (FINRA).
7. Have an investment policy governed by a prospectus which is updated and filed by the SEC annually.

NO LOAD FUND: A mutual fund which does not levy a sales charge on the purchase of its shares.

NOMINAL YIELD: The stated rate of interest that a bond pays its current owner, based on par value of the security. It is also known as the "coupon," "coupon rate," or "interest rate."

OFFER: Price asked by a seller of securities. (When you are buying securities, you ask for an offer.) See Asked and Bid.

OPEN MARKET OPERATIONS: Purchases and sales of government and certain other securities in the open market by the New York Federal Reserve Bank as directed by the FOMC in order to influence the volume of money and credit in the economy. Purchases inject reserves into the bank system and stimulate growth of money and credit; sales have the opposite effect. Open market operations are the Federal Reserve's most important and most flexible monetary policy tool.

PAR: Face value or principal value of a bond, typically $1,000 per bond.

PASSIVE INVESTMENT STRATEGY: Passive investment management is an investment strategy in which securities are bought with intention of holding them to maturity or investing in benchmark products designed to yield a market rate of return.

PORTFOLIO: Collection of securities held by an investor.

POSITIVE YIELD CURVE: A chart formation that illustrates short-term securities having lower yields than long-term securities.

PREMIUM: The Amount by which the price paid for a security exceeds the security's par value.

PRIMARY DEALER: A group of government securities dealers who submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchanges Commission (SEC)-registered securities broker-dealers, banks, and a few unregulated firms.

PRIME RATE: A preferred interest rate charged by commercial banks to their most creditworthy customers. Many interest rates are keyed to this rate.

PRINCIPAL: The face value or par value of a debt instrument. Also may refer to the amount of capital invested in a given security.

PRUDENT PERSON RULE: An investment standard outlining the fiduciary responsibilities of public funds investors relating to investment practices.

QUALIFIED PUBLIC DEPOSITORY: Any bank, saving bank, or saving association that is organized under the laws of the United States or the State of Florida; has its principal place of business or a branch office to receive deposits in Florida; has deposit insurance under the provisions of the Federal Deposit Insurance Act; meets the requirements of Chapter 280, Florida Statutes (Florida Security for Public Deposits Act); and has been designated by the Chief Financial Officer of the State of Florida as a qualified public depository.

RATE OF RETURN: The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond or the current income return.

REINVESTMENT RISK: The risk that a fixed-income investor will be unable to reinvest income proceeds from a security holding at the same rate of return currently generated by the holding.

REPURCHASE AGREEMENT (REPO or RP): A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date. The security "buyer" in effect lends the "seller" money for the period of the agreement, and the terms of the agreement are structured to compensate him for this. Dealers use RP extensively to finance their positions. Exception: When the Fed is said to be doing RP, it is lending money that is, increasing bank reserves.

REVERSE REPURCHASE AGREEMENT (REVERSE REPO): An agreement of one party to purchase securities at a specified price from a second party and a simultaneous by the first party to resell the securities at a specified price to the second party on demand or at a specified date.

RULE 2a-7 OF THE INVESTMENT COMPANY ACT: Applies to all money market mutual funds and mandates such funds to maintain certain standards, including a 13 month maturity limit and a 90 day average maturity on investments, to help maintain a constant net asset value of one dollar ($1.00).

SAFEKEEPING: A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank's vaults for protection.

SECONDARY MARKET: A market made for the purchase and sale of outstanding issues following the initial distribution.

SECURITIES & EXCHANGE COMMISSION (SEC): Agency created by Congress to protect investors in securities transactions by administering securities legislation.

SEC RULE 15C3- 1: See Uniform Net Capital Rule.

SERIAL BOND: A bond issue, usually of a municipality, with various maturity dates scheduled at regular intervals until the entire issue is retired.

SINKING FUND: Money accumulated on a regular basis in a separate custodial account that is used to redeem debt securities or preferred stock issues.

SLUGS: Nonmarketable US Treasury securities sold to states and municipalities. These parties then deposit the securities into escrow accounts until they use them to pay off their own bonds at maturity.

SPREAD: (1) The yield or price difference between the bid and offer on an issue. (2) The yield or price difference between different issues.

