



HILLSBOROUGH TRANSIT AUTHORITY
Final Budget Hearing and Board of Directors Regular Meeting Minutes
Monday, September 26, 2011
1201 E. 7th Avenue, 3rd Floor
Florida Conference Room
Tampa, FL 33605

Board Members Present

(12)

Kevin Beckner
Wallace Bowers
John Byczek
Fran Davin
Ron Govin
Alison Hewitt
Karen Jaroch
David Mechanik
Sandra Murman
Steven Polzin
Mark Sharpe
Mike Suarez

Staff Members Present

Sylvia Berrien
Donna Chen
Katharine Eagan
Philip Hale
Rickey Kendall
Marcia Mejia
Martha Milligan
Brenda Mowen
Lorenzo Newson
Lonnie Oswald
Lena Petit
Gisela Rivera-Rios
Mary Shavalier
Michael Stephens
Randy Stribling
Ken Wagner

Others Present

Charles "Chip" Fletcher, Gray Robinson
Pierre Mathurin, 3409 W Caracas St, Tampa, FL 33614
Linda Cummings, 5651 Del Prado Dr
Don Corwin, 5420 W Cypress St
James Shirk, 8705 Cove Cl
Dr. Sam Wright, 3445 Park Sq E
Sheryl Brown, 1106 W Platt
Pearl Thompson, 1301 E Columbus Dr
Neil Cosentino, 708 S Davis Blvd
Chris Weber, Westshore Alliance
Cindy Sharpe, Sharpe Public Relations
Josh Holton, WMNF
Ronnie Blackshear, Hillsborough Co Devel Svcs
Jordan Warshusky, 2709 N Ridgewood Ave
Kirstin Lokey, 2903 Network Pl
John Green
Chad Luedtke, HDR
Patricia Kemp, 5118 Seminole Ave
Ed Tillou, 30350 USF Holly Dr, Tampa 33620

CALL TO ORDER

Sign-in sheets are attached.

Meeting was called to order at 5:30 p.m.

Pledge of Allegiance followed.

PUBLIC HEARING ON PROPOSED FY2011 BUDGET

Chair Hewitt read the opening statement summarizing the Authority's proposed Fiscal Year 2012 operating and capital budget and its attendant millage rate. In summary, the proposed budget is amended and totals \$100,818,442.

Millage Rate for 2011

The 2011 millage rate .5000 which is higher than the millage rate for 2010 of .4682.

The 2011 rolled-back rate is .4925.

The current year proposed millage rate of .5000 is 1.52 percent more than the rolled-back rate. ***However, HART's maximum millage rate is .5000 mill under the HART Charter. (Correction proposed by Director Polzin and unanimously accepted by the HART Board of Directors).***

Budget for FY2012

The FY2012 - HART Budget:

Bus Operations	\$55,092,700
Paratransit	\$4,126,890
Streetcar	<u>\$1,511,160</u>
Total Operations Budget	<u>\$60,730,750</u>
Total Capital Budget	<u>\$40,087,692</u>
Total Appropriated Budget	<u>\$100,818,442</u>

Chair Hewitt drew the Board's attention to the addendum in the budget hearing packet provided to each member of the Board. It contained comments from members of the public submitted through staff regarding the proposed FY2012 budget and 2011 millage rate. To obtain a copy of these comments, e-mail petitl@gohart.org.

PUBLIC INPUT ON PROPOSED BUDGET

Pierre Mathurin, 3409 W Caracas Street, Tampa, FL 33614, spoke in support of the proposed budget and millage rate. He noted that without the .5 mil, HART will be challenged to provide

service to the community. Mr. Mathurin said, in his opinion, public hearings should be held in downtown Tampa which offers a better access for transit riders. He referred to the presentation by Senator Latvala at the last Board meeting and expressed concern that a plan under development by an independent group, as noted by the Senator, will not be presented to the public for review and comment. Mr. Mathurin added that HART should be a partner in the plan development and not shut out of the process.

Linda Cummings, 5651 Del Prado Drive, provided for the record a list with signatures in support of the tax increase. She spoke about the connection between transit and jobs. Ms. Cummings noted that transit helps too many of those who lost cars due to financial hardship, but would like to have a piece of lifestyle they used to have.

Don Corwin, 5420 W Cypress Street, said McDonald Training Center helps people with disabilities on any given day. He noted that his clients face many barriers in life and appealed to the Board not to add another barrier that they would have to face and support the additional 41-cent per household annual tax increase. Mr. Corwin emphasized that the community must afford this increase.

Director Byczek arrived at 5:36 a.m.

