

# Proposed Operating and Capital Budget

Fiscal Year 2014



PINELLAS SUNCOAST TRANSIT AUTHORITY





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**TO:** PSTA Board of Directors  
**FROM:** Brad Miller, Chief Executive Officer  
**DATE:** September 4, 2013

**SUBJECT:** Transmittal of FY 2014 Proposed Budget



I am pleased to present the FY2014 Proposed Budget and 5-Year Capital Improvement Program that not only honors our 3-year plan approved a year ago, to maintain PSTA transit services and fares while holding the PSTA property tax rate constant, it also accomplishes 5 major strategic goals while setting the organization up for perhaps the most important year in its history as it positions itself to the general public as a strong, progressive, transparent and accountable organization that aims to benefit the community.

While holding tax rates, fares, and service levels constant, this budget:

1. **Reduces Deferred Capital Investment** - Thanks to historic record ridership and strong fiscal management by all PSTA employees, prior year savings will replace federal funds in the budget so more needed bus replacements can occur.
2. **Adds Reserves to Support Balanced FY 2016** – More long-term flexibility is achieved by banking reserve funds to balance FY 2014, FY 2015, and FY 2016, avoiding bridge loans to transition from ad valorem to sales tax revenue in FY 2016.
3. **Converts Savings into New Service** – Later Hours, New Technology, New Jolly Trolley services and passenger facilities all show PSTA’s commitment to investing in its community, its beloved riders, and our member governments.
4. **Invests in Greenlight Outreach** - There will be no more important objective than to ensure a community well aware of the benefits of improved public transportation goes to the polls on November 4, 2014.
5. **Runs PSTA Better** – A more responsive management structure, more efficient contracted services, responsible compensation increases, and service adjustments to benefit our workforce are all included.



## FY 2014 BUDGET SUMMARY

Mode	FY 2013 Adopted Budget	FY 2014 Proposed Budget	Change	
			Amount	Percent
Bus Operations/DART	\$60,578,410	\$63,294,731	\$2,716,321	4.48%
Capital Improvements	\$34,355,473	\$23,191,370	(\$11,164,103)	(32.50%)
Totals	\$94,933,883	\$86,486,101	(\$8,447,782)	(8.90%)

### FY 2014 PROPOSED OPERATING BUDGET SUMMARY

The PSTA proposed operating budget for FY 2014 is increasing by \$2.7 million or 4.5 percent over FY 2013.

### FY 2014 PROPOSED REVENUE SUMMARY

- Passenger Fares are budgeted to be 6.2% less than the adopted FY 2013 budget. This shown decrease is due entirely to the fact that Transportation Disadvantaged (TD) revenue, budgeted at \$2.2 million in FY 2014 was formerly included in passenger fares. TD revenue is now budgeted as a State Grants line item. “True” passenger fares are expected to be maintained at their record high levels received in FY 2013.
- Auxiliary revenue is budgeted to be 20.1% less than the adopted FY 2013 budget. This is due to a decline in advertising revenue.



## FY 2014 BUDGET SUMMARY

- Non-transportation revenue is budgeted to be 11.0% higher than the adopted FY 2013 budget. This is primarily due to a budgeted increase in TD Co-pays and interest income.
- Taxes are projected to increase by 3.2% due to a projected increase in property tax values.
- Local Beach Trolley revenue is budgeted to be 9.0% higher than the adopted FY 2013 budget. First, there is a proposed 3% increase in Trolley revenue from the City of St. Pete Beach and Treasure Island. Second, local revenue is increasing due to a decline in available state grant reimbursement revenue for the Jolley Trolley Coastal Route. Third, eight months of local revenue has been budgeted for a new proposed Safety Harbor Jolley Trolley Route.
- State Grant revenue will increase by 43.1% mainly due to the classification of TD revenue moving from the Passenger Fare line item to State Grants.

### FY 2014 PROPOSED EXPENSE SUMMARY

- Salaries (\$26.9 million in FY 2013 Budget) will be budgeted at \$28.1 Million and include:
  - A 1% increase for both union & non-union employees.
  - Step increases for TBATW Union.
  - An Innovative Performance-Based bonus program throughout all 592 FTE PSTA employees, including represented employees. Up to \$500 for strong performance by our unionized employees and an average of \$500 per non-union employee has been budgeted.
  - New employees for PSTA services, grant funded positions and other efficiency of improvement related positions.



## FY 2014 BUDGET SUMMARY

- Fringe Benefits increased 6.6% due to increased benefits costs related to a large increase in required employer contributions to the Florida Retirement System (FRS).
- Contracted, private sector services increased 0.7% due largely to new proposed terminal audit services and new proposed contracted lawn maintenance service.
- Diesel Fuel costs are assumed to grow by only 3.0% despite a nearly 3.5% increase in the assumed average diesel fuel price per gallon from this year's \$3.16 per gallon to \$3.27 per gallon because of fleet-wide fuel economy improvements thanks to PSTA's growing fleet of clean hybrid electric buses.
- Supplies are budgeted to increase by 3.0% mainly due to an increase in unleaded fuel prices.
- Insurance is budgeted to decrease by 6.1% mainly due to a projected decrease in Auto and General Liability claims related expenses.
- Utilities are budgeted to decrease by 9.6% mainly due to conservation efforts reflecting lower usage of both electricity and natural gas.
- Purchased Transportation – DART is budgeted to increase 12.4% due to increased costs for services and increased ridership.
- Purchased Transportation – Trolleys is budgeted to increase 13.6% due to an increase in funding for the Jolley Trolley to cover both an increase in expenses on all routes and an increase in Holiday service on the Coastal Route. Also, eight months of operating expenses are budgeted for a new proposed Safety Harbor Jolley Trolley Route.
- Miscellaneous expenses are budgeted to increase 41.0%, mostly due to costs associated with Greenlight Pinellas.



## FY 2014 BUDGET SUMMARY

### FY 2014 PROPOSED CAPITAL IMPROVEMENT BUDGET AND FIVE-YEAR CAPITAL IMPROVEMENT PROGRAM

- The FY 2014 Capital Budget is taken from PSTA's multi-year FY 2014 – FY 2018 Proposed Capital Improvement Program which accompanies the proposed operating and capital budget document on the PSTA website and should be read in conjunction with it.

### BUDGET RECOMMENDATIONS

- The proposed FY 2014 budget is balanced with no change in the PSTA millage rate of .7305 mills. The Budget for FY 2015 and FY 2016 are also projected to be balanced with the same tax rate and service levels as FY 2014.



PSTA Board Committee Assignment Roster & Other PSTA Related Committee Appointments as of August 28, 2013

PSTA COMMITTEES										OTHER COMMITTEES					
Pos.	Name	Representing	Appointment	Planning	Finance & Perform Mgmt.	Legislative	Executive	Personnel	Nominating	ACPT	MPO	TBARTA	MPO's LCB	MPO's School Safety	PSTA /HART Oversight
1	Jeff Danner	St. Petersburg	6/2006			X	XXX	XXX		Y	Y	Y			
2	Ken Welch	Pinellas County	10/2007				X	X	X	X	Y				
3	Bill Jonson	Clearwater	4/2010	X	XXX		X	X							
4	Susan Latvala	Pinellas County	6/2006	X						X				Y	
5	Julie Bujalski	Dunedin	4/2008	XXX						Y	X			Y	
6	Mark Deighton	Beach cities	10/2011	X	X									X	X
7	Norman Roche	Pinellas County	12/2011		X			X							
8	Wengay Newton	St. Petersburg	1/2012			X		X	XXX						X
9	Patricia Johnson	Pinellas Park	3/2012	X		X			X				X		X
10	Darden Rice	St. Pete Non-Elect	6/2012			XXX									
11	Michael Smith	Largo	9/2012						X						
12	Brian Scott	County Non-Elect	10/2012		X										
13	Joseph Barkley	South Cities	11/2012		X										X
14	Janet Long	Pinellas County	12/2012			X			X						
15	Cliff Merz	North Cities	1/2013												X

X – Member Appointed by PSTA

XXX – Chair of Committee

Y – Member appointed by other Body





# **FY 2014 OPERATING BUDGET**



## FY 2014 OPERATING BUDGET SUMMARY

<u>Proposed FY 2014 Budget</u>	
Operating Revenues	\$14,187,870
Non-Operating Revenues	\$48,106,861
Transfer From Reserves	\$1,000,000
<b>Total Revenues</b>	<b>\$63,294,731</b>
<b>Total Expenses</b>	<b>\$63,294,731</b>
<b>Surplus (Deficit)</b>	<b>\$0</b>



## FY 2014 OPERATING BUDGET OVERVIEW

<u>Revenues</u>	<u>Actual FY 2012</u>	<u>Adopted FY 2013</u>	<u>Proposed FY 2014</u>	<u>% Change FY 2013/FY 2014</u>
Operating Revenues	\$14,333,960	\$15,125,450	\$14,187,870	-6.20%
Non-Operating Revenues	\$47,969,139	\$45,452,960	\$48,106,861	5.84%
Transfer (To) From Reserves	(\$7,754,754)	\$0	\$1,000,000	N/A
<b>Total Revenues</b>	<b>\$54,548,345</b>	<b>\$60,578,410</b>	<b>\$63,294,731</b>	<b>4.48%</b>
Salaries	\$24,857,543	\$26,936,630	\$28,103,520	4.33%
Fringe Benefits	\$8,787,991	\$9,816,276	\$10,459,630	6.55%
Services	\$2,413,617	\$2,835,795	\$2,855,210	0.68%
Diesel Fuel	\$7,672,173	\$7,772,250	\$8,008,160	3.04%
Supplies	\$3,354,714	\$3,448,760	\$3,553,060	3.02%
Insurance	\$412,421	\$1,743,430	\$1,638,000	-6.05%
Utilities	\$833,791	\$1,162,300	\$1,050,740	-9.60%
Taxes & Licenses	\$840,897	\$818,220	\$862,730	5.44%
Purchased Transportation	\$4,255,356	\$4,182,800	\$4,703,000	12.44%
Purchased Transportation – TD	\$275,941	\$856,370	\$790,000	-7.75%
Purchased Transportation – Trolleys	\$511,989	\$541,779	\$615,401	13.59%
Miscellaneous	\$331,912	\$463,800	\$655,280	41.29%
<b>Total Expenses</b>	<b>\$54,548,345</b>	<b>\$60,578,410</b>	<b>\$63,294,731</b>	<b>4.48%</b>

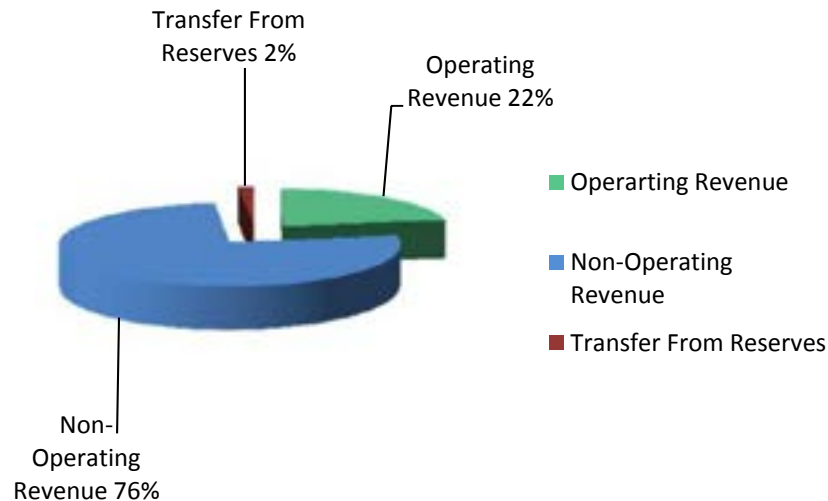


## FY 2014 OPERATING BUDGET OVERVIEW REVENUE

<u>Revenues</u>	<u>Actual FY 2012</u>	<u>Adopted FY 2013</u>	<u>Proposed FY 2014</u>	<u>% Change FY 2013/FY 2014</u>
Passenger Fares	\$14,333,960	\$15,125,450	\$14,187,870	-6.20%
Auxiliary	\$439,557	\$480,100	\$383,560	-20.11%
Non-Transportation	\$449,160	\$521,300	\$578,710	11.01%
Taxes	\$33,009,275	\$32,108,230	\$33,145,900	3.23%
Local Beach Trolley & Rt. 35	\$672,877	\$767,849	\$836,771	8.98%
State Reimbursement – Fuel Tax	\$610,910	\$612,060	\$613,160	0.18%
State Grants	\$4,972,183	\$4,876,838	\$6,979,459	43.11%
Federal Grants	\$7,735,177	\$6,006,583	\$5,489,301	-8.61%
Federal Grants MPO Pass-Thru	\$80,000	\$80,000	\$80,000	0.00%
Transfer (To) From Reserves	(\$7,754,754)	\$0	\$1,000,000	N/A
<b>Total Revenues</b>	<b>\$54,548,345</b>	<b>\$60,578,410</b>	<b>\$63,294,731</b>	<b>4.48%</b>

## FY 2014 OPERATING BUDGET OVERVIEW REVENUE

### FY 2014 Operating Revenues



### Revenue Assumptions:

- Passenger Fares are budgeted to be 6.2% less than the adopted FY 2013 budget. This decrease is due entirely to the fact that Transportation Disadvantaged (TD) revenue, budgeted at \$2.2 million in FY 2014 was formerly included in passenger fares. “True” passenger fares are expected to be maintained at their record high levels received in FY 2013.
- Auxiliary revenue is budgeted to be 20.1% less than the adopted FY 2013 budget. This is due to a decline in advertising revenue.
- Non-transportation revenue is budgeted 11.0% higher than the adopted FY 2013 budget. This is primarily due to a budgeted increase in TD Co-pays and interest income.
- Local Beach Trolley revenue is budgeted to be 9.0% higher due to an increase in local Trolley Revenue for the Beach Trolley, an increase in local revenue for the Jolley Trolley, and a new proposed Safety Harbor Jolley Trolley Route.
- State Grant revenue will be rising by 43.1% mainly due to the classification of TD revenue moving from the Passenger Fare Line item to State Grants.



