



PINELLAS SUNCOAST TRANSIT AUTHORITY
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FINANCE & PERFORMANCE MANAGEMENT
COMMITTEE MEETING
MINUTES – JULY 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 June 17, 2015 meeting minutes, and recommend approval of the Metropolitan Planning Organization (MPO) 5305 Funding Agreement, the investigation and audit of property tax exemptions, the Transportation Disadvantaged (TD) Coordination Agreements (non-profit funding/state agreement), the FY 2016 Employee Health Benefits, the Goodyear Tire program, the oil and lubricants contracts, the uniforms (purchase/rental and supplies), the diesel fuel, the batteries-transit vehicles, and the FY 2016 Budget TRIM Notice. The following members were present:

Joe Barkley, Committee Chair
Mark Deighton
Dave Eggers
Bill Jonson

Absent

Brian Scott, Committee Vice-Chair
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 9:00 AM.

PUBLIC COMMENT

There were no public comments.

ACTION ITEMS

Approval of Minutes – Mr. Jonson made a motion, seconded by Mr. Deighton to approve the June 17, 2015 minutes. There were no public comments. Motion passed unanimously.

MPO 5303 Funding Agreement – Debbie Leous, Chief Financial Officer, explained that this is an annual Joint Participation Agreement (JPA) between PSTA and the Pinellas County MPO for \$80,000 for planning, which has been the same amount since 2005. Mr. Deighton made a motion, seconded by Mr. Jonson to recommend approval of the JPA. There were no public comments. Motion passed unanimously.

Investigation and Audit of Property Tax Exemptions – Ms. Leous indicated that the Pinellas Property Appraiser and the Tax Collector would like to obtain services to audit the Pinellas County tax roll to identify undeserved personal exemptions from ad valorem property tax. She stated that they have contracted with Tax Management Associates (TMA) to provide this service. Ms. Leous said that TMA will provide the service for a fee of 30% of funds collected. Mr. Eggers asked for clarification on what the verbiage says when you file for a homestead exemption and whether it states upfront that penalties could be incurred; Ms. Leous will investigate and follow-up with Mr. Eggers. Mr. Deighton made a motion, seconded by Mr. Jonson to recommend approval of an Interlocal Agreement for use of property tax collections to fund exemption audit services. There were no public comments. Motion passed unanimously.

TD Coordination Agreements (Non-Profit Funding)/State Agreement – Ross Silvers, Mobility Manager, said staff is recommending approval of four coordination agreements with local non-profit transportation providers: Neighborly Care Network, PARC, ARC Tampa Bay, and Lighthouse at a total cost not to exceed \$655,000. Mr. Silvers indicated that staff is also recommending acceptance of the Annual Trip and Equipment Grant for \$2.3 million from the Florida Commission for the TD and a Resolution authorizing the CEO to sign related documents. Mr. Jonson suggested referencing the \$2.3 million on the cover page for the Board meeting. Mr. Jonson made a motion, seconded by Mr. Eggers to recommend approval of the TD Agreements and the acceptance of the \$2.3 million grant. There were no public comments. Motion passed unanimously.

FY 2016 Employee Health Benefits – Larry Longenecker, Director of Human Resources, stated that staff is recommending approval to renew medical, prescription, and dental insurance through Cigna, renew vision coverage through Advantica, and add optional life insurance through Minnesota Life. Mr. Longenecker indicated that PSTA has historically been fully insured and keeping that same plan for FY 2016 would result in a 10.3% increase. Mr. Longenecker said that due to the fiscal impact of the 10.3%, the Gehring Group provided PSTA with an Alternate 1 and Alternative 2 to lower the costs. He reported that based on discussions with management and the unions, it was determined

to recommend Alternate 1 to limit the increase to 3.1% with an increase in deductibles and out-of-pocket maximums. The Committee members asked many questions which were answered by Shawn Fleming from the Gehring Group. Mr. Jonson made a motion, seconded by Mr. Deighton to recommend approval to: 1) renew medical, prescription, and dental insurance through Cigna for FY 2016 for employees and dependents not to exceed \$6.2 million, 2) recommend approval to renew FY 2016 vision coverage through Advantica not to exceed \$5,000, and 3) recommend approval to add optional life insurance through Minnesota Life at no increased cost or increased coverage. There were no public comments. Motion passed unanimously.