TERM BOND: Bonds comprising a large part or all of a particular issue which come due in a single maturity. The issuer usually agrees to make periodic payments into a sinking fund for mandatory redemption of term bonds before maturity.

TREASURY BILLS: A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months, or one year.

TREASURY STRIPS: Zero-coupon Treasury bonds that mature in three months to 29 years and are backed by the full faith and credit of the US government.

TREASURY BONDS: Long-term coupon bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities of more than 10 years.

TREASURE NOTES: Medium-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. government and having initial maturities from two to 10 years.

UNIFORM NET CAPITAL RULE: Securities and exchange Commission requirement that member firms as well as nonmember broker-dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called net capital rule and net capital ratio. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities, on reason new public issues are spread among members of underwriting syndicated. Liquid capital includes cash and assets easily converted into cash.

WEIGHTED AVERAGE MATURITY: The average remaining term to maturity of the portfolio proportionate to the size of each investment.

YIELD: The rate of annual income return on an investment, expressed as a percentage. (a) INCOME YIELD is obtained by dividing the current dollar income by the current market price for the security. (b) NET YIELD or YIELD TO MATURITY is the current yield minus ant premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

YIELD-TO-CALL (YTC): The rate of return an investor earns from a bond assuming the bond is redeemed (called) prior to its normal maturity date.

YIELD CURVE: A graphic representation that depicts the relationship at a given point in time between yield and maturity for bonds that are identical in every way except maturity. A normal yield curve may be alternatively referred to as a positive yield curve.

YIELD-TO-MATURITY: The rate of return yielded by a debt security held to maturity when both interest payments and the investor's potential capital gain or loss are included in the calculation of return.

ZERO-COUPON SECURITIES: Security that is issued at a discount and makes no periodic interest payments. The rate of return consists of a gradual accretion of the principal of the security and is payable at par upon maturity.

REPORTS

4A:	**Quarterly Investment Report**
Action:	**Information Item**

Staff Resource: Deborah Leous, Chief Financial Officer
Michael Hanson, Director of Finance

FINANCE & PERFORMANCE MANAGEMENT

Background:

- The quarterly investment report is provided as required by the investment policy. This report covers the first quarter of the fiscal year 2015. (March 31, 2015).
- At March 31, 2015, there are $57.2 million in investments with the following allocations:

Investment Category	Balance	% of Total
Investment Category A: SBA Local Government Surplus Funds Trust Fund (Florida PRIME) and SBA Fund B	$15.8 Million	28%
Investment Category B: SBA Commingled Asset Management Program Money Market Funds	$0	0%
Investment Category D: Interest Bearing Savings Accounts, Demand Deposit Accounts, Negotiable Order of Withdrawal Accounts or Certificate of Deposits	$41.3 Million	72%

Attachments:

1. Quarterly Investment Report
2. Annual Investment Report
3. GFOA Treasury Management Report

PSTA Investments
For the Quarter Ended March 31, 2015

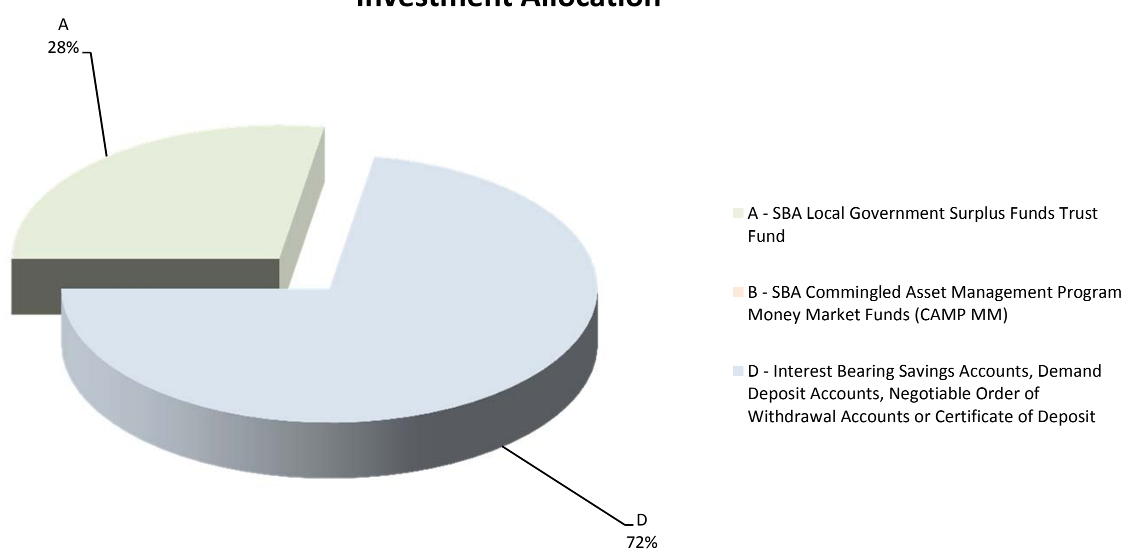
Investment Category	Balance as of 12/31/2014	Balance as of 3/31/2015	% of Total Investments 3/31/2015	Interest Rate as of 3/31/2015	Quarterly Comparison of Returns 12/31/2014	9/30/2014	6/30/2014	3/31/2014	12/31/2013
A - SBA Local Government Surplus Funds Trust Fund									
SBA - Florida PRIME	$15,822,754.45	$15,831,341.55		0.18%	0.16%	0.16%	0.16%	0.15%	0.16%
SBA - Fund B (Restricted) *	0.00	0.00		N/A	N/A	N/A	N/A	N/A	N/A
Total	**15,822,754.45**	**15,831,341.55**	**28%**	N/A	N/A	N/A	N/A	N/A	N/A
B - SBA Commingled Asset Management Program Money									
SBA - CAMP MM (Restricted) **	0.00	0.00		N/A	N/A	N/A	N/A	N/A	N/A
Total	**0.00**	**0.00**	**0%**						
D - Interest Bearing Savings Accounts, Demand Deposit Accounts, Negotiable Order of Withdrawal Accounts or Certificate of Deposit									
BankUnited - Public Funds Money Market Savings	25,013,847.24	30,042,176.71		0.40%	0.40%	0.40%			
BankUnited - Public Funds Certificate of Deposit	3,004,918.96	3,009,738.82		0.65%	0.65%	0.65%			
Citibank - FSA	1,626.66	1,069.16		0.00%	0.00%	0.00%	0.00%	N/A	N/A
SunTrust - Auto & General Liability	0.00	0.00		0.20%	0.20%	0.20%	0.00%	0.00%	0.00%
SunTrust - Depository	13,435,235.18	8,207,060.82		0.20%	0.20%	0.20%	0.07%	0.07%	0.07%
SunTrust - Grants General	0.00	14,643.00		0.20%	0.20%	0.20%	0.00%	0.00%	0.00%
SunTrust - Operating	0.00	0.00		0.20%	0.20%	0.20%	0.00%	0.00%	0.00%
SunTrust - Payroll	0.00	0.00		0.20%	0.20%	0.20%	0.00%	0.00%	0.00%
SunTrust - Workers' Compensation	65,346.63	58,854.73		0.20%	0.20%	0.20%	0.00%	0.00%	0.00%
Total	**41,520,974.67**	**41,333,543.24**	**72%**						
Total Investments	**$57,343,729.12**	**$57,164,884.79**	**100%**						

* Ending NAV Balance
** Market Value Base

Note:
1 . Fund B - Principal Balance is $0.00
2. CAMP MM - Book Value is $0.00

Weighted Average Interest rate is .32%

Investment Allocation



March-15

Investment Performance Benchmarks

	Date	Average Return
The Money Market Fund Index	March 1, 2015	0.02%
	Date	**7-day yield**
S&P Rated LGIP Index	January 16, 2015	0.02%

Cash Markets

	Rate	2/27/2015
Key Rates: Cash Markets	Federal funds	0.13%
	CDs: Three months	0.09%
	CDs: Six months	0.13%
	BAs: One month	0.15%
	T-bills: 91 day yield	0.04%
	T-bills: 52-week yield	0.13%
	Commercial paper, Dealer-Placed, 3 months	0.19%

REPORTS

4B:	**Monthly Financial Statement**
Action:	**Information Item**

FINANCE & PERFORMANCE MANAGEMENT

Staff Resource: Debbie Leous, CFO
Michael Hanson, Dir. of Finance

- Staff will present the financial status report for the month ending March 31, 2015.

