



PINELLAS SUNCOAST TRANSIT AUTHORITY
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PLANNING COMMITTEE MEETING
AGENDA – MARCH 16, 2016; 10:15 AM
PSTA AUDITORIUM

		<u>TIME</u>	<u>PAGE</u>
1.	CALL TO ORDER	10:15	
2.	PRESENTATIONS/ACTION (along with Finance Committee)	10:15	
	A. SEIU Labor Agreement	15 min JAMES BRADFORD	2
	B. DART Contract	15 min ROSS SILVERS	5
3.	PUBLIC COMMENT	10:45	
4.	ACTION ITEMS	10:55	
	A. February 17, 2016 Meeting Minutes	CHAIR WELCH	20
5.	INFORMATION ITEMS	11:00	
	A. 2017 Key Budget Assumptions	25 min DEBBIE LEOUS	25
6.	REPORTS	11:25	
	A. Projects & Partner Updates	15 min HEATHER SOBUSH	36
7.	FUTURE MEETING SUBJECTS	11:40	
	• Sustainability Plan		
	• Capital Improvement Program & public hearing		
	• System Service Improvements		
8.	OTHER BUSINESS	11:50	
9.	ADJOURNMENT	12:00	

THE NEXT MEETING IS APRIL 20, 2016 AT 10:30 AM

PRESENTATION/ACTION ITEM



2A: SEIU Labor Agreement



Action: Recommend Approval of a Three Year Labor Agreement with PSTA's Florida Public Service Union (SEIU)

CONSENT OR ACTION ITEM

Staff Resource: James A. Bradford, Jr., COO
Henry Lukasik, Dir. of Maintenance
Jeff Thompson, Dir. of Transportation

**FINANCE & PERFORMANCE
MANAGEMENT**

Background:

- The Labor Agreement between PSTA and SEIU expired on September 30, 2015.
- The Labor Agreement covers nearly 500 collective bargaining employees: Bus Operators, Maintenance personnel, and Customer Service Representatives (CSRs).
- PSTA began collective bargaining sessions with SEIU on November 3rd and reached a tentative settlement agreement for a new three year term on February 29th after negotiating in 11 different bargaining sessions.
- The SEIU Union held a vote on the proposed contract on March 7th. Results yielded an overwhelming majority in support: 274 votes in favor to 56 votes opposed.
- The new Labor Agreement will be in effect through September 30, 2018.

Contract Highlights:

- Increased starting pay-rates for new hires and first year employees.
- Reduction in length of time (from 60 to 54 months) needed to reach maximum pay-rates through step progression.
- Stronger language requiring increased accountability for PSTA's attendance & safety policies.
- Creation of Union and Management Committees requiring partnerships in addressing such important issues as health & wellness, medication management, scheduling & routing matters, accident & collision management, and implementing new customer service initiatives.
- Tightening of the general rules impacting employee performance.
- Incentives for decreasing high absenteeism thereby lowering overtime percentages.

- Much improved employee benefits to include pay provisions, vacation leave, and paid time-off opportunities.

Fiscal Impact:

- \$300 (one-time) stored balance for employee Health Insurance Contributions
- \$500 Annual Performance Bonus based upon Attendance
- Pay Increase to the Top Steps:
 - FY 2016 – 2.5%
 - FY 2017 – 3%
 - FY 2018 – 3%
- The three year labor agreement with SEIU is within PSTA's FY 2016 approved \$29.6 million dollar salary budget as well as stays within ½ percent of PSTA's projected budget presented to the Board for a three year period.

Recommendation:

- Recommend approval of a three year union contract to include pay-rate increases of 2.5%, 3%, and 3% in respective Fiscal Years 2016, 2017, and 2018 --- to also include:
 - \$500 Annual Lump-Sum Merit Compensation
 - \$300 toward Employee Health Insurance Premium Payroll Contributions.
-

Attachments:

1. SEIU Summary
2. SEIU Draft Agreement (**CLICK TO VIEW/PRINT**)



MISSION ACCOMPLISHED! 83% OF UNION MEMBERS VOTE YES!
New three (3) year contract is within PSTA's three (3) year projected budget.

On Monday, March 7th, PSTA's largest group of represented employees of nearly 500 bus operators, bus maintenance personnel and customer service representatives voted **274 to 56** in favor of a labor agreement that will carry PSTA through FY 2018!

- ✓ **Starting wages and wage graduation steps are dramatically increased** making PSTA a very competitive "first-choice" employer in Pinellas County and Tampa Bay.
- ✓ **PSTA Bus Operators** will have the highest bus operator wages compared to other public transit operators in Central and North Florida.



SEIU/PSTA KEY CONTRACT POINTS!

Fiscal Impacts

- ✓ Increased pay rates for all positions under top rate with reduced time to reach max pay.
- ✓ Starting Bus Operator rate is now \$12.50.
- ✓ Annual wage increases for top Steps of 2.5%, 3% and 3% in FY'16, FY '17, and FY '18.
- ✓ \$300 (one-time) stored balance for Health Insurance Contributions.
- ✓ \$500 Annual Lump Sum Compensation based on Attendance.