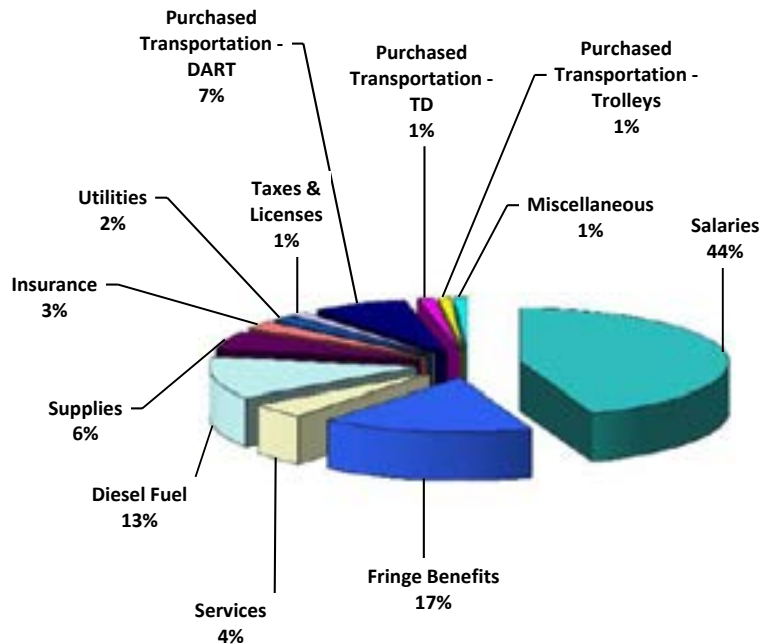
## FY 2014 OPERATING BUDGET OVERVIEW EXPENSES

<u>Expenses</u>	<u>Actual FY 2012</u>	<u>Adopted FY 2013</u>	<u>Proposed FY 2014</u>	<u>% Change FY2013/FY2014</u>
Salaries	\$24,857,543	\$26,936,630	\$28,103,520	4.33%
Fringe Benefits	\$8,787,991	\$9,816,276	\$10,459,630	6.55%
Services	\$2,413,617	\$2,835,795	\$2,855,210	0.68%
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Purchased Transportation – Trolleys	\$511,989	\$541,779	\$615,401	13.59%
Miscellaneous	\$331,912	\$463,800	\$655,280	41.29%
<b>Total Operating Expenses</b>	<b>\$54,548,345</b>	<b>\$60,578,410</b>	<b>\$63,294,731</b>	<b>4.48%</b>

## FY 2014 OPERATING BUDGET OVERVIEW EXPENSES

### Expense Assumptions:

### FY 2014 Operating Expenses



- Salaries, budgeted at \$26.9 million in FY 2013, will be budgeted at \$28.1 million and include:
  - A 1% increase for both union & non-union employees.
  - Step increases for TBATW Union.
  - Innovated Performance-Based bonus program.
  - New employees for PSTA services, grant funded positions and other efficiency of improvement related positions.
  
- Fringe Benefits increased 6.6% due to increased benefits costs related to the FRS.
  
- Contracted, private sector services increased 0.7% due largely to new proposed terminal audit services and new proposed contracted lawn maintenance service.
  
- Fuel costs are assumed to grow by only 3.0% despite a nearly 3.5% increase in the assumed average diesel fuel price per gallon from this year's \$3.16 per gallon to \$3.27 per gallon because of fleet-wide fuel economy improvements thanks to PSTA's growing fleet of clean hybrid electric buses.
  
- Supplies are budgeted to increase by 3.0% mainly due to an increase in unleaded fuel prices.
  
- Utilities are budgeted to decrease by 9.6% due in most part to conservation efforts reflecting lower usage in both electricity and natural gas.



## **PSTA ORGANIZATIONAL OVERVIEW**

### **Profile of the Authority**

The Pinellas Suncoast Transit Authority was created in 1984 via a merger of the St. Petersburg Municipal Transit System and the Central Pinellas Transit Authority to provide Pinellas County with a cohesive public transit system. Today, a fleet of 179 buses and 16 trolleys serve 30 Fixed Routes, 3 Commuter Routes, 3 North County Connector Routes, 2 Express Routes and 2 Trolley Routes throughout Pinellas County. The Route 100X provides express service between St. Petersburg and downtown Tampa 13 times a day, the Route 300X provides express service between Largo and downtown Tampa 10 times a day, and the popular Suncoast Beach Trolley connects the Gulf beaches from downtown Clearwater to Pass-a-Grille.

Pinellas County is 280 square miles with approximately 916,542 residents (2010 Census). Pinellas County is located along the west coast of Florida and includes a corridor of smaller beach communities along the Gulf of Mexico. Pinellas County is the second smallest county in the state of Florida; however, it is the most densely populated county in the state and is nearly three times more densely populated than the next closest county.

The Authority serves most of the unincorporated area and 19 of the County's 24 municipalities. This accounts for 98% of the county's population and 97% of its land area. The cities of St. Pete Beach, Treasure Island, Kenneth City, Belleair Beach, and Belleair Shore are not members of the Authority; however, St. Pete Beach and Treasure Island do contract for trolley service.

During fiscal year 2012, Authority vehicles traveled a total of 9.7 million miles, providing approximately 593,000 hours of service, and 14.0 million passenger trips.

### **Officials**

The Authority is governed by a board of directors comprised of thirteen elected officials, and two non-elected officials, one of which is appointed by the Pinellas County Board of Commissioners and the other by the St. Petersburg City Council. Operating expenses are covered through state and federal funds, passenger fares, and ad valorem taxes.





## PSTA ORGANIZATIONAL OVERVIEW

### **Services and Service Delivery**

The Authority provides virtually all public transportation services in this area. These services include fixed route, DART, and specialized services. The Authority maintains over 5,108 bus stops, 720 shelters, 14 transfer centers, 3 transit centers, and a fleet of 195 vehicles. For FY 2012, the total passenger trips were 14.0 million.

The Authority offers a host of programs and services to make using public transit an easy and attractive alternative to driving. Printable route schedules and maps are available on [www.psta.net](http://www.psta.net), making bus information more accessible than ever. The website also offers details regarding how to ride, fares and reduced fare programs, Bikes on Buses, employment opportunities, and much more. These materials are also all available by mail. Trip planning assistance is available by calling the Customer Service Department's Info Line, visiting a Customer Service Center, or through the online trip planner. The Authority strives to assist companies with special corporate needs and employee transportation problems. The Employer's Choice Program allows companies to offer their employees a transit benefit that can be deducted as a business expense. Passengers enjoy the added convenience of loading a bicycle onto special racks on the front of every bus and trolley. A special slide presentation is available on the Authority's website to teach riders how to use the rack. Organizations interested in the role of public transportation in Pinellas County are invited to call and request a speaker for meetings and/or events. First-time riders can use the "Show Me" Program to get schedules, route maps, fare information, and more brought right to their door by an Authority representative who will train them in the basics of transit and take them on the first bus trip. Three convenient Park-N-Ride lots (one not being used now) are provided for intermodal connections to local and commuter express bus routes. PSTA has entered into an agreement with the City of St. Petersburg and St. Petersburg Trolley to provide circulator service in downtown St. Petersburg. PSTA has also entered into an agreement with Jolley Trolley, Inc. to provide circulator service from Clearwater Beach to downtown Clearwater and north to Tarpon Springs.

Persons with Disabilities who are unable to use regular bus service may be eligible for an ADA Paratransit specialized service or Demand Response Transportation (DART). Since DART offers vehicles that are equipped with wheelchair lifts they are accessible to passengers in wheelchairs, scooters, and electric carts. DART service is a complement to the Authority's fixed routes with service available to certified customers during the same days and hours as the fixed route bus service at a fare of not more than twice the regular bus fare.

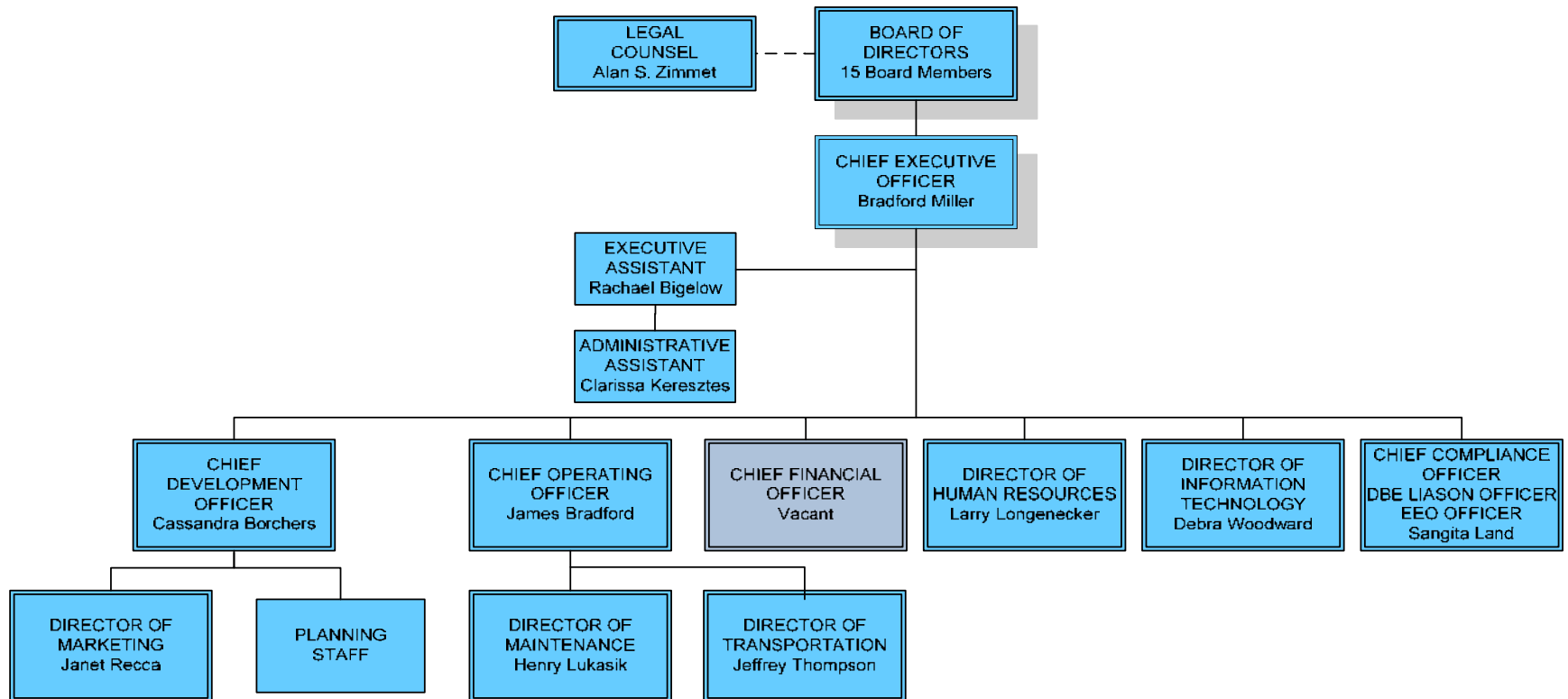


## **PSTA ORGANIZATIONAL OVERVIEW**

### **Management**

The Chief Executive Officer is responsible for the Authority's daily operations and directly supervises the core personnel who lead the organization: Finance, Planning, Bus Operations, Maintenance, Administration, and Marketing. Additionally, there are departments that support these functions.

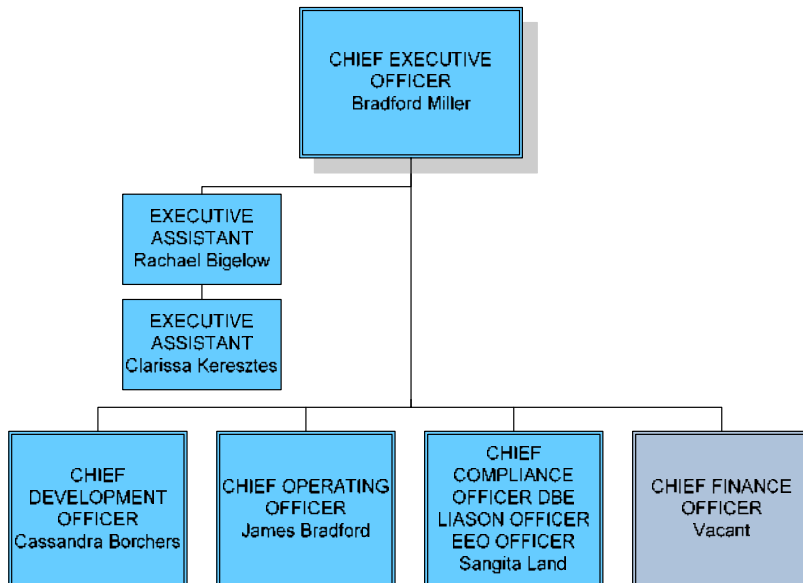
## PSTA ORGANIZATION





# CHIEF EXECUTIVE OFFICE

## CHIEF EXECUTIVE OFFICE ORGANIZATION



### CHIEF EXECUTIVE OFFICE

The Executive Office of PSTA works with the PSTA Board of Directors to build organizational capacity and ensure long-term organizational success. This is accomplished through:

- The development of financial resources.
- Relationships with community leaders.
- Cultivation of leadership capacity through all levels of the organization.
- Design and execution of accountability structures, and
- Communication of our vision and accomplishments to a broad audience throughout Pinellas County and the Tampa Bay Region.