Attachments:

1. Monthly Financial Performance Report – Monthly
2. Monthly Financial Performance Report – Fiscal Year to Date
3. Monthly Financial Performance Report – Fiscal Year to Fiscal Year Comparison
4. Statement of Revenues and Expenditures – Actual vs. Budget
5. Statement of Revenues and Expenditures – Year to Year Actual vs. Actual

MONTHLY FINANCIAL PERFORMANCE REPORT
for the Period Ending March 31, 2015

Month to Date as of March 2015

March

Description	Actual	Budget	% Variance	$ Variance
Revenues	$3,706,614	$3,302,806	12.23%	$403,808
Expenses	$5,145,605	$5,470,602	(5.94%)	($324,997)
Surplus / (Deficit)	($1,438,991)	($2,167,796)	(33.62%)	$728,805

For the month of March, the net deficit of -$1.44 million was $.73 million favorable to the budgeted deficit of -$2.17 million.

<u>Revenues</u>	
Passenger Fares revenue is -24.3% under budget.	($338,089)
Auxiliary revenue is 22.7% over budget due to increased advertising.	5,054
Non-Transportation revenue is 156.2% over budget due to increased interest income.	16,675
Taxes revenue is 8.1% over budget due to timing of receipts.	60,293
State Reimbursement-Fuel Tax revenue is -36.0% under budget.	(18,763)
State Grants revenue is 216.2% over budget due to timing of the start of the grant.	583,606
Federal Grants revenue is 13.3% over budget.	96,094
All other revenues within 5.0% of budget	(1,062)
	$403,808

<u>Expenses</u>	
Fringe Benefits expense is -11.0% under budget.	(102,733)
Services expense is -28.8% under budget.	(75,023)
Supplies expense is 18.3% over budget due to bus repair parts.	62,595
Utilities expense is -13.2% under budget.	(12,428)
Miscellaneous expense is -75.3% under budget due to service enhancements.	(113,698)
All other expenses within 5.0% of budget	(83,710)
	($324,997)

MONTHLY FINANCIAL PERFORMANCE REPORT
for the Period Ending March 31, 2015

Year to Date as of March 2015

March

Description	Actual	Budget	% Variance	$ Variance
Revenues	$49,812,487	$50,512,721	(1.39%)	($700,234)
Expenses	$31,243,111	$33,427,558	(6.53%)	($2,184,447)
Surplus / (Deficit)	$18,569,376	$17,085,163	8.69%	$1,484,213

Year to date through March, the net surplus of $18.57 million was $1.48 million favorable to the budgeted surplus of $17.09 million.

<u>Revenues</u>	
Passenger Fares revenue is -13.4% under budget.	($993,094)
Auxiliary revenue is 72.3% over budget due to increased advertising.	96,694
Non-Transportation revenue is 46.0% over budget due to increased interest income.	29,488
All other revenues within 5.0% of budget	166,678
	($700,234)

<u>Expenses</u>	
Fringe Benefits expense is -6.7% under budget.	(376,184)
Services expense is -15.9% under budget due to increased subrogation.	(310,326)
Diesel Fuel expense is -5.0% under budget.	(179,943)
Insurance expense is -22.2% under budget due to the timing of recoveries.	(160,525)
Utilities expense is -13.1% under budget.	(73,713)
Miscellaneous expense is -73.3% under budget due to service enhancements.	(631,963)
All other expenses within 5.0% of budget	(451,793)
	($2,184,447)

MONTHLY FINANCIAL PERFORMANCE REPORT
for the Period Ending March 31, 2015

Year to Year Comparison Based on YTD Actuals as of March 2015

March

Description	FY 2015	FY 2014	% Variance	$ Variance
Revenues	$49,812,487	$47,886,944	4.02%	$1,925,543
Expenses	$31,243,111	$29,669,138	5.31%	$1,573,973
Surplus / (Deficit)	$18,569,376	$18,217,806	1.93%	$351,570

Year to year through March, the net surplus of $18.57 million for FY 2015 was $.35 million favorable to the FY 2014 surplus of $18.22 million.