Health and Wellness Impacts

- ✓ Health & Wellness Committee shall be created jointly between Union and Management reps for identifying areas of improvement in regards to health awareness and prevention!

PRESENTATION

2B: DART Contract



Action: Information Item

Staff Resource: Ross Silvers, Mobility Manager

PLANNING

Background:

- PSTA's Mobility Department (DART) currently contracts with Care Ride and Clearwater Yellow Cab to provide paratransit transportation services. Both service contracts are due to expire this coming September 30, 2016.
- Two distinct paratransit contracts were awarded in 2011 following separate procurements; one for ambulatory services, and the other for wheelchair services.
 - Care Ride provides mainly single rides for wheelchair passengers, utilizing lift-equipped vans.
 - Yellow Cab provides mainly shared-ride service for passengers who do not require a lift through the use of taxicabs and passenger vans.
 - All trips are door-to-door.
- In FY 2015, Care Ride and Yellow Cab provided a total of more than 275,000 annual trips within Pinellas County for individuals who, due to a disability, were unable to independently safely navigate PSTA's accessible bus system.

Procurement:

- PSTA is issuing one Request for Proposal (RFP) for the next paratransit contract to encompass all DART required transportation services (both ambulatory and wheelchair) currently provided by Care Ride and Yellow Cab.
- The RFP will offer up to a five year contract broken into an initial three year period with two one-year renewal options.
- The ultimate goal and desire for the upcoming Paratransit RFP is to procure one or more qualified and responsive proposers who will provide unsurpassed levels of paratransit service while also demonstrating a high propensity to deliver on the following:
 - Excellent on-time performance
 - Consistent and reliably good customer service and trip performance

- Safe trips in clean, comfortable vehicles
- Efficient operating practices
- Cost effective services responsive to PSTA’s needs
- The new contract will look to shore up any and all performance deficiencies in PSTA’s current operation of paratransit services.
- PSTA has begun the procurement process and will look to issue an official RFP both locally and nationally to all interested proposers by the end of the month, with a plan to award and present to the Board by June 2016.

Fiscal Impact:

- Paratransit operational costs include the following services in the FY 2016 budget as indicated below:

Demand Response Transportation (DART)	\$6, 238,000
Transportation Disadvantaged (TD) Door-to-Door	\$95,500
East Lake Shuttle	\$8,500

- PSTA’s next contract award for Paratransit services is valued at \$6.3 million annually making it the largest PSTA contract – more than PSTA’s Insurance (\$6.2 million) and fuel (\$5.7 million).

Attachments:

1. PowerPoint



DART Contract



Finance Committee Meeting
March 16, 2016
PSTA Auditorium



Pinellas Suncoast Transit Authority (PSTA)
St. Petersburg, Florida



About DART

Demand Response Transportation (DART)

- Provides ADA complementary origin-to-destination service;
- Mirrors local bus service;
- Over 1,000 trips per day for DART customers whose disability prohibits safe bus access.
- HART Comparison: 500 trips per day.



About DART

PSTA's Mobility Staff (aka DART Staff)

- Manages and monitors Care Ride and Yellow Cab;
- Ensures paratransit service and contract compliance;
- Determines rider eligibility;
- Facilitates complaint resolution;
- Ensures compliance and reconciles billing.



Expiring Paratransit Contracts

- Current contracts with Care Ride and Clearwater Yellow Cab are set to expire on September 30, 2016.
- Paratransit operational costs include the following services in the FY '16 budget as indicated below:
- Largest PSTA Contracts: \$6.3M annually – more than PSTA's Health Insurance (\$6.2M) and Fuel (\$5.7M) contracts.
- 2011 Procurement very competitive.