PSTA's Chief Executive Officer (CEO) leads a senior management team in carrying out all the duties of the Authority. The focus of the CEO is to develop a growing, sustainable public transit system by develop services and facilities that customers want and need, prioritize customer

## CHIEF EXECUTIVE OFFICE OVERVIEW

Satisfaction and to encourage the support development of our more than 500 employees. All these efforts must only be accomplished while insuring financial accountability and stewardship of the system.

### Current Key Initiatives:

- **Greenlight Pinellas Outreach Process** – Overseeing an innovative public outreach process so Pinellas residents have an opportunity for public input before the 2014 vote.
- **November 2014 Referendum** – Ensure PSTA is recognized as a successful, accountable organization regarding this voter initiative.
- **Improved Financial Planning** – PSTA is developing more refined financial planning tools towards the goal of improved financial management and planning.
- **Establishing a PSTA Brand Promise: Transparency & Accountability** – In 2014, PSTA will be required to

transition its respected, but little-known agency image to a whole new level of accountability as we prepare for the November 2014 referendum.

- **Implement Multi-Year Operating and Capital Budget** development process that is tied to quantitative performance measures.
- **Strengthening PSTA Board** committee responsibilities to improve Board communication and efficiency.
- **Promote PSTA's Federal and State legislative agenda.**

### Recent Key Accomplishments:

- Adoption of Four-Year Balanced Budget to Provide Time to Identify Sustainable Funding Source.
- Completing Major Comprehensive Bus, Land Use, and Strategic Messaging/Outreach plans associated with Greenlight Pinellas.
- Successful implementation of high-involvement Board committee process improving Board Meetings



## CHIEF EXECUTIVE OFFICE BUDGET

<u>Expense Item</u>	<u>Actual FY 2012</u>	<u>Adopted FY 2013</u>	<u>Proposed FY 2014</u>	<u>% Change FY2013/FY2014</u>
Salaries	\$245,869	\$255,630	\$355,820	39.19%
Fringe Benefits	\$80,284	\$77,183	\$106,019	37.36%
Services	\$377	\$1,500	\$1,000	-33.33%
Materials & Supplies	\$2,075	\$2,000	\$2,000	0.00%
Miscellaneous	\$9,716	\$15,550	\$16,050	3.22%
<b>Total Operating Expenses</b>	<b>\$338,321</b>	<b>\$351,863</b>	<b>\$480,889</b>	<b>36.67%</b>

- Salaries and Fringe Benefits expense increased due to salary increases, an increase in FRS rates, and due to the Chief Compliance Officer position budget moving from the Human Resources Department to the Executive Department.
- Services expense decreased due to a reduction in projected office equipment repair costs.
- Miscellaneous expense increased due to a projected increase in dues and subscriptions.

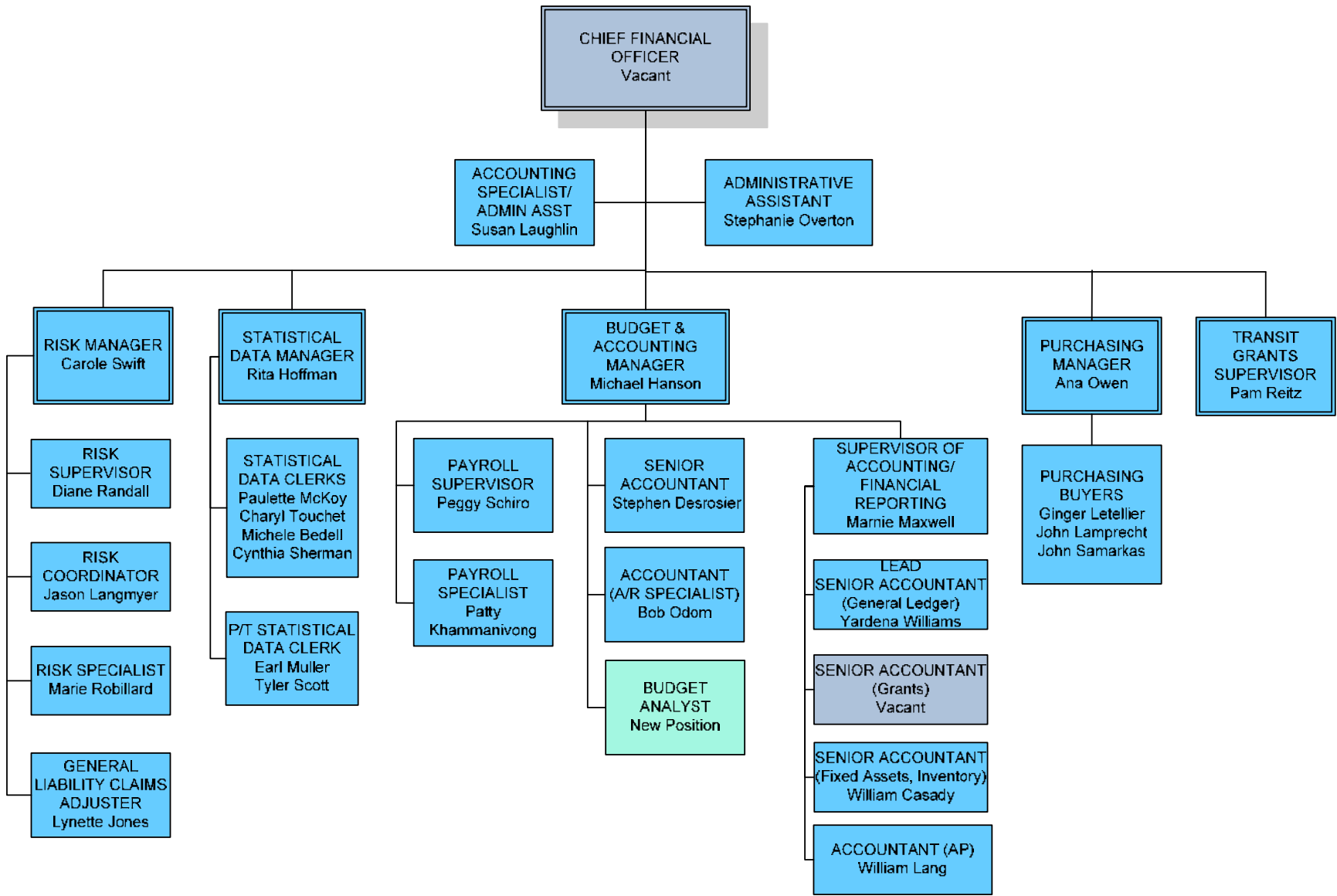


# FINANCE DEPARTMENT





# FINANCE DEPARTMENT ORGANIZATION





## FINANCE DEPARTMENT OVERVIEW

- The Finance Department serves as the Primary source of financial information for the management of the Authority. The five divisions in the Finance Department are Budget and Accounting, Purchasing, Risk Management, Statistical Data, and Grants Administration.
- The Budget and Accounting Division is responsible for the financial books and records of the Authority. It prepares the Authority's annual budget and monitors expenditures against the adopted budget. It prepares management organizational reports and long-range financial reports for budget planning. It prepares all financial reports including the audited Pinellas Suncoast Transit Authority's annual financial statement and schedules. The Division tracks all revenue and expenditures, prepares reports to grantor agencies, and administers the treasury management function.
- The Purchasing Division is responsible for the development, maintenance, and implementation of Authority wide purchasing, consultant selection and contracting procedures. Specific responsibilities include purchasing bus parts, materials and services required for all areas of the Authority. The Division maintains all official contract files, bidders lists, vendor files, vendor directories and contract lists. In addition, Purchasing provides records related to all purchasing functions and transactions that are retained and available for audit and periodic review in accordance with Federal, State, and Local retention requirements.
- The Risk Management Division coordinates and monitors the claims function for general liability, vehicle liability and property insurance programs. This division works with a third party administrator for the workers compensation program from notice of injury, medical treatment, light duty potential and scheduling through the conclusion of claims. This division is responsible for developing accident prevention and loss control methods and procedures. The Risk Management Division ensures that subrogation opportunities are fully developed and the recovery funds from PSTA's insurers have been recovered to reduce our liabilities with our self-insured program. The Digital Video Recorder (DVR) Program, which includes cameras on the buses, is the primary responsibility of Risk Management. It is used to reduce general vehicle liability claims.
- The Statistical Data Division is responsible for collecting, recording, and reporting revenue and ridership information. In addition, statistical reports and surveys required by Federal, State and local agencies, and daily reports used by administration for management and control are completed by this division.
- The Grants Division has the primary responsibility for applying for grants at the Local, State and Federal level. Also the Grants Division is responsible for monitoring and reporting on all grants related activities and for grant compliance with State and Federal authorities.



## FINANCE DEPARTMENT OVERVIEW

### Current Key Initiatives:

- Timely development and completion of FY 2014 annual operating and capital budgets.
- Ensure that PSTA's financial system produces financial information that is reliable and useable.
- Complete reporting requirements for GASB and the FY 2013 audited financial report.
- Ensure that Risk Management manages the PSTA self-insurance program effectively.
- Ensure the PSTA Procurement Division is fostering full and open competition in the business community, promoting integrity, public confidence and accountability of PSTA procurement and contracting system.
- general liability and workers' compensation by \$420,000 or 10.4%.
- Started construction of new Revenue Room addition.
- Successful completion and FTA acceptance of PSTA's National Transit Database FY 2012 report.
- Participation in Regional Fare Collection initiative.
- Participation in TMD bus study.
- Participation in American Bus Benchmarking Group.

### Recent Key Accomplishments:

- Implemented electronic delivery of payroll earnings statements on a bi-weekly basis.
- Currently implementing electronic payroll time entry by maintenance, eliminating a manual entry process.
- Actuarial Valuation as of September 30, 2012, prepared by PSTA's independent actuary (AON), has decreased the risk management liabilities for



## FINANCE DEPARTMENT BUDGET

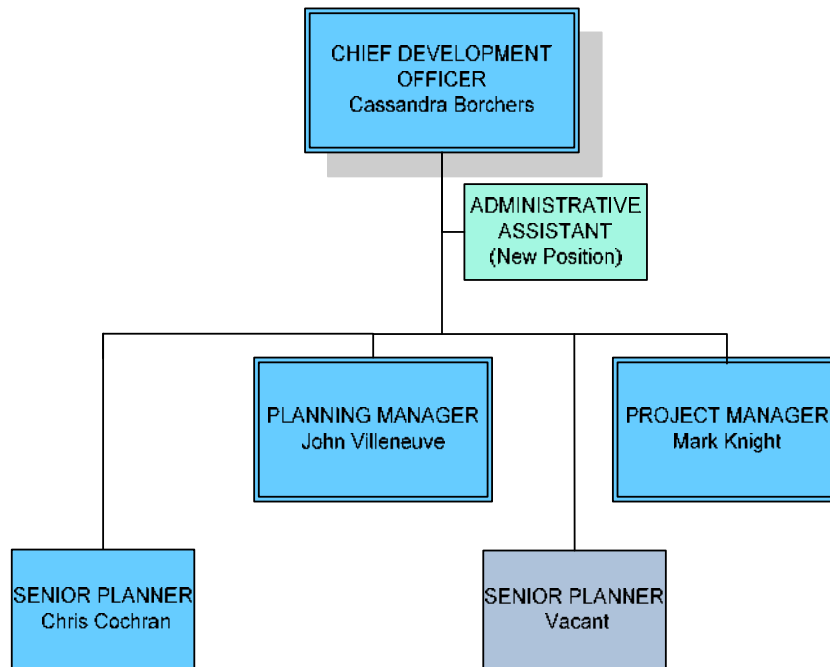
<u>Expense Item</u>	<u>Actual FY 2012</u>	<u>Adopted FY 2013</u>	<u>Proposed FY 2014</u>	<u>% Change FY 2013/FY 2014</u>
Salaries	\$1,276,869	\$1,423,570	\$1,555,450	9.26%
Fringe Benefits	\$412,456	\$465,205	\$521,017	12.00%
Services	\$134,573	\$120,070	\$125,250	4.31%
Materials & Supplies	\$27,961	\$14,000	\$17,200	22.86%
Miscellaneous	\$75,382	\$99,660	\$103,480	3.83%
<b>Total Operating Expenses</b>	<b>\$1,927,241</b>	<b>\$2,122,505</b>	<b>\$2,322,397</b>	<b>9.42%</b>

- Salaries expense and Fringe Benefits increased due to salary increases, an increase in FRS rates, and the addition of a Budget Analyst position.
- Services expense increased due to projected increases in audit services, money pick-up services, and temporary help.
- Materials and Supplies expense increased due to a projected increase in revenue room supplies.



# PLANNING DEPARTMENT

## PLANNING DEPARTMENT ORGANIZATION



### PLANNING DEPARTMENT

The Planning Department will lead the development of the Greenlight Plan, including financial assumptions and accountability plan. The plan will also include the finalization of a Comprehensive Community Bus Plan, on-going Public Outreach with the community on the development of a future transit network, and the role of Land Use Design for future transit station planning. The Planning Department will work with all Departments of PSTA and various project stakeholders in the development of the PSTA Transit Vision. This is accomplished through:

- Working closely with the partner agencies on the development of a rail corridor in the County with a future connection to Tampa.
- Development of an underlying bus network based on community feedback.
- Working with all stakeholders on the analysis and implementation of the LPA, and
- Working with the community towards the development of a long-term sustainable funding source for public transit.
- Seeking new ways to collaborate on a regional level with partners such as FDOT, HART, and TBARTA.

## PLANNING DEPARTMENT OVERVIEW

The Planning Department will also be responsible for the development and reporting of various plans including the transit element in the Long Range Transportation Plan (LRTP) and Transportation Improvement Program (MPO); 10 year Transit Development Plan (FDOT); and the Title VI Program (FTA). The Department is also the primary liaison to the cities and county on planning and visioning issues and new development proposals.