Goodyear Tire Program – Henry Lukasik, Director of Maintenance, indicated that staff is recommending approval to enter into a tire run-out program with Goodyear Tire & Rubber Company for a period not to exceed three years at a rate of .007 per mile. Mr. Lukasik stated that there is no budget impact, that the estimated tire run-out cost is \$350,000 over 3 years, and this project will be 100% federally funded by the Federal Transit Administration (FTA). Mr. Deighton made a motion, seconded by Mr. Jonson to recommend the tire run-out program. There were no public comments. Motion passed unanimously.

Oil and Lubricants – Mr. Lukasik explained that PSTA's fleet uses various fluids, lubricants, and oils. He reported that this year, the agency joined a Co-Op administered by the City of St. Petersburg, and in addition to PSTA, the other participating agencies were the cities of Clearwater, Dunedin, Pinellas Park, and Tarpon Springs. Mr. Lukasik reported that in April 2015, St. Petersburg issued a Request for Quote (RFQ) soliciting competitive bids and said that as a result of this solicitation, four suppliers responded to the RFQ: Best Line Oil Company, Five Points Services, Palmdale Oil Company, Inc., and Seaboard of Neumann Distribution. He said based on the most responsive, responsible, and lowest cost suppliers, awards were given to Palmdale Oil Company, Inc. and Seaboard of Neumann Distribution. Mr. Lukasik said staff is recommending approval of a three-year contract with Palmdale and Seaboard Neumann to provide PSTA oils and lubricants for a total three-year cost of \$750,000 which is a \$9,000 savings per year. Mr. Jonson made a motion, seconded by Mr. Deighton to recommend approval of the awards. There were no public comments. Motion passed unanimously.

Uniforms (Purchase/Rentals and Supplies) – Mr. Lukasik indicated that PSTA currently rents uniforms for 88 maintenance employees, along with safety mats, shop rags, and towels. He said the agency purchases uniforms for 427 Bus Operators and Customer Service Representatives (CSR's) per union contract. He reported that in April 2015, PSTA issued a Request for Proposal (RFP) soliciting competitive proposals from experienced, qualified, and capable suppliers to supply rental uniforms and supplies as well as to allow PSTA to purchase uniforms. Mr. Lukasik said that five suppliers responded to the RFP: Cintas, Design Lab, JAFECO, and SingleSource Imagewear, and Unifirst Corporation. He

stated that after careful review by the selection committee, it was determined that Unifirst (incumbent) presented the best value for the uniform rental and supplies, and that NAFECO (incumbent) presented the best value for the uniform purchase. Mr. Lukasik stated that the staff recommendation is to approve a three-year contract with two one-year renewals with NAFECO for an amount not to exceed \$443,420 over the maximum five-year period for uniform purchase, and also to recommend approval for a three year contract with two one-year renewals with Unifirst for an amount not to exceed \$109,828 over the maximum five year period for the uniform and supplies rental. The Committee asked some questions about the selection process and costs, then Mr. Deighton made a motion, seconded by Mr. Jonson to recommend approval of the two contracts. There were no public comments. Motion passed unanimously.

Diesel Fuel – Mr. Lukasik indicated that in May 2015, PSTA joined a Co-Op administered by the Hillsborough Area Regional Transit Authority (HART), with PSTA serving as co-lead, for the purchase of diesel fuel and unleaded gasoline. He said other participating agencies are the Hillsborough County Board of County Commissioners, the Polk County Board of County Commissioners, the City of St. Petersburg, and the Lakeland Area Mass Transit District. Mr. Lukasik stated that an Invitation for Bid (IFB) was issued in May 2015 which resulted in six suppliers responding: Indigo Energy Partners, Petroleum Traders, Southern Petroleum Resources, James River, J.H. Williams, and TAC Energy. He reported that the award was made to the most responsive, responsible, and lower cost suppliers which were James River for diesel fuel, and J.H. Williams for the regular unleaded gasoline. Mr. Lukasik stated that joining this Co-Op allows PSTA to lock in prices up to five years. He said staff is recommending approval of a one-year contract with the option for four one-year renewals with James River for diesel fuel with a total five year mark-up of .149 per gallon, and a one-year contract with the option for four one-year renewals with J.H. Williams for unleaded gasoline for a total five year mark-up per gallon of .0175. He noted that last year, the mark-up for diesel was .140, and the mark-up for unleaded gasoline was .07. After much discussion and questions from the Committee, Mr. Deighton made a motion, seconded by Mr. Jonson to recommend approval of the two contracts. There were no public comments. Motion passed unanimously.