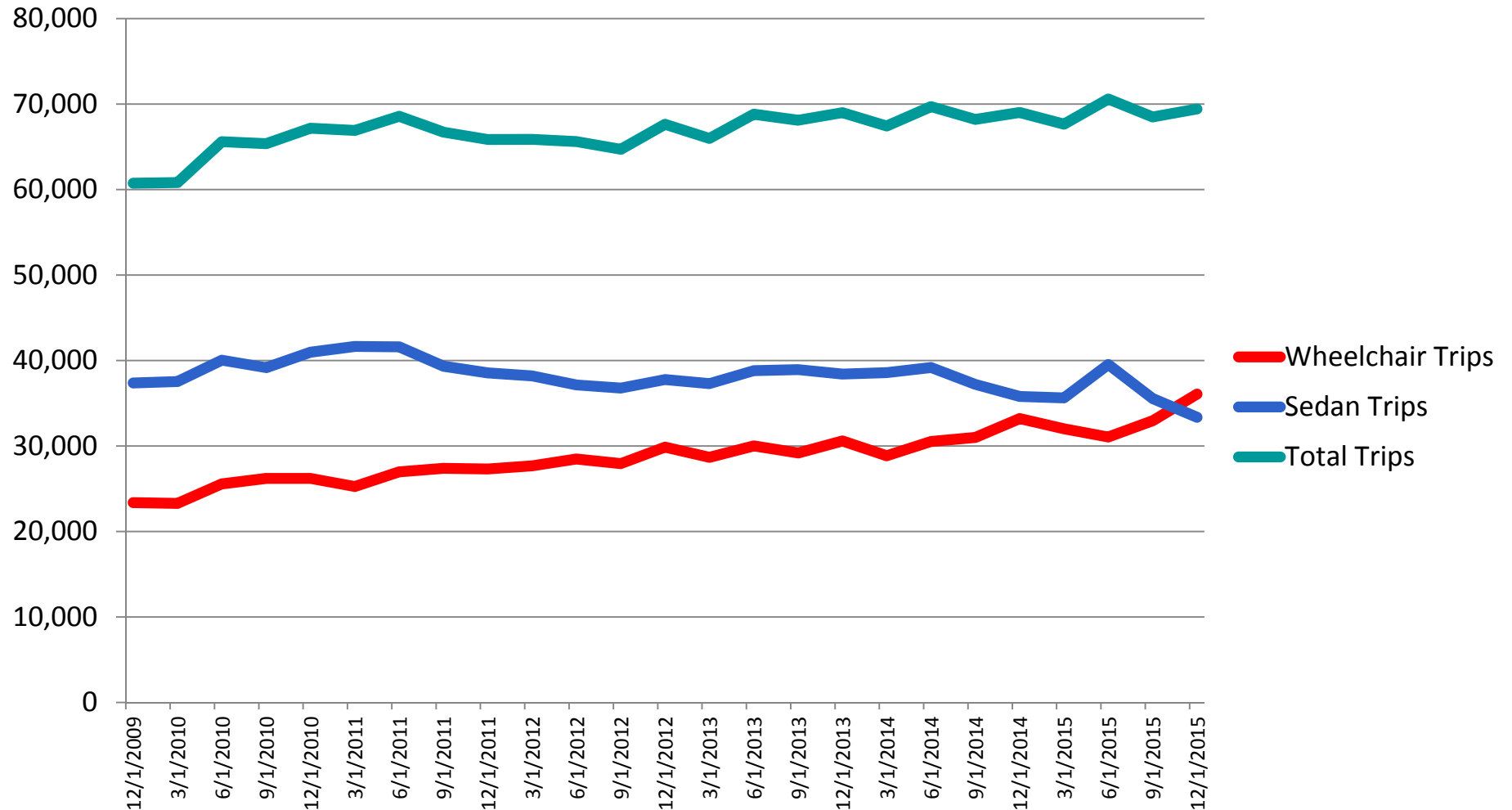
Contract History

- Two (2) distinct paratransit contracts were awarded to Care Ride and Yellow Cab in 2011 for door-to-door trips.
 - Care Ride provides single rides for wheelchair passengers utilizing lift-equipped vans (non-ambulatory).
 - Yellow Cab provides shared-ride service for passengers through the use of taxicabs and passenger vans (ambulatory).
- FY '15, Care Ride and Yellow Cab provided a total of more than 275,000 customer trips



DART Ridership History by Quarter

For first time, wheelchair trips now exceed ambulatory trips



About Care Ride



Care Ride™, LLC
Transportation Services

Current Traits

- Care Ride is a Bay Care Health company;
- Provides trips for customers unable to ride in a sedan;
- **Employee drivers;**
- Consistent & reliable service;
- Customer satisfaction is extremely high.



Performance

- Minimal call hold times;
- Low complaints at < 1 per month average;
- On-time performance 97% or better;
- Nearly all trips are unshared and/or non-stop trips.



About Yellow Cab



Current Traits

- Yellow Cab purchased by TransDev in Fall of '14;
- **Uses independent contract drivers;**
- Most trips shared with other passengers.



Trans Dev Improvements

- Increased staffing;
- New vehicles and improved vehicle maintenance;
- Upgraded phone systems with recorded customer calls;
- Decreased call hold-times (though peak times remain a challenge).

Performance

- Steady On-Time Performance at 95% or greater;
- History of very late trips;
- Yields most of DART's customer complaints.



Relative Costs to PSTA

DART Contractor	Cost Per Trip
Care Ride	
Yellow Cab	



Procurement Timeline

- April 1 – Issue RFP
- July 27, 2016 – Board Approval
- October 1 (or later) – New Contractors Begin Service



Goals of New Procurement

- Ultimate goal is to procure one or more qualified and responsive proposers to deliver on:
 1. Excellent on-time performance;
 2. Consistent and reliably good customer service and trip performance;
 3. Safe trips in clean, comfortable vehicles;
 4. Efficient operating practices, and;
 5. Cost-effective services responsive to PSTA's:



Performance Improvement Items in RFP

- ✓ Areas for improvement will be clearly identified;
- ✓ Performance standards will be set above and beyond the minimums established in present contracts.
- ✓ Performance Incentives, Performance Penalties, and “Earnback Programs” Expanded.