James Shirk, 8705 Cove Cl., stated he was a tax payer and supported the proposed property tax increase. He pointed out that Hillsborough County is the second worst polluted area in the State of Florida and that transit helps minimize air pollution. Mr. Shirk said he was an enthusiastic bicyclist.

Dr. Sam Wright, 3445 Park Square East, said he is a citizen in the area for 25 years and supports the proposed tax increase. He pointed out that 15 percent of the nation's population live below the poverty level and are transit dependent.

Director Mike Suarez arrived at 5:42 p.m.

Sheryl Brown, 1106 W Platt, Tampa Lighthouse for the Blind, spoke in support of the budget and increase in millage rate. She noted that the proposed increase is not a significant factor compared to the magnitude of impact from potential service cuts. Ms. Brown said all her clients are transit dependent.

Pearl Thompson, 1301 E Columbus Drive, presented a number of signed petitions from concerned citizens who rely on bus service to go to and from work, and to take kids to daycares. She noted that air pollution and traffic congestion is of concern as well.

Neil Cosentino, 708 S Davis Boulevard distributed a paper regarding consolidation. He noted that the 41-cent increase applies to every thousand.

Director Davin requested that General Counsel clarify this statement by Mr. Cosentino.

Mr. Fletcher explained that 41 cents is an annual per average household increase.

Mr. Cosentino said the TRIM notice was confusing since the increase rate was not reported per thousand. He then spoke about his proposal for consolidation, and a provision where the staffing levels will be taken care of through attrition. Mr. Consantino said the proposal implicates funding the consolidation in two different ways, through a franchise system, or joint venture enterprise. He remarked that the community needs to decide that transportation is the primary target industry.

Mr. Ed Tillou, 30350 USF Holly Dr, Tampa 33620, introduced himself as a former engineer. He said the dimension of ridership has not been properly explored by HART previous leadership. Mr. Tillou commented on the challenge of missing connections between buses, which are generally caused by wheelchair boardings.

Jordan Warshusky, 2709 N Ridgewood Avenue, remarked that everyone agrees that an efficient transportation system is a component of economic development. He said HART riders are fiscally constrained and the public transportation system is crucial in assisting them to provide for their children. Mr. Warshusky stated that he sees the HART Board's decision as an opportunity to show to the community that they care.

Kirstien Lokey, 2903 Network Place, introduced herself as a full-time USF student. She said she has many friends who rely on the public transit system, and would not be able to get to jobs and interviews if the system is not available at the current level. Ms. Lokey remarked that she is not sure where her friends would be in the near future without available transportation. She added she wanted to make sure that this is a viable part of students' lives.

The public comment section of the Public Hearing was closed at 5:59 p.m.

Resolution #R2011-09-29 ~ Adopting the Final Levying of Ad Valorem Taxes and Final Millage Rate for Hillsborough Transit Authority for 2011; Providing for an Effective Date

Director Sharpe stated he will vote in support of the proposed millage rate and budget and encouraged that everyone support the proposal, too. He referred to the public comments, which spoke about the important role transit plays in their lives, relying on transit to look for jobs. Director Sharpe commended the union for not taking the increase and for participating in the health care share proposal. He remarked he was cautious about taking the step of increasing the tax rate; however, seeing that HART took all steps necessary to reduce expenses and inefficiencies to protect the service, he will vote in support of the proposed millage rate.

Director Sharpe made a motion to approve the action item Resolution #R2011-09-29 ~ Adopting the Final Levying of Ad Valorem Taxes and Final Millage Rate for Hillsborough Transit Authority for 2011; Providing for an Effective Date. Director Bowers seconded.

Director Murman stated she has voted against the proposed millage rate in the past. She explained that her vote was primarily based on the assumption that the budget included the Union's step increases. Director Murman asked if it is feasible to look at the half of the proposed millage increase and not to bump up against the full millage cap. She noted that the

proposed fare increase, ridership increase and efficiencies identified by staff could be used to cover a part of the financial shortage. Director Murman stated that the property tax is the most important tax to homeowners, who have achieved the American dream, and now must pay mortgages and property taxes while being worried about their jobs. She expressed concern about people having means to get to their jobs. Director Murman gave examples of her constituents who cannot afford volunteering in a children's home because they cannot afford gas to get there. She said her concern about keeping paratransit service at the current level influences her decision to support an increment of the proposed increase in millage. Director Murman pointed out that the economy is not getting stronger; however, HART has a healthy reserve, and it might be more prudent not to bump up against the maximum allowed millage rate at this time and keep a protection for the future.

Director Murman made a substitute motion to adopt the final levying of Ad Valorem taxes and final millage rate of .484 for Hillsborough Transit Authority for 2011.