Batteries – Transit Vehicles – Mr. Lukasik reported that PSTA purchases 450 batteries per year for its fleet of buses and service vehicles. He stated that in March 2015, an IFB was issued for heavy duty bus batteries (Lot A) and automotive batteries (Lot B) with seven suppliers responding: Batteries-By-Fisher, Inc., Interstate Batteries of Clearwater, FL, Battery USA, Inc., Original Equipment Co., Safe-Start, Batteries Plus Bulbs, and Advance Stores Co., Inc. Mr. Lukasik indicated that after evaluation, it was determined that Batteries-By-Fisher (Lot A) and Safe-Start (Lot B) were the lowest responsive bidders over the maximum three-year life of the contracts. He said over the total three-year contract period there will be a \$39,000 savings compared to the current year. Mr. Lukasik stated that staff is recommending approval of a one year contract with two one-year renewals

with Batteries-By-Fisher for an amount not to exceed \$175,000 over the maximum three-year period for Lot A – heavy duty bus batteries, and a one year contract with two one-year renewals with Safe-Start for an amount not to exceed \$14,000 over the maximum three-year period for Lot B – automotive batteries. After some questions from the Committee, Mr. Jonson made a motion, seconded by Mr. Deighton to recommend approval of the two contracts. There were no public comments. Motion passed unanimously.

FY 2016 Budget Truth in Millage (TRIM) Notice – Ms. Leous delivered a presentation on the FY 2016 Budget TRIM Notice which included millage rate history, the proposed FY 2016 millage rate and the impact of that on taxpayers, and the millage rate increase alternatives. Ms. Leous reported that currently, the millage rate for FY 2015 is .7305, and the proposed millage rate for FY 2016 is the cap of .7500 which will generate an additional \$1 million in revenue. She noted that the average homeowner would experience an increase of \$1.98 over FY 2015. Ms. Leous compared the Path Forward sustainability with and without the property tax increase. She also handed out a one-page sheet of millage rate talking points.

Committee Chair Barkley stated that he supports the increase, and Mr. Jonson said he believes that increasing the millage to the cap may help PSTA receive Surface Transportation Program (STP) funding for future expansion. Mr. Jonson also believes that the millage rate adjustment and the fare adjustment should be made at the same time so the burden is balanced on both of the funding sources. Mr. Eggers stated his opinion that PSTA should not increase the millage rate to the maximum, adding that he believes PSTA is in good shape for the next two to three years. Mr. Deighton said that the increase is needed to run the bus system, noting that the average \$1.98 increase is minimal.

Mr. Jonson made a motion, seconded by Mr. Deighton, to recommend publishing the required FY 2016 TRIM Notice with a millage rate of 0.7500. There were no public comments. The motion passed (3:1) with Mr. Eggers dissenting.

REPORTS

Monthly Financial Statement – Ms. Leous presented the financial status report for the period ending May 31, 2015. She reported that for the month of May, there was a net deficit of -\$2.9 million, which was \$75,000 favorable to the budgeted deficit of -\$2.99 million. She reported that revenues of -\$117,000 were under budget due to passenger fares being under budget. She said expenses were under budget in almost all categories. She presented the year to date (YTD) actuals as of May 2015, and reported that the net surplus of \$13.49 million was \$1.29 million favorable to the budgeted surplus of \$12.2 million. She said that revenues were under budget \$1.5 million primarily due to

passenger fares. Ms. Leous said that expenses on the YTD basis are under budget in every single category.

Ridership/Performance – The report was handed out at the meeting. Mr. Miller said that June was a record ridership month and was the highest June ever.

Capital Projects Update – The report was included in the agenda packet.

FUTURE MEETING SUBJECTS

The Committee was provided with a list of upcoming meeting subjects.

OTHER BUSINESS

No other business was discussed.

ADJOURNMENT

The meeting was adjourned at 10:30 AM. The next meeting will be held August 19, 2015 at 9:00 AM.