Parallel Program to Save Costs

- Distinct from DART Contract, DART Customers to be incentivized to use other, less-expensive options to lower Paratransit trip demand and improve customer service.
- Modeled after MBTA (Boston)
 - MBTA pilot rewards paratransit customers when they use lower-cost taxis.





ACTION ITEM

4A: February 17, 2016 Meeting Minutes



Action: Approve Meeting Minutes

Staff Resource: Clarissa Affeld, Admin Assistant



-
- Staff recommends approval of the minutes of the February Planning Committee meeting.
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Attachments:

1. Minutes



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PLANNING COMMITTEE MEETING MINUTES – FEBRUARY 17, 2016

The Planning Committee of the Pinellas Suncoast Transit Authority (PSTA) Board of Directors held a meeting in the Auditorium at PSTA Headquarters at 10:30 AM on this date. The purpose of the meeting was to approve the January 15, 2016 meeting minutes and recommend approval of the Central Avenue Bus Rapid Transit (BRT) consultant scope. The following members were present:

Mark Deighton, Committee Vice-Chair
Pat Gerard
Darden Rice
Patricia Johnson, Alternate

Absent

Ken Welch, Committee Chair
Samantha Fenger

Also Present:

Brad Miller, CEO
Bill Jonson, PSTA Board Member
Whit Blanton, MPO Executive Director
PSTA Staff Members
Members of the Public

PRESENTATIONS

(10:15 AM - The Planning Committee joined the Finance Committee for a presentation on the American Bus Benchmarking Group (ABBG) 2016 Report and the Customer Satisfaction Survey.)

Benchmarking Presentation – Mr. Miller explained that PSTA is a member of the ABBG and presented some highlights from the 2016 report. He indicated that the benchmarking program is a systematic process of continuous measuring, comparing, and understanding performance. The ABBG is administered by the Imperial College of London and includes 19 members from across the United States.

Mr. Miller presented several charts comparing PSTA to other transit systems in areas such as bus route length, fleet fuel types, shelters and benches, base fares, as well as annual passenger boardings. Committee Vice-Chair Deighton requested a copy of the full report.

Customer Satisfaction Survey – Tamika White, Workforce Engagement Program Manager, provided background information on the customer satisfaction survey which was conducted by the TransPro Company. She indicated that over 400 PSTA employees participated in coaching and development training classes. Ms. White said that upon completion of the customer service training session, TransPro performed a series of onboard surveys which included in-depth analysis to gauge PSTA customers' demographics, riding habits and trends, and to determine additional customer demands and needs.

Mr. Miller presented the results of the customer satisfaction survey and provided charts explaining the findings in such areas as the timeliness, frequency, fare price, customer service, comfort, cleanliness, and overall satisfaction. He also described areas of improvement that were identified in the survey and the recommended follow-up actions for those areas. Mr. Miller explained PSTA's net promoter score which assesses customer loyalty and allows for performance comparisons between organizations across different business sectors. The Committee had many comments and questions to which Mr. Miller responded.

[The presentations concluded and a break was taken from 11:12 AM to 11:22 AM. Ms. Johnson left the meeting during the break and did not return.]

CALL TO ORDER

Committee Vice-Chair Deighton re-opened the meeting at 11:22 AM.

PUBLIC COMMENT

There were no public comments.

ACTION ITEMS

Approval of Minutes – Ms. Rice made a motion, seconded by Ms. Gerard to approve the minutes of the January 15, 2016 meeting. There were no public comments. The motion passed unanimously.

Central Avenue BRT Consultant Scope – Heather Sobush, Planning Manager, said that staff is asking for the Committee to recommend Board approval of the project development design task order with Parsons Brinckerhoff at a cost not to exceed

\$700,000. She provided a brief presentation on the accomplishments to date on the BRT project and also described the project development scope of services, the schedule/timeline, and the project development budget. She indicated that the Florida Department of Transportation (FDOT) will be providing \$500,000 with PSTA contributing the remaining \$200,000.

Ms. Gerard made a motion, seconded by Ms. Rice to recommend Board approval of the project development design task order. There were no public comments. Motion passed unanimously.

INFORMATION ITEMS

Bus Technology Options & Timeline for Decision Making – Mr. Miller indicated that the Board will vote on August 24, 2016 on the replacement of ten diesel buses and seven connector shuttle buses. He provided a brief presentation noting emissions, financial, and operational comparisons of different bus types. Mr. Miller also provided a six-month schedule/timeline leading up to the August vote including a possible half-day informational workshop in May. He said that staff is also investigating securing a third party technical consultant to develop a more detailed comparative analysis of the bus technology options to assist the Board in making their decision.

Ms. Gerard commented that she would prefer to engage a consultant earlier in the timeline and requested comparison information sooner in order to anticipate the public's questions/comments especially regarding electric buses. Ms. Rice cautioned about putting too much focus and details on fleet management when so many regional issues need PSTA's attention. Mr. Deighton asked about new expansion buses and Mr. Miller responded. Ms. Gerard requested more information on bus lifetime operating costs.