Director Davin stated she would not support a motion that would cause HART to cut service in FY2012. She noted that according to the materials provided to the Board, the service cut in 2012 could not be restored in 2013. Director Davin pointed out that if HART gets people to work, it needs to get them back home. She spoke about those working in hospitals, who would not be able to get to different shifts without available transit. Director Davin remarked that HART is asking for a nominal amount of millage increase and she will support staff's proposal.

Director Beckner requested that staff provide a brief overview of the impacts on HART service if the proposed millage rate of .5 is not adopted.

Ms. Katharine Eagan, Chief Operating Officer, stated the impacts of not adopting the proposed .5 millage rate would be seen in acceleration of the fare increase to late FY2012; deeper service cuts in early FY2012, and no restoration of this service in FY2013; additional workforce reduction of 50 positions; elimination of new holiday service and reduction of other holiday schedules; shorter weekday and weekend service hours; and elimination of certain local and express routes. She added that the changes will impact HART paratransit service, no weekend and holiday service will be provided in east and south county, no weekend service will be provided in northwest county/Town 'N Country, and no service will be provided east of Dale Mabry in South Tampa. Ms. Eagan presented the service maps reflecting the current level of service, the level of service with the currently proposed cuts, and the level of service if the millage rate of .5 is not adopted. She said HART has a strong fare per passenger recovery rate, and potential loss of ridership associated with the service cuts would result in loss of revenue. Ms. Eagan added that certain federal funding that HART uses to pay for some service would go away with service cuts.

Director Beckner stressed very difficult economic time. He said even though he is not a regular rider, he will gladly pay more tax towards transportation. Director Beckner reiterated HART's mission to grow sustainable transportation service that could be admirable around the country. He stated it is important to make sure that HART is in the position to support employment in the county.

Director Sharpe concurred that transportation is linked to jobs. He spoke about a challenging decision of not putting additional burden on property owners, but at the same time to endorse people who want to work. Director Sharpe stated the proposed budget is very conservative and he supports it.

Director Polzin said he was comfortable with supporting the proposed budget. He noted that there is nothing luxurious or extravagant in this budget; however, some things could be improved as the agency goes further. Director Polzin drew the Board's attention to growth in farebox and total revenue of HART. He added that growing ridership is an indicator that the agency is making good progress.

Director Mechanik said the proposed small increase in millage brings the agency's tax revenue collection equal to 2007 level. He pointed out that HART carries more people with less money.

Director Jaroch said she appreciated the public comments. She reflected on the historical context of the .5 millage rate, citing Hillsborough County voters who supported a half-mill of ad valorem tax to create this transit agency. Director Jaroch stated this millage rate remained constant through many years, up to the time of the housing market boom, when HART made a fiscally prudent decision to lower its millage rate due to increased tax revenue. Director Jaroch agreed with the sentiments of Directors Polzin and Mechanik: HART did a great job for transit dependent community and voting for the proposed millage rate is a fiscally conservative action since it would result in taking the burden off social services. She encouraged the Board and staff to continue seeking funding alternatives for the agency, and remarked that adoption of the proposed budget will give HART time to make these changes.

The question was called on the motion by Directors Sharpe and Bowers to approve the action item Resolution #R2011-09-29 ~ Adopting the Final Levying of Ad Valorem Taxes and Final Millage Rate for Hillsborough Transit Authority for 2011; Providing for an Effective Date. All Board members present voted aye. The motion carried unanimously.

Resolution #R2011-09-30 ~ Adopting the Final Budget for Fiscal Year 2012; Providing for an Effective Date

Director Mechanik moved and Director Davin seconded approval of the action item Resolution #R2011-09-30 ~ Adopting the Final Budget for Fiscal Year 2012; Providing for an Effective Date.

Director Beckner asked staff to confirm that the employee contribution levels for health care costs are proposed to be equal across the board.

Mr. Hale confirmed the statement.

Mr. Michael Stephens, Director of Human Resources, Legal and Risk Services, reported that the Teamsters contract is currently in the status quo and will have a reopener. He noted that similar to the ATU proposal, a cost-share mechanism for health care premiums will be put on the table during negotiations.

Chair Hewitt closed the public hearing on the proposed FY2012 budget at 6:27 p.m.

Chair Hewitt opened the regular HART Board meeting at 6:27 p.m.

MINUTES

Director Polzin moved and Director Bowers seconded approval of the First Budget Public Hearing and the Regular Board of Directors Meeting Minutes ~ September 12, 2011. All Board members present voted aye. The Motion carried unanimously.