Staff will provide technical support and represent PSTA at a multitude of ongoing functions and committees including the Advisory Committee for Pinellas Transportation (ACPT), Transit Advisory Committee (TAC), MPO Technical Coordinating Committee (TCC), and TBARTA Transit Management Committee (TMC).

### Current Key Initiatives:

- Development and oversight of the technical elements of the Greenlight Plan including financial assumptions and delivery plan.
- Complete the Community Bus Plan detailing service changes and enhancements for several funding scenarios.
- Capitalize on the completed Alternative Analysis (AA), advance further development of these plans through a public dialogue with the community.
- Maximize partnership and collaboration opportunities with key partner agencies such as the station area planning efforts with the MPO.
- Represent PSTA with key public leaders in the civic and business community.

- Oversee coordination efforts between PSTA and HART.
- Implementation Plan for Regional Smart Card technology throughout the PSTA system including regional coordination and receipt of 100% grant funding for Phase 1.
- Support Central Avenue BRT corridor enhancement project and other Amenity Program applications.
- Finalize of Pinellas Park Transfer Center design and construction.
- Completion of the Largo Commons Multimodal Transfer Facility.
- Advance development of the City of Clearwater Intermodal Facility including coordination with city staff.
- Analyze new and continuing services such as North Coastal Jolley Trolley and Safety Harbor Jolley Trolley.

### Recent Key Accomplishments:

- Launched the Community Bus Plan and Greenlight Program Initiatives.
- Completed PSTA and HART Consolidation Study.
- Achieved agreement with land owner for development of Pinellas Park Transfer Center.
- Improved coordination and collaboration with the Marketing Department on Public Engagement initiatives.
- Provide support to the Operations and Maintenance Departments regarding the Amenities Program for capital improvements such as bus landing pads and shelters.
- Participation in the development of the Countywide Comprehensive Land Use Plan and land use planning coordination with local cities.



## PLANNING DEPARTMENT BUDGET

<u>Expense Item</u>	<u>Actual FY 2012</u>	<u>Adopted FY 2013</u>	<u>Proposed FY 2014</u>	<u>% Change FY 2013/FY 2014</u>
Salaries	\$205,367	\$288,830	\$430,100	48.91%
Fringe Benefits	\$41,663	\$82,850	\$120,849	45.86%
Services	\$40	\$0	\$0	0.00%
Materials & Supplies	\$99	\$500	\$750	50.00%
Miscellaneous	\$1,246	\$10,000	\$16,600	66.00%
<b>Total Operating Expenses</b>	<b>\$248,415</b>	<b>\$382,180</b>	<b>\$568,299</b>	<b>48.70%</b>

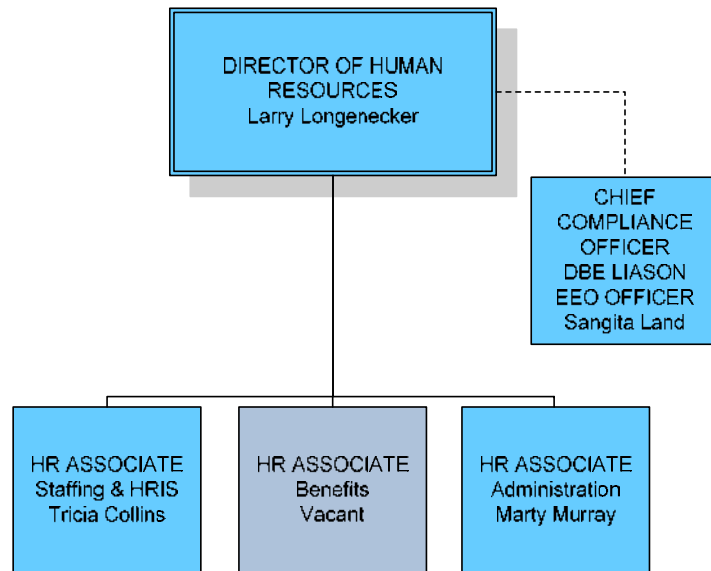
- Salaries and Fringe Benefits expense increased due to salary increases, an increase in FRS rates, and the addition of an administrative assistant and a project manager.
- Materials and Supplies expense increased due to an increase in office supply costs.
- Miscellaneous expense increased due to a projected increase in travel and dues and subscription costs.





# HUMAN RESOURCES DEPARTMENT

## HUMAN RESOURCES DEPARTMENT ORGANIZATION & OVERVIEW



### HUMAN RESOURCES

The Human Resource Department is responsible for the workforce planning of the Authority by aligning the workforce (human capital) needs with the strategic goals of the Authority. This is accomplished through the following:

- Responsible for recruiting, selection, and retaining of qualified employees.
- Conduct workforce analysis to ensure efficient use of Authority staff.
- Ensure a balanced and fair opportunity, without discrimination, for any employment consideration (EEO Program).
- Maintain an equitable employee compensation program.
- Design and implement a competitive, cost-effective, and comprehensive benefits program to promote wellness.
- Administer a retirement program thru the State of Florida (FRS); including a deferred compensation 457 plan (IRS codes).
- Coordinates labor relations and contracts with both unions: S.E.I.U. and T.B.A.T.W.U.
- Provide an effective Employee Assistance Program (EAP) to promote mental, physical and emotional well-being.

## HUMAN RESOURCES DEPARTMENT OVERVIEW

The Human Resources Department is also responsible for the development, over-sight and reporting systems for the following programs:

- Manages the Drug-Free Workplace for all employees and maintains an ongoing drug-free awareness program.
- Coordinates the Drug and Alcohol testing program (as required by FTA) for all safety-sensitive employees; and directs the required Department of Transportation (DOT) Physical Testing of safety- sensitive employees.
- Maintains compliance of the Family and Medical Leave Act (FMLA) laws and regulations.
- Chairs and organizes the PSTA Wellness Committee, responsible for health-improvement initiatives, and management of the on-site Wellness Center.
- Provides staffing and HR survey reports, maintains and updates a Company-wide emergency contact system, processes all I-9's with E-verify on-line.
- Upholds and promotes PSTA Affirmative Action and Equal Employment Opportunity policies and practices.

### Current Key Initiatives:

- Clarifying and updating all FMLA forms, posters, and documents while implementing a more efficient tracking system.
- Streamlining the administration and updates for employee insurances including software for employee on-line options.
- Hiring a new Healthcare Broker for securing and re-writing insurance options/guidance for affordable healthcare act.

- Identify and fulfill training and development needs to align our staff skills with the guiding principles of PSTA.
- Reviewing the actuarial data for the market analysis of healthcare costs.
- Pursuit of a talent management system that would track applicant demographics and skill sets to increase department efficiency.

### Recent Key Accomplishments:

- Revised and updated our 2012 EEO Program Policy.
- Streamlined our recruitment process to increase customer service, decrease our time for positions being vacant, and improved department productivity.
- Enhanced our "On-boarding" process for new hires with utilizing our PSTA website for information and service updates.
- Continued our outreach programs with USF CUTR (Center for Urban Transportation Research), St. Petersburg College (Intern Programs), Pinellas County Urban League (Diversity Program), and WorkNet Pinellas (Veterans and On-the-job-Training (OJT) Reimbursement Program).



## HUMAN RESOURCES DEPARTMENT BUDGET

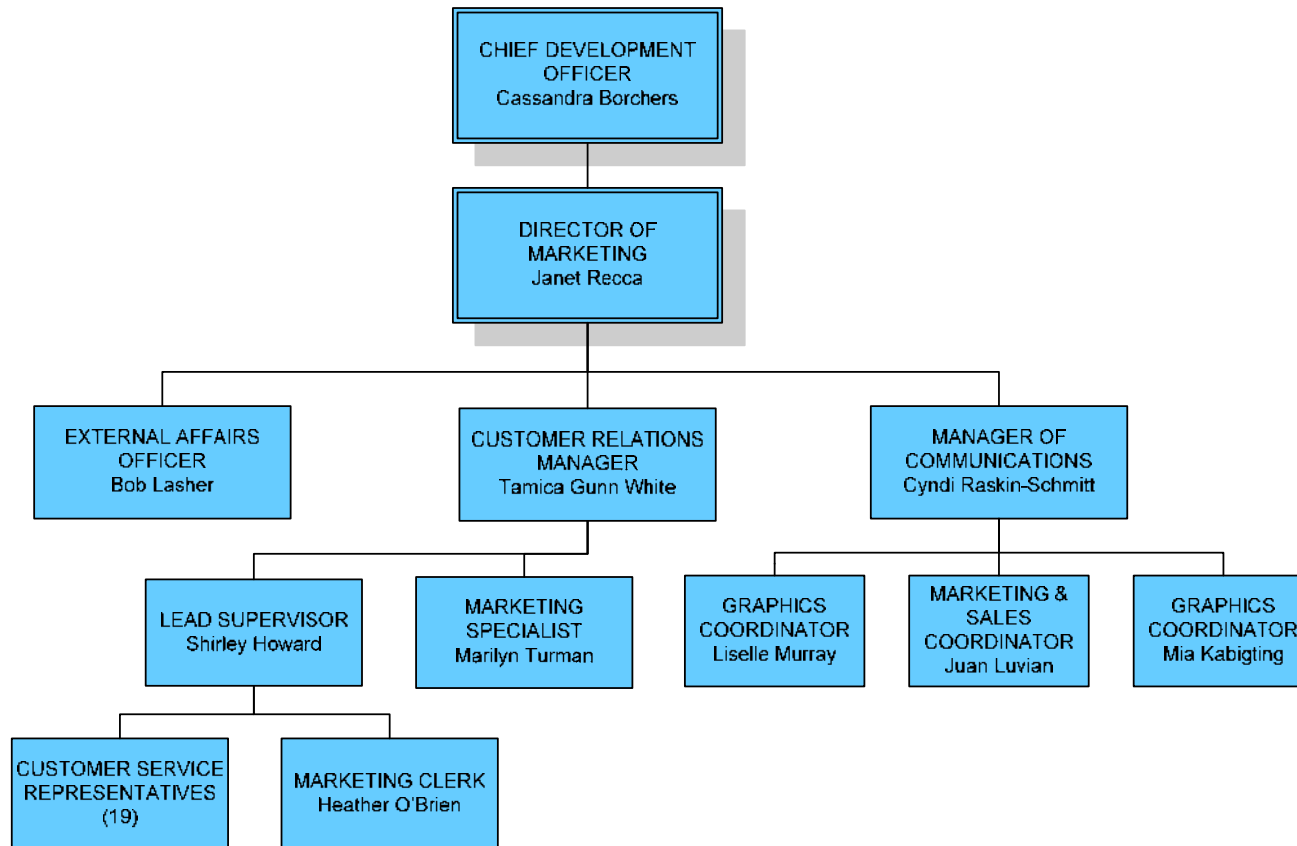
<u>Expense Item</u>	<u>Actual FY 2012</u>	<u>Adopted FY 2013</u>	<u>Proposed FY 2014</u>	<u>% Change FY 2013/FY 2014</u>
Salaries	\$186,720	\$247,970	\$192,470	-22.38%
Fringe Benefits	\$64,540	\$79,578	\$68,641	-13.74%
Services	\$68,947	\$161,200	\$172,400	6.95%
Materials & Supplies	\$809	\$800	\$800	0.00%
Miscellaneous	\$57,449	\$56,760	\$66,600	17.34%
<b>Total Operating Expenses</b>	<b>\$378,465</b>	<b>\$546,308</b>	<b>\$500,911</b>	<b>-8.31%</b>

- Salaries and Fringe Benefits expense decreased due to the Chief Compliance Officer budget moving from the Human Resources department to the Executive Office.
- Services expense increased due to an increase in Human Resource recruiting services and other professional and technical services.
- Miscellaneous expense increased due to an increase in training, travel, medical exams, new employee investigations and employee functions.



# MARKETING DEPARTMENT

## MARKETING DEPARTMENT ORGANIZATION



## MARKETING DEPARTMENT OVERVIEW

The Marketing Department is responsible for the development and implementation of major marketing programs to stimulate use of PSTA services, increase ridership and develop goodwill within the Pinellas County community among government, business, and community leaders, and PSTA employees. The department is comprised of two divisions: The Administrative Staff and the Customer Service division.

The Marketing Department oversees such programs as:

- Development, distribution and sale of PSTA GO Cards from more than 100 sales outlets located throughout Pinellas County and via the online ticket store.
- Distribution of schedules and system maps through approximately 300 locations in the county as well as in Tampa.
- The development and implementation of advertising, public relations and marketing activities.
- PSTA's web site and social media including Facebook, Twitter and the Ride PSTA blog.
- Graphic development and production of timetables, interior and exterior bus posters and various promotional brochures.
- Sale of the revenue generating bus and trolley advertisements.
- PSTA's Info-Line, which answers more than 408,000 telephone calls per year providing information about routes, schedule times and fares, as do the Customer Service Representatives who operate PSTA's three terminals seven days a week.

### Current Key Initiatives:

- Working as a team with various other PSTA departments, developing a Customer Service Initiative to improve the experience for both internal and external customers.
- Developing a multi-faceted media campaign that will be the second phase of the grant funded PSTA CARES safety and security program.
- Reinstating an outreach program for businesses to buy transit passes from PSTA and they either give them to their employees or sell them at a discount. This benefit is tax free to the employee and tax deductible to the company.
- Redesigning PSTA bus shelters to look more like art-in-public places, thereby improving PSTA's branding and image in the community.
- Rollout of the GreenLight Pinellas effort to create a buzz about all good things related to public transit.

### Recent Accomplishments:

- Conducting outreach efforts for input in the successful implementation of the three highly successful Connector Routes in North County.
- Obtained a free ATM for placement in the Bus Operators' Lounge, and secured two revenue sharing units for customer use at Grand Central Station and Park Street.
- Conducted an educational effort so customers would use the Real Time tools to their optimal advantage.