FY 2017 Budget Calendar – Debbie Leous, Chief Financial Officer, presented the budget calendar from February through August, leading up to the September public hearings and final approval of the operating and capital budgets. There was discussion about moving the September 14th public hearing to September 15th.

Project & Partner Updates – Cassandra Borchers, Chief Development Officer, gave a short verbal report to the Committee on the advancement of partner projects and smaller PSTA projects. This month's update included the downtown St. Petersburg system redesign and public outreach, the Enterprise Road flexed funds, the U.S. 19 corridor, and the FDOT bus on shoulders study. Mr. Blanton added his comments on the U.S. 19 corridor project.

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 12:05 PM. The next meeting will be held on March 16th at 10:30 AM.

INFORMATION ITEMS



5A: Key Budget Assumptions



Action: Information Item

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

PLANNING

Background:

- PSTA prepares the Key Budget Assumptions document as a foundation for the development of the annual transit budget for the agency. This document lists all significant revenue and expenditure assumptions PSTA can use when developing its budget plans.
- The document is modeled substantially around Pinellas County's similar forecasts for its budgets and is updated annually based on the most current information available on the trends PSTA is experiencing.
- The Key Budget Assumptions are for the Fiscal Years 2017 through 2021 and includes revenue adjustment options including increasing ad valorem millage to the cap of .75 from .7305 and in 2019 raising fares consistent with the Ernst & Young recommendation. Cost containment measures are also included as staff continues to work on efficiencies.

Fiscal Impact:

- FYE 2015 the five year plan in effect indicated \$185,440 revenues over expenses with the two month operating reserve increasing by \$514,470, thereby decreasing our overall reserves by a net \$329,070. These numbers will be updated as we determine the forecast for FY 2016 based on the key assumptions.

Recommendation:

- Inclusion of these budget assumptions and refinements of them as the budget process progresses and key areas are presented to the Board.

Attachments:

1. Key Budget Assumptions for Fiscal Year 2017

PINELLAS SUNCOAST TRANSIT AUTHORITY

KEY BUDGET ASSUMPTIONS

*FOR FISCAL
YEAR 2017*

Key Assumptions

This section includes a discussion of the sources of information used to develop assumptions for revenues and expenditures that drive the 5 year forecast.

Assumptions and Forecasting

We consistently use the best data and methodologies available; however economic forecasting is dynamic and must be updated when new information is presented. The forecasts in this document are a baseline using past trends, current policies and assumptions about future conditions based on reasonable expectations. This provides a context to view current policy decisions in light of their potential impact on the fiscal stability of PSTA in the years to come.

Revenue Assumptions

The primary revenue sources for PSTA are Ad Valorem Taxes, Passenger Fares, and Operating Assistance from Federal, State and Local Sources.

Property Tax Overview (Approximately \$37.8 million in the FY 2016 budget)

Ad valorem taxes, commonly called property taxes, are assessed on real property. The tax rate expressed is expressed in “mills”. One mill is one dollar of taxes for each thousand dollars of taxable value. For example, a tax rate of 5.9 mills on a taxable value of \$100,000 yields \$590 in taxes. PSTA receives .7305 mills with a statutory cap of 0.75 mills.

The taxable values as of January 1st are established annually by the Property Appraiser and certified for budget purposes by July 1st. Final taxable values, following appeals and adjustments, are certified following the completion of the Value Adjustment Board appeals process.

The PSTA Board of Commissioners approves millage rates annually by resolution as part of the budget process. This process must follow the State’s “Truth in Millage” (TRIM) law, including timing advertisement and conduct of public hearings.

June 1 st	Property Appraiser delivers estimate of table value to PSTA
July 1 st	Property Appraiser delivers Certification of Taxable Value (DR-420) to PSTA
July 27 th	Board approves proposed millage
August 4 th	PSTA returns completed DR-420 to Property Appraiser
August 22 nd	Property Appraiser mails TRIM notice
September 15 th	1 st Public Hearing to tentatively adopt the millage and budget
September 28 th	Adopt final millage and budget

Ad Valorem					
3 Yr Avg.	FY 17	FY 18	FY 19	FY 20	FY 21
5.4%	4.8%	4.3%	3.8%	3.3%	3.3%

After five years of decline, countywide taxable values increased by 6.5% in FY 15 and 6.2% in the FY 16 budget. The assumption in the forecast is that growth of 3.8% per year or greater in the next three years will be followed by a slightly lower sustained level of increases. The preceding five years of tax base decline previously mentioned were unprecedented; prior to this the tax base only decreased once since World War II, a small 0.6% dip in FY 93. Prior to the recent recession, increases in the tax base averaged 5.0% per year.

The countywide taxable value is the basis for determining the ad valorem tax revenue and is consistent with the County budget assumptions.