PUBLIC INPUT ON AGENDA ITEMS

Mr. Chris Weber, Westshore Alliance, spoke in support of the PD&E study for MetroRapid east-west project.

ACTION ITEMS

Resolution #R2011-09-31 ~ Authorizing the Chief Executive Officer to Award a Contract for a Project Development and Environmental (PD&E) Study and Option for 30% Design Services for the MetroRapid East-West Project to HDR Engineering, Inc. in the Amount of \$1,905,839

Director Jaroch expressed concern about uncertainty with availability of operating funding for the project. She added she was not comfortable supporting the project without having much detail on the level of service. Director Jaroch said she would not want to see HART exposed to potential overruns in the future. She pointed out that this money can be better spent on other needs in the HART budget that have not been addressed.

Director Polzin noted this subject matter as a good point for discussion on how far in advance it makes sense to do capital planning. He said BRT itself should reduce operating cost because it will run better with more service in the corridor. Director Polzin said in the future, HART will have an opportunity to scale the plans based on resources and availability. He agreed that existing strategic issues need to be resolved in the course of the study and staff will be bringing regular updates to the Board. Director Polzin pointed out that the funding source used for the study is not flexible, because it is a part of the bond package and cannot be reprogrammed for any other needs.

Director Murman said CIT county funds are being used for the project which might not be available in the future, and, on the other hand, the county has many unfunded needs. She remarked that HART might be taking a car before a horse, and the agency may be creating a problem for itself by not identifying future funding sources for this project.

Mr. Hale indicated that the intent is to move forward with the study and work on obtaining federal funding for the project.

Ms. Mary Shavalier, Director of Grants Management and Planning, clarified that the county funding is specialized for this particular project and it would be at discretion of the county if it

can be reallocated. She said one of the requirements of eligibility for federal funding is to show that the agency could support the operating cost for the project. Ms. Shavalier spoke about the shelf life for the study, property acquisition and environmental approval processes.

Mr. Hale pointed out that completion of this project is three-four years away. He spoke about the importance of planning for transit in the future, to be able to take to the next step when the economy turns around and resources become available. Mr. Hale said he does not believe HART needs to shut down the study at this point, but rather keep planning. He added that even if HART will have to put the study on a shelf for a year or two, it would put the agency in a better position to implement the project in the future. If HART does not do it now, the agency will not be successful in growing the system.

Director Murman asked if the proposed price is the maximum contracted price for HDR.

Ms. Shavalier replied that any changes in the scope of work of the contract that will affect the price will need to be negotiated.

Director Sharpe noted that BRT has been perceived as an alternative to light rail. He said BRT has its value. Director Sharpe pointed out that a portion of the federal money paid by the region comes back in a form of road and transit projects subsidies. He noted that the region has very few competitive projects, and is not getting any money back from the federal dollars. Director Sharpe added that the BRT is something that was talked at length as a project of interest for the agency and the community and would support moving forward, with caution.

Director Suarez said he is looking at this planning study the way he looks at a retirement plan investment, as a means of getting prepared and ready for federal competitive dollars. He noted MetroRapid as an alternative to rail, a means to run a more efficient system banking on the fact that the market will come back. Director Suarez said MetroRapid will be able to move more people, and if the study is delayed, the region will be behind other competitors for federal funding.

Director Polzin indicated he would not want to seek federal money for an unworthy project. He suggested the Board requests that staff provide incremental briefings throughout the study for clarity and understanding and an opportunity to provide feedback before commitments are made.

Director Mechanik moved and Director Bowers seconded approval of the action item Resolution #R2011-09-31 ~ Authorizing the Chief Executive Officer to Award a Contract for a Project Development and Environmental (PD&E) Study and Option for 30% Design Services for the MetroRapid East-West Project to HDR Engineering, Inc. in the Amount of \$1,905,839. All Board members present voted aye. The motion carried unanimously.

Resolution #R2011-09-32 ~ Approval of Proposed HART Organizational Performance Goals And Achievement Levels For FY2012

Director Murman moved and Director Sharpe seconded approval of the action item Resolution #R2011-09-32 ~ Approval of Proposed HART Organizational Performance Goals

And Achievement Levels For FY2012. All Board members present voted aye. The motion carried unanimously.

CHAIR'S REPORT

Chair Hewitt stated that HART received a request from Mr. Joe Lopano, Executive Director of the Tampa International Airport, to make a presentation to the HART Board of Directors on the TIA master plan development. She said staff will put this presentation on the agenda for the November 7, 2011 regular HART Board meeting.