## MARKETING DEPARTMENT BUDGET

<u>Expense Item</u>	<u>Actual FY 2012</u>	<u>Adopted FY 2013</u>	<u>Proposed FY 2014</u>	<u>% Change FY 2013/FY 2014</u>
Administrative Salaries	\$1,022,577	\$1,088,250	\$1,115,720	2.52%
Fringe Benefits	\$375,295	\$412,114	\$438,101	6.31%
Services	\$73,405	\$56,200	\$116,260	106.87%
Materials & Supplies	\$130,708	\$155,000	\$185,000	19.35%
Miscellaneous	\$72,714	\$132,300	\$301,500	127.89%
<b>Total Operating Expenses</b>	<b>\$1,674,699</b>	<b>\$1,843,864</b>	<b>\$2,156,581</b>	<b>16.96%</b>

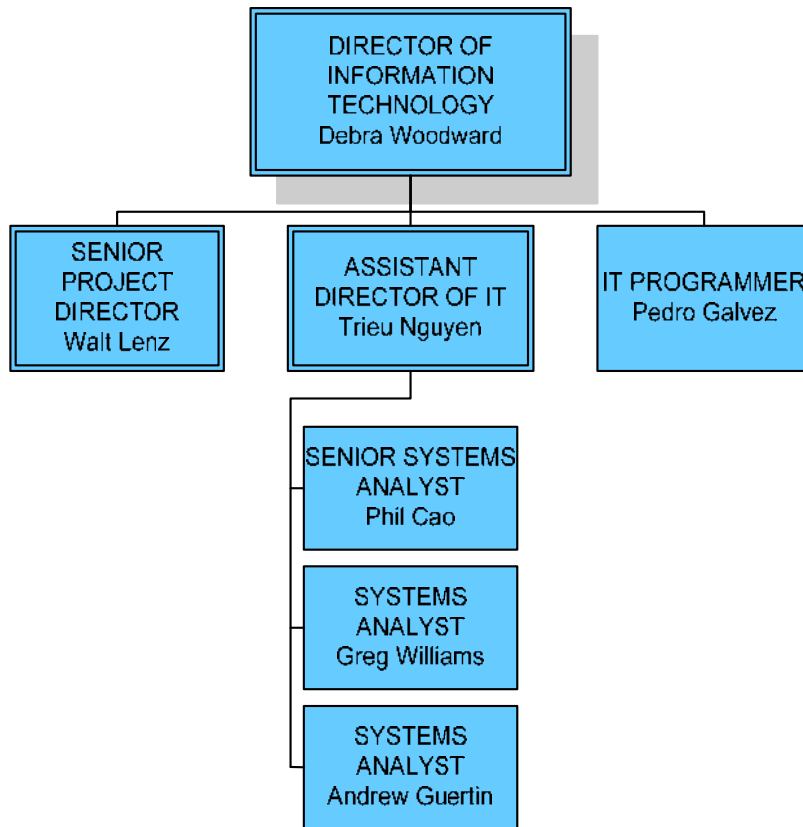
- Salaries and Fringe Benefits expense increased due to salary increases and an increase in FRS rates.
- Services expense increased due to the addition of terminal audit services and an increase in the pass-thru expense of affixing and removing bus wraps for advertising clients.
- Materials & Supplies expense increased due to a projected increase in bus pass and special marketing supplies.





# **INFORMATION TECHNOLOGY DEPARTMENT**

## INFORMATION TECHNOLOGY DEPARTMENT ORGANIZATION & OVERVIEW



### Information Technology Department

The Information Technology (IT) Department leads, researches, purchases, and manages all authority technology through recommendations and participation of the departments. Technology decisions are reviewed and approved based on the strategic direction of the authority leadership and guiding principles. The IT Department has developed partnerships with other agencies in the sharing of technology knowledge to develop and facilitate technology programs and projects. The department is responsible to manage cost effective solutions to meet the needs of the authority in the implementation of new applications and systems and to provide the ongoing support of those systems. The department is responsible for the phone system, all software systems, digital radio system, workstations, fax machines, projection systems, database management, server environment, data protection and security, website assistance, WIFI system, security camera and badge system, cell phone plans, printers, and Boardroom technology.

This is accomplished through:

- Researching innovative and tested technology opportunities.

## INFORMATION TECHNOLOGY DEPARTMENT OVERVIEW

- Relationships and partnerships with other agencies including USF/CUTR.
- Participation in the ITS County Committee and other organizations.
- Working closely with all levels of the organization.
- Listening and working with project shareholders.
- Participation in the annual Program of Projects and budget process.
- Participation in the Authority's Long Range Transit Plan.
- The Information Technology Department's Director is responsible for the development and managing of the Authority's technology direction and Information Technology assets. The Director leads the staff of 6 in researching, developing, and managing the technology for the current environment, and to move the Authority into the next generation of technology. This also includes the security and protection of the network data/voice, system software upgrades and fixes, voice and video recordings, and backup and disaster recovery systems.

### Current Key Initiatives:

- Continued Window Server Upgrade to 2008R2.
- Installing and configuring an upgraded data backup solution.

- Upgrade Virtual environment to 5.0.
- Continued participation in the concrete replacement project and security camera system.
- Installation of WIFI on the bus system.
- Regional Fare Collection system.
- Review of Telephony services.
- Re-design and upgrade the Auditorium and Board Room audio/video systems.

### Recent Key Accomplishments:

- Phase 2 of the set-up of virtualized servers.
- Upgraded and rebuilt print server environment.
- Real Time Bus Information system – hardware and software.
- Implemented new network firewall appliance and anti-virus upgrade.
- Development of new work stations for all users and training rooms.
- Implementation and support of a Point of Sales system for the terminals.
- FleetNet business software implementation of new modules to support Finance, HR, and Maintenance Departments.



## INFORMATION TECHNOLOGY DEPARTMENT BUDGET

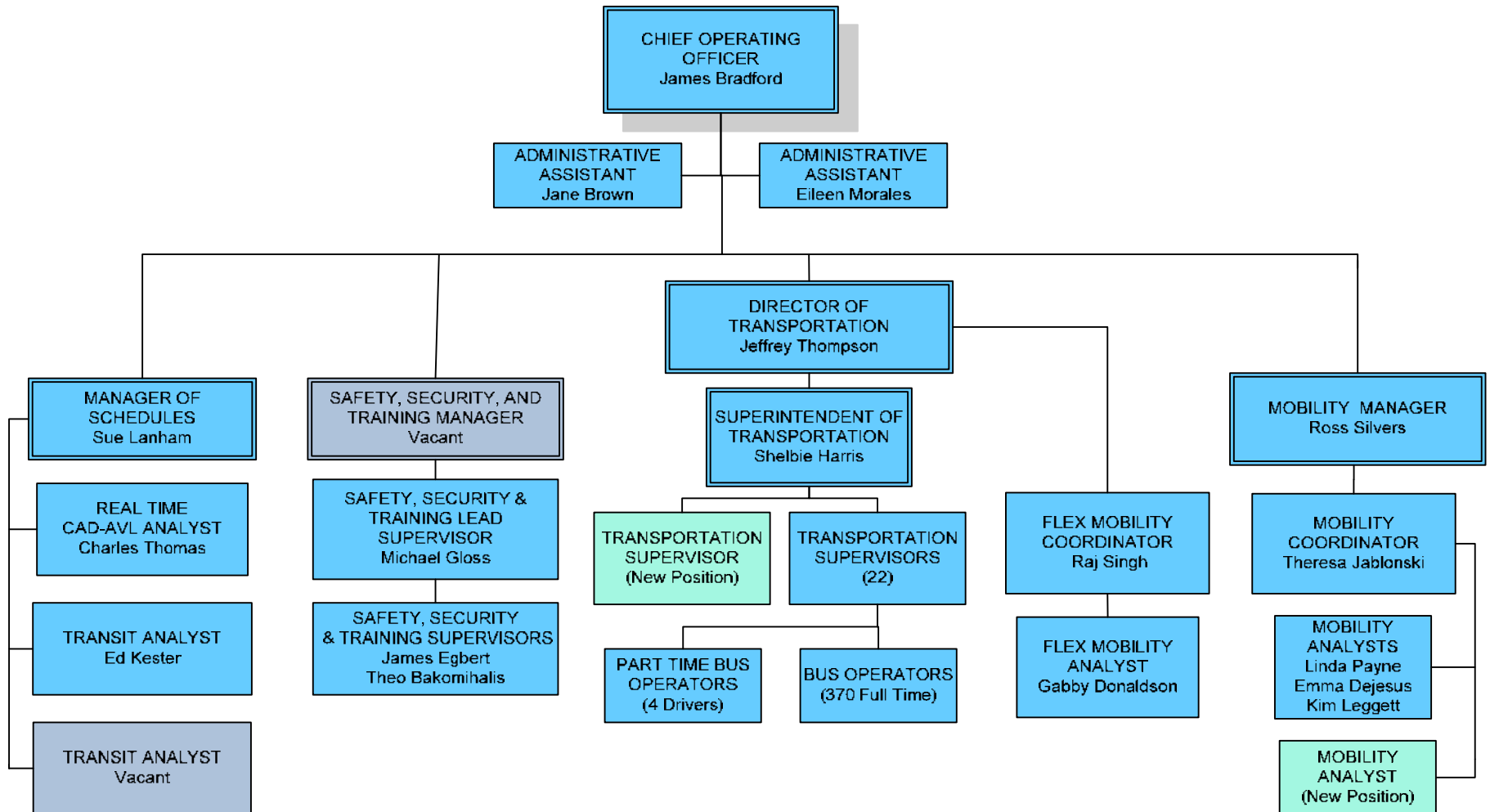
<u>Expense Item</u>	<u>Actual FY 2012</u>	<u>Adopted FY 2013</u>	<u>Proposed FY 2014</u>	<u>% Change FY 2013/FY 2014</u>
Salaries	\$368,810	\$379,730	\$480,940	26.65%
Fringe Benefits	\$115,495	\$106,679	\$140,481	31.69%
Services	\$339,689	\$352,200	\$375,500	6.62%
Materials & Supplies	\$33,471	\$31,230	\$31,370	0.45%
Utilities	\$161,288	\$327,600	\$329,000	0.43%
Miscellaneous	\$0	\$17,400	\$5,650	-67.53%
<b>Total Operating Expenses</b>	<b>\$1,018,753</b>	<b>\$1,214,839</b>	<b>\$1,362,941</b>	<b>12.19%</b>

- Salaries and Fringe Benefits expense increased due to salary increases, an increase in FRS rates, and the addition of a Senior Project Director position.
- Services expense increased due to a projected increase in professional and technical services and computer software service costs.
- Miscellaneous expense decreased due to a decrease in projected travel and training expenses.



# TRANSPORTATION DEPARTMENT

## TRANSPORTATION DEPARTMENT ORGANIZATION



## TRANSPORTATION DEPARTMENT OVERVIEW

### TRANSPORTATION DEPARTMENT

The Transportation Department is made up of four divisions: Operations, Scheduling, Mobility (i.e., DART/Transportation Disadvantaged), and Safety, Security and Training. The Community Transportation Coordinator (CTC) functions for Pinellas County are also managed in this department.

The Operations Division is responsible for the operation of 40 routes (including 3 new Flex routes). This division manages the dispatch, fleet communication, daily scheduling and street supervision functions.

The Safety, Security and Training Division performs all new hire, refresher, defensive driving and ADA/Sensitivity Training, accident investigation, the development of Safety and Security initiatives and DART Contractors' driver compliance.

The Mobility Division manages the DART (ADA complimentary Paratransit) service for those unable to access the bus system, the Transportation Disadvantaged (TD) program for low-income residents lacking their own transportation, and serving as the Community Transportation Coordinator (CTC) for Pinellas County. DART and TD Division administers these programs. Staff is responsible for ensuring that both programs are compliant with applicable laws and requirements when determining passenger eligibility, monitoring staff and contractors' provision of the services, and accurate billing and reporting.

The Scheduling Division creates and administers the Operations work schedules, route maps and schedules, as well as schedules and monitors route schedule on time performance (OTP). This division also manages PSTA's bus stop amenity database and manages many aspects of the Real Time Passenger Information System.

### Current Key Initiatives:

- Increasing Connector Route Notoriety in Northern Pinellas County.
- Implementing Service at the New Shoppes of Park Place Facility.
- Transitioning From Frontage Road & US 19 to New Largo Commons Transfer Station.
- Returning Bus Operations in Bus Yard to Normal Standard upon Completion of the Concrete Project.
- Completing Annual Full Scale Table Top Exercise on Disaster Management (June 2013).
- Designing and Implementing the New Route-Match Software for DART/TD/Connector Trips As Well As Overall Paratransit Management.
- Continuing CTC Site Visits and Contract Renewals with Twenty Human Service Agencies' Transportation Services, as well as Annual Update of TD Service Plan and Responsibilities.
- Upgrading Camera System at Terminals including the Ulmerton Road Park-N-Ride.

## TRANSPORTATION DEPARTMENT OVERVIEW

### Recent Accomplishments:

- Recorded record ridership each month.
- Successful Launch of the North County Connector Services, which has seen monthly increases in both boardings, and requested deviation since inception.
- Continued success and further implementation of the real-time passenger information project.
- Won the TSA “Gold Standard Security” award.
- Continued upgrades to the bus security camera surveillance system.
- Aligned DART and TD Paratransit service rules.
- Executed the Dart/TD Paratransit service provider procurement.
- Partnered with United Way and Big Brothers, Big Sisters for local fundraising and awareness public outreach.
- Recognized a 35-year accident-free PSTA bus operator.





