



PINELLAS SUNCOAST TRANSIT AUTHORITY
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**FINANCE & PERFORMANCE MANAGEMENT
COMMITTEE MEETING
MINUTES – AUGUST 19, 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 July 15, 2015 meeting minutes, and to recommend approval of the annual Florida Department of Transportation (FDOT) Grant approvals, the auditing services, Trolley agreements, Gillig bus purchase, and the Riders Code of Conduct/appeals process. The following members were present:

Joe Barkley, Committee Chair
Brian Scott, Committee Vice-Chair
Mark Deighton
Bill Jonson

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. Jonson made a motion, seconded by Mr. Deighton to approve the July 15, 2015 minutes. There were no public comments. Motion passed unanimously.

Annual FDOT Grant Approvals – Debbie Leous, Chief Financial Officer, explained that this is a continuation of PSTA's agreements with FDOT for the Block Grant, the Urban Corridor Program funding, and the Service Development Program funding. She reported that FDOT has offered a total of six grants: 1) Block Grant, 2) Express Route 100X, 3) Express Route 300X, 4) East Lake Flex, 5) Curlew Road Flex, and 6) Express Route 60X. Ms. Leous indicated that these grants for FY 2016 total \$5.9 million which represents an increase of \$786,945 over FY 2015. Mr. Miller stated that FDOT is aware of possible service changes to some of these routes and has indicated that PSTA should submit the applications as is and can be amended at a later date to move funds to another route. He further explained that the funds for the Express Route 60X (\$980,000) can only be spent if PSTA starts a Clearwater Beach to Tampa International Airport (TIA) Express Service, and the Agency can hold onto the money until additional funds are acquired for this route. Mr. Miller indicated that if PSTA is successful in obtaining additional funds, a Request for Proposal (RFP) could be issued in the spring or summer after the Legislative session is over. Mr. Deighton made a motion, seconded by Mr. Scott to recommend approval of the FY 2016 FDOT Joint Participation Agreements (JPA's). There were no public comments. Motion passed unanimously.

Auditing Services – Ms. Leous indicated that in accordance with PSTA's Rules and Regulations, a competitive solicitation is released at least every five years. She reported that in June 2015, the Agency released an RFP for financial audits and related services and six suppliers responded: 1) Carr Riggs & Ingram, 2) Clifton Larson Allen LLP, 3) HCT Certified Public Accountants & Consultants, LLC, 4) Cherry Bekaert, 5) Crowe Horwath, and 6) Moore Stephens Lovelace CPA's & Advisors. She added that Mayer Hoffman McCann (incumbent) is no longer in the government audit services business. Ms. Leous said that based on evaluations, supplier's presentations, and considerations, the PSTA Selection Evaluation Committee is recommending a contract award to Clifton Larson Allen LLP, which has a very strong transit background and are offering the most dedicated hours per year (675) to PSTA for an audit. Mr. Miller indicated that the Rules and Regulations call for the Finance Committee to approve the auditor and recommend approval of the contract to the full Board. Ms. Leous added that the auditor reports directly to the Finance Committee.

Andrew Laflin, of Clifton Larson Allen, provided a background on the firm and the professional services that they can provide to PSTA. Mr. Laflin answered questions about

conflict of interest from the Committee, adding his opinion that there will be no conflict. Mr. Deighton indicated that his city has worked with Clifton Larson Allen for five years and have found them to be very helpful and very responsive to their needs. Mr. Jonson asked Ms. Leous to comment on the two lower-cost firms and Committee Chair Barkley suggested that Ms. Leous also expound on this at the Board meeting.

Mr. Deighton made a motion, seconded by Mr. Jonson to approve Clifton Larson Allen LLP. There were no public comments. Motion passed unanimously. Mr. Jonson made a motion, seconded by Mr. Deighton to recommend approval of a three-year contract with the option for two one-year renewals with Clifton Larson Allen LLP for a total five-year cost of \$359,000. There were no public comments. Motion passed unanimously.