CHIEF EXECUTIVE OFFICER'S REPORT

Mr. Hale expressed appreciation for the Board's prompt responses to requests for scheduling of a Major Projects and Legislative Committee meeting which is now set for October 24, 9 a.m. He reported that the Finance, Governance and Administration Committee will meet as scheduled on October 17, 2011 at 9:00 a.m. Mr. Hale thanked Board members for their participation in the meetings, high attendance and guidance through the budget process. He reported that the 21st Avenue rehabilitation process is on track and if progresses as scheduled, staff will move back to the new facility in August/September of next year. Mr. Hale stated that the positive public comments regarding the impact HART has on the community remind him about the reason he chose this career.

GENERAL COUNSEL'S REPORT

There was no General Counsel's report.

COMMITTEE REPORTS

Chair Hewitt referred the Board to the meeting minutes provided in the packet.

PUBLIC INPUT REGARDING GENERAL CONCERNS

No one signed up to speak on general concerns.

OLD BUSINESS

The Finance, Governance, and Administration Committee met on September 19, 2011 and recommended advancing the following motions to the full HART Board of Directors for discussion:

Establishment of an Ad Hoc Committee to discuss the current status of the Interim Chief Executive Officer and that the Finance, Governance, and Administration Committee Chair Govin would chair the to-be-appointed ad hoc committee.

Chair Hewitt announced that she and Director Govin, who will chair the ad hoc committee, will work on appointments for the committee membership and welcomed volunteer nominations.

Establishment of an Ad Hoc Committee to look at the future CEO recruitment needs to ensure they interface with organizational policies, procedures, and strategic plan.

Chair Hewitt said this ad hoc committee will be charged with formulating recommendations on the qualities HART would like to see in the next Chief Executive Officer.

Director Polzin indicated that making a decision on the current status of Interim CEO should happen right away. He recommended that the Board postpone until spring discussion on a plan for recruitment of the next CEO of HART. Director Polzin explained that the current federal legislation has been extended through March. He mentioned that on the state level, a consolidation issue can come up during the legislative session, and on the local level, potentially several board replacements will occur in November. Director Polzin said it would be appropriate to have this discussion with a new Board, which by April would have enough knowledge of HART to have a chance to provide feedback.

Director Govin concurred that discussions on future recruitment of a HART CEO are to be held after the Board reviews and adopts its new policies.

Chair Hewitt said the HART Board General Counsel will present to the Board a plan to address proposed revisions to HART policies and procedures at the October Finance Committee meeting. She indicated that such discussions need to be held in concert with the committee's work on HART policies and procedures, strategic plan and succession plan.

Director Polzin said the legislative change significantly restricted severance capabilities, which would be reflected on a national recruitment of a Chief Executive Officer.

Director Beckner pointed out that the ad hoc committee on status of Interim CEO needs to evaluate if Mr. Hale is being adequately compensated for his duties, and if an employment contract needs to be signed with Mr. Hale.

Director Govin noted that Mr. Hale has a set limit of time on his tenure with HART.

Director Davin indicated that there is a number of issues in transition from interim to permanent status that the Board needs to be mindful while creating an employment contract.

Director Murman stated Mr. Hale has been in the position of Interim CEO for six month and his compensation needs to be addressed quickly, at the next Board meeting in November. She added that the Board might consider backing up the employment contract to make it retroactive for the total time Mr. Hale has been on this job.

Directors Beckner and Murman expressed interest to serve on the ad hoc committee on status of Interim CEO.

Mr. Fletcher was requested to work with ad hoc committee to evaluate the concerns of the Board.

Director Davin said she was very uncomfortable with the current process for professional services procurement, specifically policies for procurement of legal services. She requested that the ad hoc committee charged with reviewing procurement policies recommend revisions to the existing policy.

Director Byczek thanked staff for their dedication and assistance in guiding the Board through the depth of information, which helps him to be more prepared for meetings and making decisions.

Director Beckner thanked staff for their hard work on the budget. He said he would like to work with the Human Resources Department on health care cost sharing. Director Beckner pointed out the importance to recognize that the amount of employees' contributions has different impact on personal budgets for different levels of employees. He requested that staff evaluate a possibility of a formula-based calculation of health care cost sharing depending on employee income to ensure the deduction level is equitable across the board.

Mr. Hale asked if staff is being requested to evaluate the costs for FY2012 budget.

Director Beckner asked that staff prepare more information on available options and parameters to be considered in such health care costs evaluation study.

NEW BUSINESS

The meeting adjourned at 7:15 p.m.

ATTEST

**Wallace Bowers, Secretary
HART Board of Directors**

**Alison A. Hewitt, Chair
HART Board of Directors**