## TRANSPORTATION DEPARTMENT BUDGET

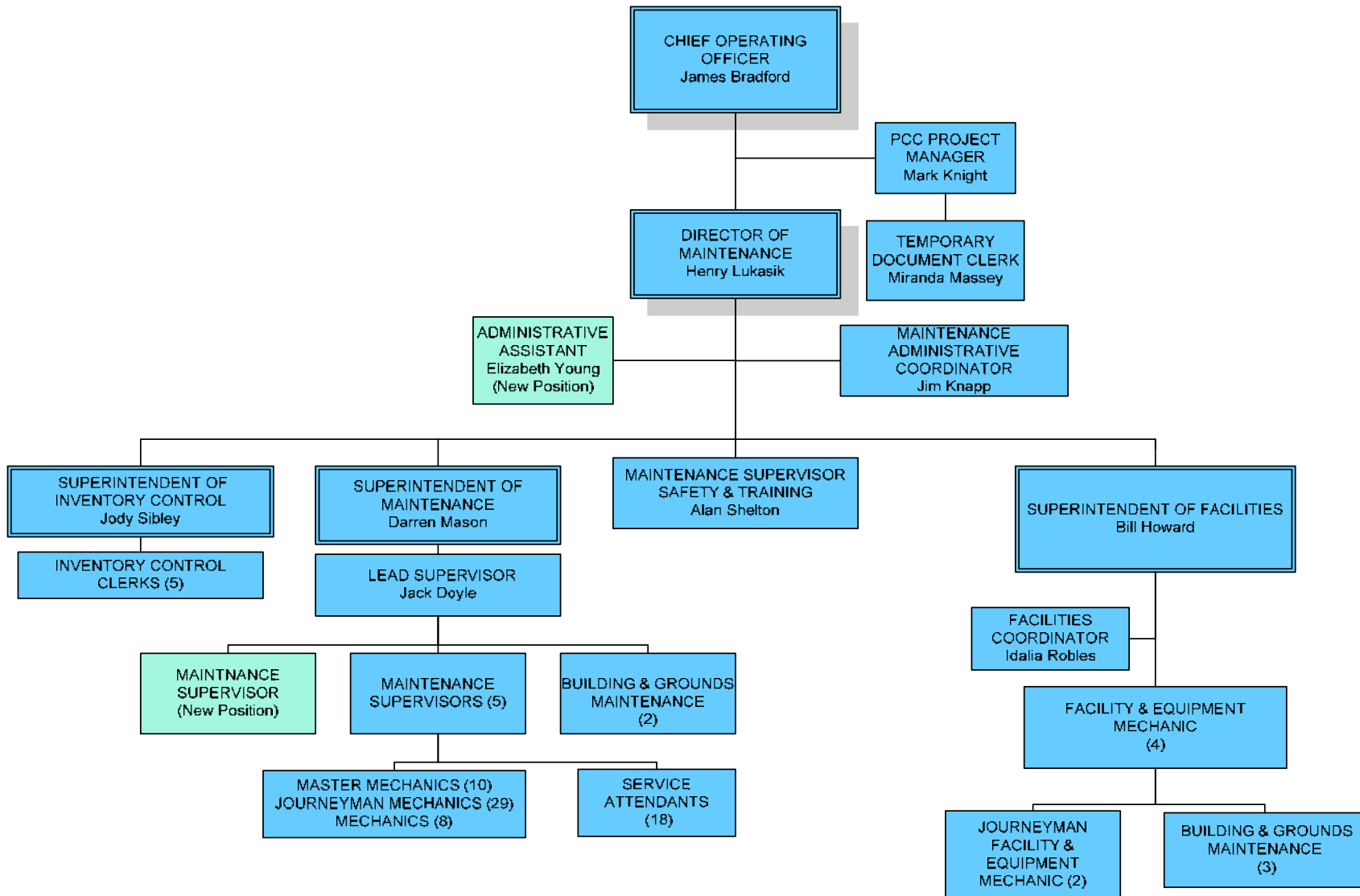
<u>Expense Item</u>	<u>Actual FY 2012</u>	<u>Adopted FY 2013</u>	<u>Proposed FY 2014</u>	<u>% Change FY 2013/FY 2014</u>
Salaries	\$18,117,426	\$19,395,310	\$19,930,340	2.76%
Fringe Benefits	\$6,240,358	\$6,780,315	\$7,167,200	5.71%
Services	\$277,862	\$284,000	\$265,580	-6.49%
Materials & Supplies	\$22,361	\$52,600	\$40,600	-22.81%
Miscellaneous	\$14,614	\$25,100	\$24,400	-2.79%
<b>Total Operating Expenses</b>	<b>\$24,672,621</b>	<b>\$26,537,325</b>	<b>\$27,428,120</b>	<b>3.36%</b>

- Salaries and Fringe Benefits expense increased due to salary increases, an increase in FRS rates, and the addition of a Transportation Supervisor and a Mobility Analyst.
- Materials and Supplies expense decreased due to projected decreases in safety and OSHA supplies.
- Miscellaneous expense decreased due to a decrease in bridge and highway tolls.



# MAINTENANCE DEPARTMENT

## MAINTENANCE DEPARTMENT ORGANIZATION



## MAINTENANCE DEPARTMENT OVERVIEW

### MAINTENANCE DEPARTMENT

The Maintenance Department is comprised of two divisions: Fleet Maintenance and Facilities Maintenance.

The Fleet division is responsible for 195 revenue service vehicles which are comprised of Gilligs, Trolleys, MCIs, and E-450 Super Duty Cut-A-Ways, nearly one-fifth of which are hybrid vehicles. Additionally, service is provided to 53 service vehicles which are comprised of pool cars, service trucks, and miscellaneous support equipment. In total the Fleet Division maintains approximately 250 vehicles. Fleet Maintenance provides around the clock service for both preventative and demand-response needs of the entire fleet to ensure that 100% pullout is made each and every day, and that minimal service is delayed or disrupted due to mechanical failures. The department provides a full line of service and repairs for all PSTA vehicles. Services include major/minor engine repairs, routine oil and other fluid changes, transmission service, tire replacement/repair, tire rotation and balance, tune-ups and general inspections, preventative maintenance (PM), and all points safety and emergency inspection checks. Safety is paramount in the public transportation industry, and just as PSTA expects its Bus Operators to be safety minded and safety conscientious when behind the wheel at all times, so too are the expectations that vehicles must be maintained to support safe operations as well. The Fleet Division ensures all vehicles are in compliance with Regional, State, and Federal entities.

#### Fleet Divisions' oversight includes and is not limited to:

- Preventative Maintenance Inspections.
- Vehicle Diagnosis and Repair.
- Engine, Transmission, Driveline Repair and Overhaul.
- Collision Repair and Bodywork.
- Surveillance and Smart Technology Installation & Maintenance.
- Brakes, Tires, Steering, & Suspension.
- Road-call support and towing when necessary.
- Fueling, Cleaning, & Detailing.
- Farebox & Vault Pulling.

In addition to demand-response and preventative maintenance, the Fleet division also ensures vehicles are properly crewed nightly, which includes the fueling of all buses and support vehicles, interior cleaning including trash removal, and exterior washing.

The Facilities Division is responsible for the ongoing upkeep and general maintenance of all PSTA properties, buildings, grounds and other projects. The Facilities department supports all the other departments within PSTA by method of both demand-responsive service, state-of-good repair capital planning, and 24/7 on-call service from both employees and the public alike. This includes requests for new benches and shelters, installation of new equipment, building repair (both interior and exterior), carpentry/electrical/plumbing/and HVAC demands, maintenance support for PSTA's external real-time hardware components, and



## **MAINTENANCE DEPARTMENT OVERVIEW**

- Preparation for the receipt of thirteen (13) 2014 Ford Fusion Hybrid's by December 2013 to replace existing support vehicles which have met their useful.
- Hired Elizabeth Young to become the new Maintenance Department Administrative Assistant effective June 2013.



## FACILITIES MAINTENANCE DIVISION BUDGET

<u>Expense Item</u>	<u>Actual FY 2012</u>	<u>Adopted FY 2013</u>	<u>Proposed FY 2014</u>	<u>% Change FY 2013/FY 2014</u>
Salaries	\$432,255	\$484,890	\$462,820	-4.55%
Fringe Benefits	\$182,972	\$181,310	\$174,822	-3.58%
Services	\$468,272	\$563,725	\$594,300	5.42%
Materials & Supplies	\$85,013	\$100,500	\$95,000	-5.47%
Miscellaneous	\$4	\$0	\$1,000	N/A
<b>Total Operating Expenses</b>	<b>\$1,168,516</b>	<b>\$1,330,425</b>	<b>\$1,327,942</b>	<b>-0.19%</b>

- Salaries expense decreased due to a reduction in staffing.
- Services expense is increasing due to new proposed contracted lawn maintenance service.
- Materials & Supplies expense decreased due to a projected decrease in bus shelter repair supplies.



## FLEET MAINTENANCE DIVISION BUDGET

<u>Expense Item</u>	<u>Actual FY 2012</u>	<u>Adopted FY 2013</u>	<u>Proposed FY 2014</u>	<u>% Change FY2013/FY2014</u>
Salaries	\$3,001,650	\$3,372,450	\$3,579,860	6.15%
Fringe Benefits	\$1,274,928	\$1,631,042	\$1,722,500	5.61%
Services	\$55,448	\$56,500	\$79,320	40.39%
Diesel Fuel	\$7,672,173	\$7,772,250	\$8,008,160	3.04%
Materials & Supplies	\$3,036,972	\$3,045,130	\$3,138,340	3.06%
Miscellaneous	\$3,034	\$18,030	\$18,000	-0.17%
<b>Total Operating Expenses</b>	<b>\$15,044,205</b>	<b>\$15,895,402</b>	<b>\$16,546,180</b>	<b>4.09%</b>

- Salaries and Fringe Benefits expense increased due to salary increases, an increase in FRS rates, and the addition of a Maintenance Supervisor and an Administrative Assistant.
- Diesel Fuel expense increased due to a projected cost increase in the per gallon price of diesel fuel.
- Materials and Supplies increased due to a projected cost increase in the per gallon price of unleaded fuel.



## GENERAL FUNCTION DIVISION OVERVIEW AND BUDGET

The General Function Division is maintained under the control of the Chief Financial Officer. This Division was established as a separate general ledger division for the purpose of monitoring and controlling expenses that are considered part of the costs for doing business. There are no employees assigned to this division. Expenses that pertain to the entire authority rather than an individual department, i.e., legal costs, utilities purchased transportation, etc., are charged to the General Function Division

<u>Expense Item</u>	<u>Actual FY 2012</u>	<u>Adopted FY 2013</u>	<u>Proposed FY 2014</u>	<u>% Change FY 2013/FY 2014</u>
Administrative Services	\$1,095,277	\$1,151,900	\$1,036,100	-10.05%
Materials & Supplies	\$15,019	\$47,000	\$42,000	-10.64%
Utilities	\$672,503	\$834,700	\$721,740	-13.53%
Taxes & Licenses	\$840,897	\$818,220	\$862,730	5.44%
Purchased Transportation – DART	\$4,255,356	\$4,182,800	\$4,703,000	12.44%
Purchased Transportation – TD	\$275,941	\$856,370	\$790,000	-7.75%
Purchased Transportation – TROLLEYS	\$511,989	\$541,779	\$615,401	13.59%
Miscellaneous	\$97,753	\$89,000	\$102,000	14.61%
<b>Total Operating Expenses</b>	<b>\$7,764,735</b>	<b>\$8,521,769</b>	<b>\$8,872,971</b>	<b>4.12%</b>

- Administrative Services expense decreased due to a projected decrease in legal services.
- Utilities expense decreased due to conservation efforts reflecting lower usage of both electricity and natural gas.
- Purchased Transportation – DART expense increased due to increased service provider costs and increased ridership.
- Purchased Transportation – Trolleys expense increased due to operating cost increases, the loss of grant revenue, an increase in Holiday service for the Jolley Trolley and eight months of budgeted expenses for a new proposed Safety Harbor Jolley Trolley route.





## INSURANCE DIVISION OVERVIEW AND BUDGET

### Functions and Responsibilities

The Insurance Division is maintained under the control of the Chief Financial Officer with direct oversight by the Risk Manager. It was established as a separate general ledger division for monitoring and controlling expenses related to PSTA's property and casualty insurance programs. There are no employees assigned to this division. All expenses involving the administration of PSTA's insurance programs are recorded in the Insurance Division. Since PSTA made the decision to go to a self-insured retention (SIR) and excess insurance coverage several years ago, this division provides the tool for monitoring the programs' cost effectiveness.

<u>Expense Item</u>	<u>Actual FY 2012</u>	<u>Adopted FY 2013</u>	<u>Proposed FY 2014</u>	<u>% Change FY 2012/FY 2013</u>
Services	(\$100,273)	\$88,500	\$89,500	1.13%
Materials & Supplies	\$226	\$0	\$0	N/A
Casualty & Liability	\$412,421	\$1,743,430	\$1,638,000	-6.05%
<b>Total Operating Expenses</b>	<b>\$312,374</b>	<b>\$1,831,930</b>	<b>\$1,727,500</b>	<b>-5.70%</b>

- Casualty & Liability expense is projected to decrease due to a projected decrease in Auto and General Liability claims related expenses.



# **BUDGET PROCESS AND POLICIES**



## BUDGET PROCESS AND POLICIES

### **Budget Process and Calendar**

The budget process for special districts in Florida is in large part statutorily driven as outlined in the following timetable. (For further detail please refer to the Florida Statutes Section 189.418).

Every employee of PSTA has a role in preparing the budget. The budget needs to be formulated, prepared, implemented, and evaluated. Each Chief and Director is accountable to the Chief Executive Officer for the performance of their respective personnel and whether or not their department meets their objectives within the allocated resources.

PSTA uses an annual budget format in which the first year establishes the appropriated budget and is used for financial planning to assist with projecting a multi-year budget strategy. Enabling strategic as well as tactical thinking, the multi-year format provides for improved decision making with a longer-term focus on goal achievement and infrastructure maintenance.

The budget relies on the identification of essential transportation needs of Pinellas County residents, and budget and financial priorities including the identification and ranking of critical transit services.