Opportunity for Revenue Increase from Ad Valorem Taxes

If strategically the PSTA Board determines that the millage should be raised to the cap of 0.75 mills the following would be the dollar impact of that increase:

Net Increase to Ad Valorem Taxes at Maximum Millage				
FY 17	FY 18	FY 19	FY 20	FY 21
\$1,057,705	\$1,103,186	\$1,145,107	\$1,182,895	\$1,221,931

Passenger Fare Revenue (Approximately \$14.8 million in the FY 2016 budget)

Passenger Fare Revenue is derived from the fare box revenue, ticket and pass sales, contractual revenue such as from the U-Pass Program and from Transit Disadvantaged (TD) co-pays. The base fare in FY 16 is at \$2.25 for a one way trip. The passenger fare revenue is influenced by the various discount programs offered. In FY 15 the average fare per ride for regular bus service (excluding DART) was \$.89 as compared to the base fare of \$2.00.

Ridership has started to decline, consistent with the national trend with lower gas prices. As a result, we are assuming flat revenue going forward.

Passenger Fares					
3 Yr Avg.	FY 17	FY 18	FY 19	FY 20	FY 21
1.9%	0.0%	0.0%	0.0%	0.0%	0.0%

Opportunity for Revenue Increase from Increasing the Base Fare

In the Ernst and Young Financial Study for PSTA, an assumption of fare increases every three years to assist in maintaining financial stability was assumed. Using that model, if the PSTA Board were to look at a 15% increase in the base fare starting in FY 2019, net of lost riders, the impact that would affect all riders would be as follows:

Net Impact on Passenger Fares Based on 15% Increase				
FY 17	FY 18	FY 19	FY 20	FY 21
\$0	\$0	\$1,402,556	\$1,402,556	\$1,402,556

However, based on the American Bus Benchmarking Group statistics, PSTA has one of the highest base fares in the US amongst its peers at this time. Therefore, we will not include fare increases in the five year budget assumptions.

State Grant (Approximately \$7.4 million in the FY 2016 budget)

PSTA receives State Operating funds in the form of Block Grants, TD State Reimbursements, grants for the Regional routes (100X and 300X), as well as other reimbursements. These funds are anticipated to increase at a constant rate.

State Grants					
3 Yr Avg.	FY 17	FY 18	FY 19	FY 20	FY 21
2.3%	2.0%	2.0%	2.0%	2.0%	2.0%

Federal Grants (Approximately \$5.5 million in the FY 2016 budget)

PSTA receives formula funding from the Federal Transit Administration in a “5307” grant that may be used for either operational expenses (limited to preventative maintenance labor or parts and tire leases) or capital. PSTA has always used a portion of 5307 funds for operations and after the financial crisis in 2008, PSTA, increased the allocation of the 5307 funding for operations away from capital. Capital costs are more easily deferred or allocated over multiple periods, while operating costs are an immediate need. Since 2011, the dependence on 5307 for operations has decreased, and the budget assumptions assume a constant dollar amount regardless of the grant award amount.

Federal Grants					
3 Yr Avg.	FY 17	FY 18	FY 19	FY 20	FY 21
-3.6%	0.0%	0.0%	0.0%	0.0%	0.0%

Other Revenues (Approximately \$1.3 million in the FY 2016 budget)

Included in this category are revenues such as diesel tax refunds, advertising, and interest income.

Other Revenues					
3 Yr Avg.	FY 17	FY 18	FY 19	FY 20	FY 21
-1.6%	2.0%	2.0%	2.0%	2.0%	2.0%

Local Beach Trolley & the Central Avenue Trolley (Approximately \$926 thousand in the FY 2016 budget)

The Suncoast Beach Trolley runs from Park Street Terminal in downtown Clearwater to 75th Avenue and Gulf Boulevard and the Central Avenue Trolley (CAT) runs from the beaches to downtown St. Petersburg. The cities of Treasure Island and St. Pete Beach provide operating assistance for these routes and the related DART service. The assumptions are based on anticipated increases in city revenues.

Local Beach Trolley & CAT					
3 Yr Avg.	FY 17	FY 18	FY 19	FY 20	FY 21
6.5%	5.0%	5.0%	5.0%	5.0%	5.0%

Federal Grant Metropolitan Planning Organization (MPO) – Pass through funds (\$80 thousand in the FY 2016 budget)

The MPO provides us federal funding for operations at a consistent \$80k a year and no changes are anticipated.

Federal Funds - MPO					
3 Yr Avg.	FY 17	FY 18	FY 19	FY 20	FY 21
0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Expenditure Assumptions

Personnel Salaries Including Union Step Increases (Approximately \$29.6 million in the FY 2016 budget)

Salaries					
	FY 17	FY 18	FY 19	FY 20	FY 21
Administration	3.5%	3.5%	3.5%	3.5%	3.5%
Bargaining Unit	3.5%	3.5%	3.5%	3.5%	3.5%

The cost of Personnel salaries and fringes are the largest category of expenses constituting approximately 62% of the Authority’s overall operating expenses.