Revenues	
Passenger Fares revenue for FY 2015 is -8.8% under FY 2014.	($620,071)
Auxiliary revenue for FY 2015 is 91.6% over FY 2014 due to increased advertising.	110,174
Non-Transportation revenue for FY 2015 is -54.2% under FY 2014 due to a change in TD Co-pay classification from Non-Transportation Revenue to Passenger Fares.	(110,656)
Taxes revenue for FY 2015 is 7.3% over FY 2014 due to increased property values.	2,151,763
Local Beach Trolley & Rt.35 revenue for FY 2015 is 6.8% over FY 2014.	27,830
State Grants revenue for FY 2015 is 6.0% over FY 2014.	341,207
All other revenues within 5.0% of budget	25,296
	$1,925,543

Expenses	
Fringe Benefits expense for FY 2015 is 6.6% over FY 2014.	322,495
Supplies expense for FY 2015 is 9.3% over FY 2014.	182,987
Insurance expense for FY 2015 is 250.0% over FY 2014 due to recoveries.	402,635
Utilities expense for FY 2015 is 14.9% over FY 2014.	62,999
Purchased Transportation - DART expense for FY 2015 is 8.2% over FY 2014.	190,556
Purchased Transportation - TD expense for FY 2015 is -5.7% under FY 2014.	(22,481)
Purchased Transportation - Trolleys expense for FY 2015 is 8.0% over FY 2014.	23,982
Miscellaneous expense for FY 2015 is -18.8% under FY 2014.	(53,157)
All other expenses within 5.0% of budget	463,957
	$1,573,973

Pinellas Suncoast Transit Authority
Statement of Revenues and Expenditures
Actual vs. Budget
Month Ended March 2015

	Month				Year to Date				Annual
			Variance				Variance		
	Actual	Budget	Percent	Dollar	Actual	Budget	Percent	Dollar	Budget
Revenue									
Passenger Fares	$ 1,055,989	$ 1,394,078	(24.25%)	$ (338,089)	$ 6,395,345	7,388,439	(13.44%)	$ (993,094)	$ 14,189,840
Auxiliary	27,354	22,300	22.66%	5,054	230,494	133,800	72.27%	96,694	267,600
Non-Transportation	27,353	10,678	156.16%	16,675	93,560	64,072	46.02%	29,488	128,140
Taxes	805,574	745,281	8.09%	60,293	31,700,904	31,678,917	0.07%	21,987	35,355,160
Local Beach Trolley & Rt.35	72,019	73,081	(1.45%)	(1,062)	439,026	438,476	0.13%	550	876,962
State Reimbursement-Fuel Tax	33,362	52,125	(36.00%)	(18,763)	312,859	314,856	(0.63%)	(1,997)	657,320
State Grants	853,522	269,916	216.22%	583,606	6,044,750	6,082,081	(0.61%)	(37,331)	7,466,477
Federal Grants	818,108	722,014	13.31%	96,094	4,516,069	4,332,080	4.25%	183,989	5,446,585
Federal Grant MPO Pass-Thru	13,333	13,333	0.00%	0	79,480	80,000	(0.65%)	(520)	80,000
Total	3,706,614	3,302,806	12.23%	403,808	49,812,487	50,512,721	(1.39%)	(700,234)	64,468,084
Expenditures									
Salaries	2,275,245	2,368,662	(3.94%)	(93,417)	13,927,995	14,500,865	(3.95%)	(572,870)	28,847,972
Fringe Benefits	831,842	934,575	(10.99%)	(102,733)	5,224,446	5,600,630	(6.72%)	(376,184)	11,208,013
Services	185,561	260,584	(28.79%)	(75,023)	1,638,368	1,948,694	(15.92%)	(310,326)	3,474,995
Diesel Fuel	603,574	601,374	0.37%	2,200	3,420,781	3,600,724	(5.00%)	(179,943)	7,517,170
Supplies	404,418	341,823	18.31%	62,595	2,140,614	2,053,452	4.24%	87,162	4,172,040
Insurance	117,789	120,709	(2.42%)	(2,920)	563,721	724,246	(22.16%)	(160,525)	1,423,000
Utilities	81,532	93,960	(13.23%)	(12,428)	486,995	560,708	(13.15%)	(73,713)	1,123,200
Taxes & Licenses	67,271	69,180	(2.76%)	(1,909)	389,656	404,133	(3.58%)	(14,477)	848,840
Purchased Transportation - DART	420,761	410,325	2.54%	10,436	2,522,268	2,461,950	2.45%	60,318	4,923,900
Purchased Transportation - TD	66,353	64,032	3.62%	2,321	374,389	384,188	(2.55%)	(9,799)	768,380
Purchased Transportation - Trolleys	53,947	54,368	(0.77%)	(421)	324,074	326,201	(0.65%)	(2,127)	652,409
Miscellaneous	37,312	151,010	(75.29%)	(113,698)	229,804	861,767	(73.33%)	(631,963)	1,703,155
Total	5,145,605	5,470,602	(5.94%)	(324,997)	31,243,111	33,427,558	(6.53%)	(2,184,447)	66,663,074
Revenue Over / (Under) Expenditures	$ (1,438,991)	$ (2,167,796)	(33.62%)	$ 728,805	$ 18,569,376	$ 17,085,163	8.69%	$ 1,484,213	$ (2,194,990)
Transfer To / From Reserve									$ 2,194,990