The following outlines the various stages of budget development and administration and identifies the roles and responsibilities of the key participants in the process:

### **The Planning Phase**

Budget development begins in March each year when plans are set forth for next year's budget process. The Budget Division reviews obstacles and problems from the previous year's process. Objectives for the next year's process are designed and plans are made to overcome any prior problems.

Multi-year projections are prepared. Also, instructions and examples are reviewed, training classes are arranged and the budget calendar dates are set. At the beginning of April, the tentative calendar is distributed to all departments along with a reminder of the dates for the budget process.

## BUDGET PROCESS AND POLICIES

### **The Preparation Phase**

The Budget Kick-off sets the pace for the preparation of the budget and is presented in a meeting. Provided is the financial status of PSTA, economic growth, and issues that need to be addressed during future budget work sessions.

Departments are directed to return a status quo program budget and requests for service improvements (if any) for consideration.

The staff of the Budget Division reviews the submitted requests with each of the departments and their respective divisions; changes to the requests are made at this time. Once all changes have been completed, the Chief Executive Officer reviews the final product. After his review, work sessions are scheduled with the departments, Budget Division staff, and the Chief Executive Officer for any final changes. These reviews begin in April and continue until the proposed budget is submitted to the PSTA Board. A proposed balanced budget is presented to the PSTA Board at a regularly scheduled Board meeting in June.

### **The Review and Adoption Phase**

Board and Planning Committee work sessions, held in a public setting, are scheduled for the remainder of July and August. In these sessions the PSTA Board reviews budget issues and recommends funding of said issues.

During this time period, the Notice of Proposed Property Taxes, otherwise known as TRIM (Truth in Millage) notices, are prepared and mailed by the Property Appraiser. Published on the TRIM notice is the date of the first public hearing to adopt the tentative budget and the tentative millage rate.

The purpose of the public hearing is to give the public an opportunity to speak for or against the proposed budget and millage rate. At the end of the first public hearing, a date and time is set for the final public hearing. An advertisement for the hearing is placed in a local newspaper. This ad contains summary budget information along with the tentative millage rate and the tentative approved budget based on the first hearing. Also noted are the time, date and location for the final hearing.

The purpose of the final public hearing is to give the public a second opportunity to speak for or against the budget and millage rate. At this meeting the PSTA Board adopts the final budget and millage rate. Within the next three days the Property Appraiser, Tax Collector and State Department of Revenue must be notified of the adopted millage rate. The Tax Collector mails final tax invoices to property owners at the beginning of November.



## BUDGET PROCESS AND POLICIES

The budget is effective on October 1 of each year.

### **Amendments after Adoption**

As provided in Florida Statute 189.418, once the budget is adopted it may be amended by the PSTA Board at any time within a fiscal year in the following manner:

1. Appropriations for expenses in the fund may be decreased and other appropriations in the same fund correspondingly increased, if the total of the appropriations of the fund are not changed.
2. Appropriations from the Reserve for Contingencies may be made to increase the appropriation for any particular expense in the same fund, or to create an appropriation in the fund for any lawful purpose, but expenses may not be charged directly to the reserve for Contingencies.
3. Revenue of a nature or source not anticipated in the budget and received for a specific purpose such as grants, donations, gifts, or reimbursement for damages may, by resolution of the Board, be appropriated and expended for that purpose.
4. Increased receipts for enterprise or proprietary funds received for a particular purpose may, by resolution of the Board, be appropriated and expended for that purpose.

Any amendment to the budget not specified above may be authorized by resolution or ordinance of the Board following a public hearing.



## BUDGET PROCESS AND POLICIES

### Local Government TRIM Timetable

(State Guidelines)

Day #	"Typical" Date*	Agency	Activity
1	July 1 or Date of Certification, Whichever is Later	Taxing Authority	Property Appraiser certifies interim roll (DR-420).
Within 15	July 15	Taxing Authority	Budget Officer submits tentative budget to taxing authority.
35	August 4	Taxing Authority	Taxing authority advises Property Appraiser of proposed millage, rolled back rate, and date, time and place of the Tentative Budget Hearing.
55	August 24	Property Appraiser	Property Appraiser prepares notice of proposed property taxes (DR-474, TRIM Notice).
Between 65/80	September 3 – Sept 18 (Assuming Notice is mailed 8/24)	Taxing Authority	Tentative budget and millage hearing. The tentative budget and millage are adopted at this hearing. This hearing cannot be held sooner than 10 days following the mailed notice.
Within 15 Days After Tentative Hearing	Sept. 4 – October 3	Taxing Authority	Advertisement of final budget and millage hearing. <b>Advertise this final hearing within 15 days after the tentative budget and millage rate are adopted.</b>
Between 2-5 Days After Ads	Sept. 6 – October 8	Taxing Authority	Final budget and millage hearing. The final budget and millage are adopted at this hearing. This hearing <b>CANNOT</b> be held sooner than 2 days nor later than 5 days after it is advertised in the newspaper.
Within 3 Days After Adoption	Sept. 9 – October 11	Taxing Authority	Taxing Authority certifies adopted millage to Property Appraiser and Tax Collector.



Day #	"Typical" Date*	Agency	Activity
	Typically, After the Value Adjustment Board (VAB)	Property Appraiser	Property Appraiser notifies taxing authority of final adjusted tax roll (DR-422).
	No Later Than 3 Days After Receipt of the Notice of Final Taxable Value	Taxing Authority	Taxing Authority completes and certifies DR-422 to Property Appraiser. This shall be completed and returned <b>no later than 3 days</b> after receipt.
	Within 30 Days of Final Millage Taxable Value	Taxing Authority	Taxing Authority certifies compliance with Sections 200.065 and 200.068, F.S., to the Dept. of Revenue.

\*This is an EXAMPLE ONLY using July 1 as the date of certification and showing the range of dates (minimum to maximum) that would be utilized for scheduling. These dates DO NOT make any provision for the shortening of time frames.



## BUDGET PROCESS AND POLICIES

### **Summary of Budget and Accounting Policies**

Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped within two broad categories as follows:

The Pinellas Suncoast Transit Authority is accounted for as a Business Type Activity, as defined by Governmental Accounting Standards Board (GASB) Statement No. 34, Basic Financial Statements – Management's Discussion & Analysis – for State and Local Governments and its budget and financial statements are presented on the accrual basis of accounting. Under this method, revenues are recognized when they are earned, and expenses are recognized when they are incurred. Grants are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Grants received in advance of revenue recognition by the Authority are shown as unearned grants revenue.

Enterprise funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operational activities. Charges to customers represent the Authority's principal operating revenues and include passenger fees, and revenues from use of its capital assets for advertising, right-of-way activities. Operating expenses include the cost of operating, maintaining, and supporting transit services and related capital assets, administrative expenses, and depreciation. All revenues and expenses not meeting this definition are reported as non-operating or other revenues and expenses.

### **Basis of Accounting**

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. PSTA's budget uses a basis of accounting that mirrors the basis used for accrual accounting of Enterprise Fund revenues and expenses. Budgeting for governmental funds is done using the accrual basis of accounting. Revenues are budgeted for the fiscal year. Those revenues are expected to become measurable and available as net current assets. Expenditures are budgeted for the fiscal year when the related fund liability is expected to be incurred, except for principal and interest, on general long-term debt which is recognized when due.



## BUDGET PROCESS AND POLICIES

### **Basis of Budgeting**

The preparation, approval, adoption and execution of PSTA's budget are in compliance with Florida Statute (Chapter 189) and consistent with generally accepted accounting principles.

Budgets for Proprietary Funds (Enterprise) use the accrual basis of accounting. Revenues are recognized in the period in which they are earned and expenditures are recognized in the period in which the liability is incurred.

The Annual Financial Statements show the status of PSTA's finances on the basis of generally accepted accounting principles. Generally, this is the way the budget is prepared. One exception is the treatment of unpaid vacation and a portion of sick leave accumulated by employees. The entire unpaid liability for vacation and a portion of sick leave is recorded in the Government-Wide statement of Net Assets in the Annual Financial Statements, whereas the current liability of employees is budgeted as an appropriation in the year when it is expected to be expended.

### **Budget Adjustments and Transfers**

Budget adjustments are designed to give PSTA limited flexibility in its budgetary proceedings. They may generally be approved for one of three reasons. First, a mistake may have been made in the original approved budget. Because the budget cycle begins so early in the year, it is very easy to overlook certain items that should have been included, or to over or under estimate the expenses or need other items. A second reason for which transfers may be approved is emergency purchases. In many instances, equipment, supply, or maintenance costs must be incurred at a higher level than could have been anticipated due to a breakdown of equipment, the assumption of a new service, or unusually large contract prices. A third justification for an adjustment is an avoidance of future cost increases. Such opportunities often arise when products or services can be purchased at a certain time rather than putting off the purchase until a later date.

Budget adjustments exist for very specific reasons as noted above. They should not be used to balance an organization's budget each month. Operating within one's available budgetary resources is a managerial responsibility, and one which should be taken very seriously. The approved budget is only a plan and can be adjusted as circumstances change; however, it should be adhered to as closely as possible.

When needs are less than originally anticipated or prices come in lower than budgeted, excess funds should accrue as savings to PSTA. They should not be considered as available dollars for additional expenditures. These accrued savings become cash forward in the next year's budget - very valuable revenue in maintaining service levels and avoiding tax rate increases.



## BUDGET PROCESS AND POLICIES

Any budgetary organization may request a transfer. To do so, a completed Budget Transfer Request form must be submitted to the Budget Division. The submitted form must contain all information requested including Cost Center information, justification for the transfer, the amount of the transfer, the origin and destination of funds, and signed approval of the appropriate chief, director or designee. Should there be insufficient space on the form to provide adequate justification; an additional page may be attached. Incomplete forms will be returned to the requesting department.

Upon receipt of a completed Budget Transfer Form, the Budget Division reviews the information provided for accuracy and evaluates the merits of the request. Once all necessary information requirements have been satisfied, the office processes a journal voucher to document the proposed transfer for auditing purposes.

The request for transfer of funds requires the department chief or director's signature. The term department shall, in this instance, refer to any of the departments into which PSTA's budget is divided. Divisions shall mean all designated subdivisions of these departments.

Transfers that require the expenditure from contingencies may only be made with the approval of the PSTA Chief Executive Officer. All transfers by the Chief Executive Officer will be recorded as approved.

Transfers that require the transfer of monies from one department to another shall require approval of the Chief Executive Officer or the Chief Financial Officer.

Once the appropriate authority has approved a transfer request, it shall be the responsibility of the Budget Division to ensure that an accurate report is forwarded to the Budget staff in the form of a Journal Voucher, complete with all necessary supporting information.

Only those budget transfers that are of an emergency nature will be processed immediately. All other requests will be processed on a quarterly basis on January 1, April 1, July 1, and September 15 of each budget year.

### **Amendments**

Request for appropriations of funds not previously budgeted will be processed as budget amendments as required by Florida statutes, Chapter 129.06(2) (d) and (e) and Chapter 189.418. All budget amendments that increase the annual budget require the approval of the PSTA Board of Directors.



## BUDGET PROCESS AND POLICIES

### General Fiscal / Budget Policies

1. The annual operating budget of PSTA shall balance the public transit service needs of the community with the fiscal capabilities of PSTA. It is intended to achieve the goals and objectives established by the PSTA Board for the following fiscal year. PSTA programs will represent public transportation needs and compliance with various state and federal regulations. A balance between personnel and other classes of expenditures will also be achieved.
2. PSTA recognizes that its citizens deserve a commitment from PSTA to be fiscally responsible, and that a balanced operating budget is the cornerstone of fiscal responsibility. Annual operating expenses (personal services, operating costs and capital outlay) will be fiscally balanced with revenues or income estimates that can reasonably and normally be planned to be received during the fiscal year. New programs or changes in policies, which would require the expenses of additional operating funds, will be funded either through reductions in existing programs of lower priority or through adjustments to fees, service charges, or taxes. Requests for new or changes to programs or policies will be accompanied by an analysis of the short and long-term impact on the operating budget caused by such changed or new program or policy.
3. New programs, services, or facilities shall be based on general citizen demand or need.
4. PSTA shall prepare and implement a Capital Improvement Budget which shall schedule the funding and construction of projects for a five-year period. The CIP Program shall balance the needs for improved public facilities, as identified in PSTA's comprehensive plan, within the fiscal capabilities and limitations for PSTA.
5. PSTA shall maintain its accounting records in accordance with generally accepted accounting principles (GAAP), applied to governmental units as promulgated by the Governmental Accounting Standards Board (GASB) and the Financial Accounting Standards Board (FASB).
6. PSTA shall provide funding for public services on a fair and equitable basis, and shall not discriminate in providing such services on the base of race, sex, color, religion, national origin, or physical handicap.
7. Budgets for all PSTA departments and all other PSTA expenses shall be under PSTA Board appropriation control.
8. Inter-fund loans must be supported by a fiscally sound source of funds available for repayment.
9. Preparation of PSTA's budget shall be in such a format as to allow correlation with the costs reported in PSTA's Annual Financial Statements.



## BUDGET PROCESS AND POLICIES

### FISCAL POLICY FOR ANNUAL OPERATING REVENUE AND EXPENSES

#### ALL FUNDS – REVENUE

1. Revenue projections will be based on an analysis of historical trends and reasonable assumptions of future conditions.
2. Revenue estimates will be made on a reasonable conservative basis to ensure that estimates are realized.
3. The operating budget will be prepared based on 96% of the certified taxable value of the property tax roll.
4. PSTA will not use long-term debt to finance expenses required for operations.
5. The operating budget will be balanced using current year revenues to finance current year expenses. Fund balances shall not normally be budgeted as a resource to support routine annual operating expenses. Fund balances may be budgeted as a resource to support capital, debt, or extraordinary major maintenance needs on a non-recurring basis, or as reserves to be carried forward.
6. As early as practical in each annual budgeting cycle, the PSTA Board shall give direction to administration as to the circumstances under which an ad valorem tax millage increase would be considered. Normally, such direction should be given in January of each year in conjunction with the setting of a tentative budget calendar.
7. Fees should be collected on all PSTA-provided services for which specific users may be readily identified and use may be reasonably quantified. The amount of the fee should be based on actual costs incurred in providing the services (or facility), and shall be reviewed at least biannually. The degree to which fees shall recover full costs shall be a policy determination of the board, but in no instance should it exceed that total cost.