Since the recession in FY 2009 represented employees have had annual increases, including step increases, ranging from 1.02% to 36.09% while administrative employees saw 0% for the first 3 years 1% for 2 years and a 3% merit raise in FY 2015 and FY 2016. The lower increases for administrative employees were a cost savings measure to deal with the dramatic decreases in property tax ad valorem revenue.

All PSTA employees are member of the Florida Retirement System (FRS). Beginning on July 1, 2012, employees are required to contribute 3.0% of their salary to the FRS effectively reducing take-home pay.

Compensation adjustments are included in the forecast for FY 17 through FY 21. Moderate wage adjustments will be required to maintain a compensation structure that can attract and retain quality employees. The net adjustments include pay for performance increases.

A market survey of salaries for comparable transit agencies is anticipated to be conducted prior to fiscal year end FY 2016.

Employee Benefits (Approximately 11.1 million in the FY 2016 budget)

Fringe Benefits					
3 Yr Avg.	FY 16	FY 17	FY 18	FY 19	FY 20
2.6%	7.0%	7.0%	7.0%	7.0%	7.0%

PSTA is responsible for employer contributions to Social Security (FICA), the Florida Retirement System (FRS) State pension fund, and to support various benefits such as health and life insurance, short term disability, workers’ compensation and unemployment compensation. The key drivers for employee benefits are health insurance and PSTA’s share of the pension.

PSTA is required to participate in the Florida Retirement System, a State public pension plan. From 1998 to 2008, the FRS had been one of the few state systems that had an actuarial surplus. This lowered the required contributions set by the Legislature that are based on an employee’s salary and benefit category. As with most pension systems, the financial crisis in 2008 had a significant effect on the value

of FRS investments. As a result, beginning in 2009 the FRS system had an unfunded liability. The FRS investment portfolio which is managed by the State Board of Administration, has now recovered from this setback. As of June 30, 2014, the asset value for the FRS pension plan was higher than the previous peak value it had reached in 2007.

The State Legislature establishes the employer contribution rates for the FRS system. Employees must also contribute to the system as part of a package of Legislative changes enacted in 2011. The 2013 Legislature increased the FRS rates to fully fund the system’s actuarial liability over a multi-year period, and the 2014 Legislature made adjustments to maintain this approach. The actuarial report as of June 2014 indicates that rates may not need to be adjusted for the State’s 2016 fiscal year. The forecast assumes that having reached a fully funded level, the rates should stabilize.

The actual contribution rates beginning July 1, 2016 will not be known until the end of the 2016 legislative session. In FY 2016 the contributions were budgeted at \$2.3 million. The future growth in PSTA’s contributions will be a combination of rate changes, if any and the growth in the salary base to which the rates are applied.

Health Insurance (Approximately \$5.4 million in the FY 2016 budget)

Health insurance costs for PSTA have followed the national trend and outpaced inflation in recent years. These increases have been mitigated by cost containment measures such as wellness programs lowering the utilization rate, and in FY 15 for the first time employees contributing to the increase in costs at approximately 2%. Total budgeted costs for health insurance in FY 16 were \$5.4 million.

The forecast assumes PSTA’s continued emphasis on wellness and cost containment measures.

The Affordable Health Care Act (ACA) passed in 2010 on the national level to restructure and contain health insurance costs could have a significant impact in FY 18 and later years. The forecast does not assume any changes in the current situation.

Diesel Fuel (Approximately \$4.5 million in the FY 2016 budget)

All fuel is purchased as part of a consortium headed by the Hillsborough Area Transit Authority (HART), and approximately 80% of the diesel fuel has been locked in. This is PSTA’s fourth highest cost category behind salaries, fringe benefits and purchased transportation (DART).

The assumptions are based on a trend analysis.

Diesel Fuel					
3 Yr Avg.	FY 17	FY 18	FY 19	FY 20	FY 21
-11.3%	3.5%	5.0%	5.0%	5.0%	5.0%

Purchased Transportation Demand Response Transportation (DART) (Approximately \$6.2 million in the FY 2016 budget)

PSTA provides demand response transportation services for people who, because of their disability, are unable to independently use the regular, accessible PSTA buses. This service is outsourced and is going out for RFP for FY 17. As a result of the potential increase in cost in that year, a larger percentage is being applied.

DART					
3 Yr Avg.	FY 17	FY 18	FY 19	FY 20	FY 21
12.5%	10.0%	4.0%	4.0%	4.0%	4.0%

Supplies (Approximately \$4.5 million in the FY 2016 budget)

The majority of our supplies expenses are related to bus parts. The assumptions in the near term are based on twice the CPI to account for PSTA’s aging fleet and the significant increase in FY 17 will be to ensure we can extend the life of our buses from 12 years to 15 years. The timing of the implementation on this will be dependent on what the budget can support.