Trolley Agreements – Sangita Land, Chief Compliance Officer, stated that staff is recommending approval of the extension of six trolley agreements for FY 2016. She gave a brief background on each route including the cost to PSTA, noting that all these agreements have been accounted for in the FY 2016 budget. Mr. Jonson suggested showing the partner contributions for each route and how much PSTA is contributing toward the total cost of the route. Mr. Miller said that information could be provided. This item was left open until later in the meeting when Ms. Borchers would provide the Committee with the splits for each route.

Gillig Bus Purchase – Henry Lukasik, Director of Maintenance, reported that the 2015 Gillig buses arrived in July and will be deployed next week. He indicated that the turnaround time for getting the buses on the street has greatly decreased because of the turnkey program with Gillig. Mr. Lukasik indicated that representatives from the various vendors came to PSTA to help with testing the buses, and there is a one-year bumper-to-bumper factory warranty. He stated that staff is recommending approval of the purchase of seven replacement 2016 40-foot diesel low floor buses, technical training, and tooling from Gillig Corporation at a total cost not to exceed \$3,600,000.

Mr. Lukasik reported that PSTA is part of a consortium bus-buy program and in 2013, Orlando's LYNX was the lead agency in conducting the procurement solicitation process which led to another five-year contract with the Gillig Corporation. He explained that the Agency is maintaining a strong hybrid-electric component within its overall fleet including 61 hybrid buses or 31% of the entire fleet, and no hybrids will be eliminated for the next decade according to the new Fleet Plan. Mr. Lukasik informed the Committee that next week staff will be in Sanford, Florida to view the brand new 2017 emission-compliant diesel engine.

Mr. Lukasik indicated that this bus purchase will be 100% federally funded by the Federal Transit Administration (FTA) grant funding and is included in the approved Capital Improvement Program (CIP).

Mr. Scott asked if these new buses will have any new technologies compared to what has been purchased in the past, and Mr. Lukasik responded no, but added that disc brakes were installed on the 2015 buses, which is where the industry is moving toward. Mr. Deighton had a question about the difference between the 2001 emission levels compared to these buses and Mr. Lukasik stated that the emissions are very low and federally compliant, adding that he will provide more detailed information to the Committee. Mr. Deighton also suggested that information be provided to the Board. Committee Chair Barkley voiced his concern about the possible appearance that PSTA is not being environmentally sensitive, and stated that he is against going back to diesel buses. Mr. Scott made a motion, seconded by Mr. Jonson to recommend approval of the purchase of seven replacement 2016 40-foot diesel low floor buses. There were no public comments. Motion passed (3:1) with Committee Chair Barkley dissenting.

Riders Code of Conduct/Appeals Process – Jeff Thompson, Director of Transportation, stated that the Transit Riders Advisory Committee (TRAC) had recommended Board approval of the Code of Conduct at their August 18th meeting. He presented a list of 20 Codes of Conduct and also the appeals process. Mr. Thompson introduced Alissa Kostyk, Social Media Coordinator, who delivered a marketing presentation on how PSTA is going to convey the Code of Conduct message to the community to help them understand and be more aware of PSTA's Code of Conduct. Mr. Scott asked if this Code of Conduct is consistent with other agencies and if it is FTA compliant, and Mr. Thompson replied that staff reviewed Codes of Conduct from several cities and it consistent. Mr. Jonson made a motion, seconded by Mr. Scott to recommend the Board approve the Code of Conduct and the appeals process. There were no public comments. Motion passed unanimously.

Bus Advertising Contract/Policy – Mr. Miller reminded the Committee that this item had previously come before the Board and it was postponed. He reported that an RFP was re-issued and a recommended contractor had been selected. Mr. Miller also point out that there was a modification to PSTA's advertising policy, which governs the types of ads allowed on the buses. He explained that the bidders were asked how much more guaranteed revenue would alcohol and governmental advertising generate. Since the revenue was quoted as \$25,000 per year for alcohol ads, staff is recommending that PSTA not allow alcohol ads. However, staff is recommending the amendment of the policy to allow for governmental ads, which would generate \$50,000 annually.