#### ALL FUNDS – REQUIREMENTS

1. Normal maintenance requirements necessary to sustain the basic asset value will be included in the budget of the proper operating fund.
2. Contractual obligations and compensation plans for employees will be provided.
3. As early as practical in the budget process, the PSTA Board shall discuss with Administration PSTA staffing for both current and planned years.



## BUDGET PROCESS AND POLICIES

4. Capital will be provided for major improvements and automation of services based on multiple-year planning and appropriate cost benefit analysis. Each year, as early as practical, the PSTA Board shall discuss specific capital replacement requirements and policies for the upcoming year.
5. Future capital improvement requirements and replacement will be included in operating plans requiring such reserves as may be necessary. The annual amount set aside to provide reserves for future capital requirements should be consistent with individual fund needs.
6. Reserve for Contingency – This reserve should be established only in those funds where emergencies may occur. The amount recommended is a minimum of 2% of operating for major funds. (Statutory maximum is 10%).
7. Along with all other required budget material submitted by division and department directors in March and April of each year, the Risk Manager shall prepare an estimate of amounts to be budgeted for workers' compensation, self-insured, and other related claims.

### **ALL FUNDS – FUND BALANCE**

(Fund Balance – Resources remaining from prior years which are available to be budgeted in the current year.)

1. Maintaining an adequate cash balance is essential. Minimum of 16.6% for major funds based on individual fund's needs or an amount equal to that is necessary to avoid any short-term borrowing.
2. The balances of each fund will be maintained by using a conservative approach in estimating revenues and by ensuring that expenditures do not exceed appropriations.
3. Any anticipated deficit at year-end, unless it can be eliminated from the cash flow from operations within the first three months of the next fiscal year, will be provided for in the current year's transfers.



## BUDGET PROCESS AND POLICIES

### SPECIFIC GUIDELINES FOR INDIVIDUAL FUNDS

#### **General Fund**

It is the objective of PSTA to pay as great a portion of operating expenses of the general fund as possible from sources other than ad valorem taxes. Only to the extent that non-ad valorem tax sources of revenue are inadequate to support services at desired levels should ad valorem taxes be considered for assessment.

Service charges and fees for all general fund services will be analyzed to ensure an appropriate proportional recovery of direct costs and overhead. The Enterprise Fund is PSTA's general operating fund.

#### **Proprietary Funds**

The annual operating budget includes one enterprise that has multiple funds: public transit, DART, and self-insured funds. Each reimburses the general fund for its proportionate share of the cost of general administrative departments. Service charges and fee structure are established to ensure recovery of costs for these funds to the fullest extent possible, considering public benefit.

A review of cost of service and rate structures for public transit service charges are performed on a biannual basis. The recommended budget sets forth the amount to be recovered by the service charges, which will be based on the cost of services provided. The impact of such cost of services on rate schedules shall be presented to the PSTA Board in a timely manner to allow review and analysis prior to their approval.

#### **Internal Services Funds**

Charges to departments for services rendered will be sufficient to cover the total cost of performing those services on an efficient basis. Rate changes for such services shall be presented to the PSTA Board for implementation and shall be accompanied by an analysis and justification.

Replacement of equipment considering inflationary cost factors will be included in the cost of furnishing services.

Lease purchase or borrowing of funds will be considered appropriate only if it involves a major conversion from which the cost saving benefits will accrue in future years during the useful life of assets acquired by such methods.



## BUDGET PROCESS AND POLICIES

### FISCAL POLICY FOR CAPITAL EXPENDITURES AND DEBT FINANCING

#### ALL FUNDS

##### Revenue

Revenue projections for the CIP Budget shall be based on conservative assumptions of revenues.

##### Requirements

Capital projects shall be justified in relation to the applicable elements of PSTA's comprehensive plan or other requirements or needs.

Estimated requirements for capital projects shall include all costs reasonably associated with the completion of the project.

The impact of each project on the operating revenues and requirements of PSTA shall be analyzed as required by the general fiscal policy stated above.

### DEBT MANAGEMENT AND FISCALLY RESPONSIBLE DEBT POLICY

The cornerstone of developing a fiscally responsible capital cost management system is a solid debt policy. A debt policy is a format document governing when, how, for what purposes, and to what extent the Authority may issue debt. A sound debt policy offers many benefits to the Authority that want to better manage their capital improvement programs:

- Helps the Authority avoid common pitfalls of debt issuance and management;
- Promotes long-term financial stability;
- Sends a message of responsibility to taxpayers;
- Can help the Authority earn better bond ratings from rating agencies;
- Enhances regulatory compliance; and
- Assures that borrowing is done at the lowest cost to taxpayers.

An effective debt policy should be firm but not onerous, flexible but not loose. Elements should include the purposes for which debt may or may not be used and the standards for debt issuance.

## BUDGET PROCESS AND POLICIES

The debt management policy must contain the following discussions:

- A discussion of ability to afford existing general obligation debt, authorized future general obligation debt and proposed future general obligation debt;
- A discussion of capacity to incur authorized and proposed future general obligation debt without exceeding the applicable debt limit;
- A discussion of general obligation debt that is payable from property taxes per capita as compared with such debt of other municipalities in this state;
- A discussion of general obligation debt that is payable from property taxes as a percentage of assessed valuation of all taxable property within the boundaries of the Authority;
- Policy regarding the manner in which the Authority expects to sell the debt;
- A discussion of sources of money projected to be available to pay existing general obligation debt, authorized future general obligation debt and proposed future general obligation debt; and
- A discussion of its operational costs and revenue sources, for the ensuing five fiscal years, associated with each project included in its plan for capital improvement.

The Authority's five-year capital projects budget has identified other assets, capital projects and infrastructure that need funding or the identification of funding as PSTA continues to expand and grow in the transportation business.

The PSTA charter does provide for the issuance of bonds. The Authority may issue bonds to carry out its authorized powers or purposes. In the creation of bonded indebtedness, the procedure shall be in conformance with the laws of the State of Florida. Since the PSTA Charter requires the preparation of a Capital Improvements Budget, the issuance of bonded debts to fund the CIP project is an area that should be explored to keep the infrastructure in a sound financial condition. Currently, the Authority has no bonded debt.

Long-Term Debt: Long-term borrowing will not be used to finance current operations or normal maintenance. A policy of full disclosure will be followed in all financial reports and official statements for debt.

Medium-Term Debt: Lease purchase methods, bonds, or other debt instruments may be used as a medium-term (4 to 10 years) method of borrowing for the financing of vehicles, other specialized types of equipment, or other capital improvements. The equipment or improvement must have an expected life at least equal to the years leased or financed. PSTA will determine and utilize the least costly financing methods available. Such debt arrangements will be repaid within the expected life of the equipment or improvement acquired.





## BUDGET PROCESS AND POLICIES

Short-Term Debt: Short-term borrowing may be utilized for temporary funding of anticipated tax revenues; anticipated grant payments, anticipated bond proceeds, or other expected revenues. Such debt should normally be made from pooled cash; however, in rare circumstances, it may be by the use of the line-of-credit at PSTA's depository, utilizing a short-term note maturing before the end of the current appropriation period. Other short-term debt, such as tax-exempt commercial paper, bond anticipation notes, tax anticipation notes, or grant anticipation notes, may be used when it provides immediate financing and an interest advantage, or the advantage to delay long-term debt until market conditions are more favorable. PSTA will determine and utilize the least costly method for short-term borrowing. Short-term debt may be refunded in accordance with applicable federal laws. Anticipated funding is defined as an assured source with the anticipated amount based on conservative estimates.

### SPECIFIC GUIDELINES

1. **General Capital Improvements**: General capital improvements, or those improvements not related to PSTA-owned enterprises, shall be funded from general operating fund revenues or fund balances, the sale of revenue bonds, or general obligation bonds, and from special assessments and grants.
2. **Pay-As-You-Go Capital Improvements**: Pay-As-You-Go capital improvements shall be funded from general operating fund revenues or fund balances, state and federal grants, special assessments, or other sources of revenue which may become available to PSTA. Major capital projects related to the delivery of general public services shall be paid from general-purpose revenues.
3. **Special Assessments**: When special assessments are used for Pay-As-You-Go general capital improvements where PSTA as a whole receives the benefit, PSTA consistent with state law will establish the interest rate charged.
4. **Revenue Bond Debt Limit**: Sale of revenue bonds shall be limited to that amount which can be supported by user fees and other associated revenues. Revenue bond coverage shall not be less than parity-required coverage. The total net annual general revenue bond debt service should not exceed 25% of the total net general-purpose revenue and other funds available for such debt service. Net annual debt service shall be gross annual debt service less estimated interest on debt service less estimated interest on debt service reserve accounts and funds from other governmental units designated for payment of such debt service.
5. **Enterprise Capital Improvements**:

Pay-As-You-Go Improvements: Enterprise funds should support needed capital improvements on a Pay-As-You-Go basis to the greatest extent possible.

Revenue Bond Debt Limit: Enterprise revenue bond coverage shall not be less than parity-required coverage.



## BUDGET PROCESS AND POLICIES

### INVESTMENT POLICY

#### A. PURPOSE

To establish the policy of the Pinellas Suncoast Transit Authority (PSTA) for investing public funds in a manner which will ensure the safety of principal, the adequacy of investment liquidity, and the attainment of a reasonable rate of return in order to maximize investment earnings.

#### B. SCOPE

This policy is applicable to all cash available for investments including operating funds and reserves. The General Reserve Fund must maintain balances that will ensure daily operating cash flow. The investment policy shall not apply to pension funds or funds related to the issuance of debt. 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.

#### C. OBJECTIVES

The primary objectives, in priority order, of investment activities shall be safety, liquidity, and yield.

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.
2. Liquidity: The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may 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 pools or money markets, or time deposits with same-day liquidity.
3. Yield: PSTA's investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. The rate of return is of secondary importance compared to the safety and liquidity objectives described above. The core of investments is limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed.



## BUDGET PROCESS AND POLICIES

### D. PRUDENCE AND ETHICAL STANDARDS

The "prudent person" standard shall be used in the management of the overall investment portfolio. 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 investment. The third party investor or staff performing the investment function, acting as a "prudent person" in accordance with these policies and exercising due diligence, shall not be held personally responsible for an individual security's credit risk or market price change, provided deviations from expectations are reported in a timely fashion and appropriate efforts are performed to control adverse developments.

### E. DELEGATION OF AUTHORITY

Authority to manage PSTA's investment program is granted to the Finance Director who shall act in accordance with established written procedures and internal controls for the operation of the investment program. The Finance Director 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 Finance Director.

### F. INVESTMENT PROCEDURES

The Finance Director shall establish written investment procedures, to include a system of internal controls, for the operation of the investment program consistent with this policy. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions.

### G. ETHICS AND CONFLICTS OF INTEREST

Officers and employees involved in the investment process shall refrain from activities that could conflict with proper execution and management of the investment program, or that could impair their ability to make impartial decisions.

### H. ELIGIBLE 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:

State of Florida Board of Administration Local Government Surplus Funds Trust Fund (LGIP) up to 100% of available funds.



## BUDGET PROCESS AND POLICIES

State of Florida Board of Administration Commingled Asset Management Program, Money Market Fund (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, up to 20% of available funds, to this fund would not be restricted and are permissible.

Time deposits, money market accounts and savings accounts in institutions organized under the laws of Florida and/or in national banks organized under the laws of the United States and doing business and situated in Florida provided that any such deposits are secured by the Florida Security for Public Deposits Act, Florida Statutes, Chapter 280, up to 100% of available funds. No public deposit shall be made except in an "Active Qualified Public Depository" authorized to hold Florida public deposit accounts.

### **I. SAFEKEEPING AND CUSTODY**

Withdrawal of securities from safekeeping, in whole or in part, shall not be made except by an authorized PSTA staff member.

### **J. MAXIMUM MATURITIES**

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

### **K. INTERNAL CONTROL**

The Director of Finance is responsible for establishing an internal control structure designed to ensure PSTA's assets are protected from loss, theft, or misuse. The internal control structure shall be designed 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. The internal controls shall address the following points:

- Control of collusion
- Separation of transaction authority from accounting and record keeping
- Custodial safekeeping
- Clear delegation of authority to subordinate staff members
- Written confirmation of transactions for investments and wire transfers
- Development of a wire transfer agreement with the lead bank and third-party custodian, if appropriate



## BUDGET PROCESS AND POLICIES

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.

The Finance Committee shall meet annually to review the investment policy and discuss prior investment activities, recommend changes in investment strategies, and make suggestions on internal controls. The Finance Committee will meet during the last quarter of each fiscal year in order to implement recommended changes at the beginning of the following fiscal year. All recommendations for changes will be presented to the Board of Directors for approval prior to implementation.

### **L. PERFORMANCE STANDARDS**

The investment portfolio shall be designed with the objective of obtaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and cash flow needs. The investment strategy adopted by PSTA is passive. Given this strategy, the basis used by the Finance Director to determine whether market yields are being achieved shall be the Florida SBA's monthly participant return.

### **M. REPORTING**

The Finance Director shall provide the Finance Committee of the Board of Directors quarterly investment reports, which provide a clear picture of the status of the current investment portfolio. The report will include pertinent information concerning the status of the investments during the prior quarter and schedules which list the investment types and information on earnings.

### **N. CONTINUING EDUCATION**

The Financial Director shall annually complete 8 hours of continuing education in subjects or courses of study related to investment practices and products.

### **O. INVESTMENT POLICY ADOPTION**

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