Supplies					
3 Yr Avg.	FY 17	FY 18	FY 19	FY 20	FY 21
8.0%	10.0%	4.6%	4.6%	4.6%	4.6%

Services (Approximately \$3.7 million in the FY 2016 budget)

The assumptions for contracted services are that costs will increase by the CPI.

Services					
3 Yr Avg.	FY 17	FY 18	FY 19	FY 20	FY 21
16.2%	1.6%	1.6%	1.6%	1.6%	1.6%

Insurance (Approximately \$1.7 million in the FY 2016 budget)

PSTA is has self-insured retentions and excess policies for both workers' compensation and third party claims. While the 3 year average is high based on settlement of several large claims, the future costs are increasing based on actuarial reviews. In FY 17 PSTA locked in the prices the previous year for the major insurance components. The percent increase in FY 17 only will be on cyber, pollution and flood insurance policies.

Insurance					
3 Yr Avg.	FY 17	FY 18	FY 19	FY 20	FY 21
104.1%	3.5%	3.5%	3.5%	3.5%	3.5%

Utilities (Approximately \$1.2 million in the FY 2016 budget)

It is assumed utilities will increase by the CPI.

Utilities					
3 Yr Avg.	FY 17	FY 18	FY 19	FY 20	FY 21
13.0%	1.6%	1.6%	1.6%	1.6%	1.6%

Purchased Transportation TD (Approximately \$749 thousand in the FY 2016 budget)

Based on a new procurement in FY 17 the plan assumes a higher increase in that year.

TD					
3 Yr Avg.	FY 17	FY 18	FY 19	FY 20	FY 21
2.2%	10.0%	3.2%	3.2%	3.2%	3.2%

Opportunities for Additional Cost Savings

Administrative cost reductions:

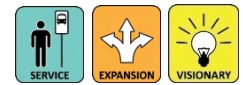
Staff has been working to identify ways to reduce costs and at minimum we anticipated a \$100,000 of savings in FY 16. In fact we are realizing a savings of approximately \$675,000. Based on anticipated inventory procurement savings of approximately \$400,000 in FY 17, we anticipate that will grow by 3% each year.

Administrative Savings					
3 Yr Avg.	FY 17	FY 18	FY 19	FY 20	FY 21
	\$400,000	3.0%	3.0%	3.0%	3.0%

REPORTS



6A: Project & Partner Updates



Action: Information Item

Staff Resource: Cassandra Borchers, CDO
Heather Sobush, Planning Manager

PLANNING

Background:

- In addition to the PSTA projects presented as full information or action items to the Board, the PSTA Planning staff engages with partner agencies and their projects on a regular basis to ensure the inclusion of transit.
- As an update to the Planning Committee, the Planning Department will give a short verbal report on the advancement of partner projects of interest to the Board or smaller PSTA projects.

Downtown St. Petersburg System Redesign and Public Outreach:

- With the successful removal of bus shelters from Williams Park, re-routing of the bus network in downtown St. Petersburg, and public outreach to inform the community and riders, PSTA staff is now working to further enhance the customer experience downtown by adding additional bus stops and identifying locations for benches and other amenities. This includes 14 new bus stops that will be added in the next few weeks and another 19 potential locations under review by PSTA and City staff.

US19

- The Pinellas Metropolitan Planning Organization (MPO) and Florida Department of Transportation (FDOT) have been leading parallel bicycle and pedestrian access to transit and safety studies of the U.S. 19 corridor. The Pinellas MPO also considers the U.S. 19 corridor as an emphasis area for near-term and long-term land use and transportation improvements that provide for the safe movement of people and goods, community access, and economic vitality.
- MPO/Pinellas Planning Council (PPC) staff has requested that FDOT postpone its two roadway design projects from north of Nebraska Road to south of Lake Street so that the MPO/PPC can complete a consensus driven vision for the US 19 Corridor including needed transportation projects and development activities consistent with corridor land use and redevelopment plans. It was also requested that FDOT

complete the interchange projects from north of Tampa Road to north of Nebraska and conduct a Value Engineering study of the cost-benefit of grade separated interchanges from the area north of Tampa Road to the Pasco County line.

North Pinellas Cultural Alliance (NPCA) – Shelter Match Program

- PSTA staff met with the NPCA to discuss the shelter match program and the incorporation of art into custom shelters.
- Staff is currently finalizing policies for partnering with other entities on the shelter match program and developing a standard agreement for funding structure and maintenance of shelters. Staff will be presenting the details of the program to the NPCA in April.
- The Shelter Match Program will be available to any local jurisdiction or other group interested in placing standard or custom shelters at locations that are not currently funded in PSTA's Shelter Deployment Plan.

MPO and FDOT Coordination

- PSTA, MPO, and FDOT staff are meeting monthly to ensure ongoing coordination.
- At the last meeting, the group reviewed a number of new MPO initiatives, as listed below. PSTA will participate and/or coordinate with the MPO on these efforts.
 - MPO Prioritization Process
 - Tri-County Premium Transit Study
 - SR 60 Corridor Evaluation/Beach Access
 - Transfer Area Analysis

Attachments: None