Mr. Miller indicated that the procurement process is complete and the recommended company is Direct Media USA. He added that when this RFP was first issued in June, Advertising Vehicles was the vendor selected, who came in second place in this second RFP process. Mr. Miller said that Advertising Vehicles filed a protest. He noted that according to PSTA's Regulations, the Authority does not have to suspend the awarding of the contract due to the protest. Staff will have to respond to Advertising Vehicles by the Board meeting on August 26th. Committee Chair Barkley suggested that Alan Zimmet, General Counsel, be well prepared to answer the Board's questions regarding the protest. Louemma Cromity, Director of Procurement, answered Committee Chair Barkley's question about the higher guaranteed amounts in this RFP.

Mr. Scott made a motion, seconded by Mr. Jonson to recommend Board approval of awarding the Bus Advertising Contract to Direct Media USA subject to resolution of the protest, and also recommend approval of the new bus advertising policy including governmental ads. There were no public comments. Motion passed unanimously.

INFORMATION ITEMS

Fare Structure Recommendations – Mr. Miller highlighted why PSTA is recommending a fare increase and service adjustments to the routes. He explained that the FY 2016 Proposed Operating Budget has a surplus of \$2.9 million which will be used for bus replacements. Mr. Miller noted that PSTA has locked in diesel fuel prices for next year for \$1.1 million savings compared to the proposed budget. He indicated that the Board will now have the option of putting \$4 million into the reserve fund for bus replacements, or approve his recommendation to proceed with the fare adjustment and reduce the low-performing routes, but hold off adjusting the ad valorem tax rate for this coming fiscal year in light of the additional \$1.1 million savings in diesel fuel.

Ms. Borchers delivered a presentation on the fare adjustments and indicated that there are two decisions to be made - the structure of the fares and the price. She said that streamlining the fare policy and fare tables is an industry standard now, especially for agencies using the Smart Card technology. She presented the proposed changes adding that PSTA is planning to make both changes at the same time. Ms. Borchers said that this topic was included in the recent route changes workshops with three more workshops planned as well. She said there also will be a public hearing on September 9th along with the budget/millage public hearing. Mr. Miller indicated that the Metropolitan Planning Organization's (MPO) Local Coordinating Board (LCB) recommended the changes for the Transportation Disadvantaged (TD) program. Mr. Jonson asked whether HART was going to increase their fares. Ms. Borchers said she would look into it and provide the information at the Board meeting.

REPORTS

Due to time constraints, Committee Chair Barkley stated that the reports were included in the packet for the Committee's review.

Trolley Agreements – Ms. Borchers provided the Committee with the requested information about the Trolley Agreements. She stated that for the Clearwater Beach Jolley Trolley, PSTA pays 30% of the gross cost and 54% of the net cost; on the North Coastal Trolley, 36% of the gross cost and 52% of the net cost; on the Safety Harbor Trolley, 22% of the gross cost and 50% of the net cost; and on the Looper Trolley, 26% of the gross cost and 42% of the net cost. Mr. Miller indicated that each of the agreements has been separately negotiated over the years and the plan is to competitively procure these agreements in two years to make the agreements consistent. Mr. Scott made a motion, seconded by Mr. Jonson to recommend approval of the Trolley Agreements. Rosemary Windsor, Clearwater Beach Jolley Trolley Executive Director, commented that the 5.8% increase is the first increase that they have received in two years adding that the 5.8% is spread over two years not annually. Bob Clifford, Clearwater Beach Jolley Trolley Chairman of the Board, added that the increase in ridership experienced by the Jolley Trolley benefits PSTA in their ability to attract federal dollars.

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 10:45 AM. The next meeting will be held on September 16, 2015 at 9:00 AM.