Pinellas Suncoast Transit Authority
Statement of Revenues and Expenditures
Actual vs. Actual
Month Ended March 2015

	Year to Date				
		March 2015	March 2014	Variance	
	Budget	Actual	Actual	Percent	Dollar
Revenue					
Passenger Fares	$ 7,388,439	$ 6,395,345	$ 7,015,416	(8.84%)	$ (620,071)
Auxiliary	133,800	230,494	120,320	91.57%	110,174
Non-Transportation	64,072	93,560	204,216	(54.19%)	(110,656)
Taxes	31,678,917	31,700,904	29,549,141	7.28%	2,151,763
Local Beach Trolley & Rt.35	438,476	439,026	411,196	6.77%	27,830
State Reimbursement-Fuel Tax	314,856	312,859	304,354	2.79%	8,505
State Grants	6,082,081	6,044,750	5,703,543	5.98%	341,207
Federal Grants	4,332,080	4,516,069	4,498,758	0.38%	17,311
Federal Grant MPO Pass-Thru	80,000	79,480	80,000	(0.65%)	(520)
Total	50,512,721	49,812,487	47,886,944	4.02%	1,925,543
Expenditures					
Salaries	14,500,865	13,927,995	13,391,468	4.01%	536,527
Fringe Benefits	5,600,630	5,224,446	4,901,951	6.58%	322,495
Services	1,948,694	1,638,368	1,654,561	(0.98%)	(16,193)
Diesel Fuel	3,600,724	3,420,781	3,482,792	(1.78%)	(62,011)
Supplies	2,053,452	2,140,614	1,957,627	9.35%	182,987
Insurance	724,246	563,721	161,086	249.95%	402,635
Utilities	560,708	486,995	423,996	14.86%	62,999
Taxes & Licenses	404,133	389,656	384,022	1.47%	5,634
Purchased Transportation - DART	2,461,950	2,522,268	2,331,712	8.17%	190,556
Purchased Transportation - TD	384,188	374,389	396,870	(5.66%)	(22,481)
Purchased Transportation - Trolleys	326,201	324,074	300,092	7.99%	23,982
Miscellaneous	861,767	229,804	282,961	(18.79%)	(53,157)
Total	33,427,558	31,243,111	29,669,138	5.31%	1,573,973
Revenue Over / (Under) Expenditures	$ 17,085,163	$ 18,569,376	$ 18,217,806	1.93%	$ 351,570
Transfer To / From Reserve					

REPORTS

4C:	**Ridership & Operations Performance Report**
Action:	**Information Item**

FINANCE & PERFORMANCE MANAGEMENT

Staff Resource: Rita Hoffman, Statistical Data Manager

- Staff will present the ridership and operations report for the month ending March, 2015.

Attachments:

1. Ridership and Operations Reports (provided at meeting)

EXECUTIVE CLOSED DOOR SESSION

7A:	**Tampa Bay Area Transit Workers Union Negotiations**
Action:	**Information Item**

Staff Resource: James Bradford, Chief Operating Officer

FINANCE & PERFORMANCE MANAGEMENT

Background:

- James Bradford, PSTA's Chief Operating Officer, along with Brad Miller, CEO, Sangita Land, Chief Compliance Officer, members of the PSTA's Union Negotiation Team and Finance Committee will meet in a closed door session to discuss labor negotiation strategies pursuant to Section 447.605(1), Florida Statutes. This session is expected to last approximately 30 minutes.

Attachments: None