



HILLSBOROUGH TRANSIT AUTHORITY
Board of Directors Workshop Minutes
Friday, August 26, 2011
1201 E. 7th Avenue
Florida Conference Room
Tampa, FL 33602

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

Katharine Eagan
Rick Fitz Gordon
Philip Hale
Marcia Mejia
Martha Milligan
Brenda Mowen
Lena Petit
Steve Rosenstock
Mary Shavalier
Ken Wagner

Others Present

Charles “Chip” Fletcher, Gray-Robinson
Chris Weber, Westshore Alliance
Ted Jackovics, The Tampa Tribune
Randy Kranjec
Katie Habgood, Jacobs
Michelle Green, TBARTA
Cindy Sharpe, Sharpe Public Relations
Ray Chiaramonte, MPO
Beth Alden, MPO
Rich Doyle, RTD Group
Chris Weber, Westshore Alliance
Michael Brooks, Po Box 173707
R.B. Johnson, PSTA
Brad Miller, PSTA

CALL TO ORDER

Sign-in sheets are attached.

Meeting was called to order at 9:04 a.m.

Chair Hewitt introduced Mr. John Gobis, facilitator of the HART Board Workshop. A full copy of his presentation is on file and can be obtained from the Clerk of the Board at petitl@gohart.org. She suggested that the agenda be amended to accommodate a request to hold discussion of Director Polzin’s report on the possibility of HART and Pinellas Suncoast Transit Authority (PSTA) consolidating.

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Director Davin said she appreciated the amount of work and thought that Director Polzin put into the document. She remarked that the report gave her a lot of background information on the merger issue.

Director Polzin said that the intent of the report was for the HART Board to be more proactive. He gave a brief overview of the subject matter discussed in the report and encouraged the Board to provide input individually and collectively.

Director Suarez arrived at 9:08 a.m.

Director Byczek arrived at 9:13 a.m.

Director Davin noted the data indicating a small number of people commuting between Hillsborough and Pinellas counties.

Director Sharpe said, in his opinion, the purpose for consolidation would be to better serve the community and to be able to travel through jurisdictions without changing systems, move people quickly to baseball games, the airport, beaches, cruise lines, St. Pete restaurants, etc. He noted that such trips should be effortless for customers, but are now confusing and expensive. Director Sharpe indicated that many factors need to be addressed by those who are motivated to go forward with the consolidation study. He added that, in his mind, a system needs to be designed that is sensitive to commuters' needs and maximizes the area's athletic venues, hospitals, Channelside, and other places of interest.

Director Mechanic noted that the objective data shows that economic benefits of a consolidation are not offset by expenses; however, he suggested that the HART Board keep an open mind, and if someone comes up with a good idea, be open to it.

Director Beckner stated that a merger of operations might not make sense. He introduced an idea of creating a super regional authority to serve as an umbrella entity, with members maintaining their operations, but using one financial system. Director Beckner noted that TBARTA has a similar configuration, but does not have bonding authority.

Director Polzin stated that revenue capacity constrains service. He said a logic for regional structure is to get a regional revenue stream and distribute resources back to the agencies; however, for most of these types of structures, the approval of regional revenue stream allocation is quite challenging. Director Polzin stressed the importance of equity, making sure that everyone gets the same fair share.

Mr. Gobis gave an example of a San Francisco transit agency that controls funding for 17 agencies, and at the same time forces connectivity among jurisdictions to ensure compatible fares, equal distribution of service, and coordinated transfers.

Director Suarez referred to page 9 figure 2 of the report depicting Tampa Bay commuter patterns. He spoke about the importance of evaluating what HART can do now as a Board and system to serve customers. Director Suarez suggested that interlocal agreements be signed with governments of other Counties, such as Pinellas, Polk, and Manatee, and target uses for those particular areas; to look at how to serve people who use the service now; and how other counties can cover some cost of the service.

Director Mechanic left at 9:40 a.m.

Director Beckner alluded to the regional juvenile justice centers that were created to operate as regional detention centers.

Director Jaroch stated that, in her opinion, local service is always better than regional, and local boards are typically more responsive. She stated HART would lose its sovereignty with a consolidation. She pointed to the demographics of Hillsborough and Pinellas Counties. The population density in Pinellas is three times more creating different needs that are better addressed by two separate agencies. Director Jaroch noted that the biggest efficiencies in consolidations are in combined purchases, and such cooperation already exists between HART and other agencies. She provided TBARTA as example of a regional council that is not responsive to local needs. Director Jaroch remarked that TBARTA's master plan update still shows 250 miles of rail in it, not reflecting the recent rejection of rail by Hillsborough County citizens. She indicated that HART needs to be responding to the transit dependent community, and service to baseball games should not be the focus.

Director Polzin said it is important to be careful not to create an impression that there is no regional cooperation. He stated that the logic of pushing the operations to regional scale is premature, and regional planning needs to occur first. Director Polzin noted that Metropolitan Planning Organizations are not regionalized.

Director Murman thanked Director Polzin for preparing the background information. She said she did not think it was practical to get a bus from Pinellas County to Brandon, but suggested to look more within. Director Murman spoke in support of interlocal agreements with other counties. She drew analogy with the Tampa Bay Water Board and its regional structure, stating that Hillsborough County representatives are many times overruled by representatives of other counties. Director Murman stated that everything the HART Board does needs to have a cost benefit analysis.

Director Davin drew the Board's attention to the data indicating that more than half of the total number of the system riders do not have personal vehicles in their households. She indicated it is hard to discuss expanding service to other venues, while cutting local service on weekends and holidays. Director Davin encouraged the Board to be mindful of the statistics and not to focus on glamorous purposes of transit.

Director Sharpe suggested that HART create a plan that could be put in use as opportunities become available. He spoke about the importance of remembering the core base of the agency. Director Sharpe referred to his communication with youth, their perception of transit and its role in the community, and their concern about high fuel and insurance costs. He suggested targeting choice riders. Director Sharpe stated an absolute rejection to regionalism should not be the case.

Mr. Gobis emphasized the importance of being proactive, providing clear direction for staff and to be innovative within limited amount of money.

Mr. Charles Fletcher, HART Board General Counsel, reminded Directors that the Board has the authority to take many of the actions that have been described so far without waiting for approval from the state legislature.

Director Bowers said there are many people in Hillsborough County who need transit service. He noted the demographics between HART and PSTA are completely different and suggested HART needs to

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maintain its independence as it relates to providing the best possible service for the people who depend on HART.

Director Davin said HART needs to maximize its own service capabilities looking forward into the future when demand is developed for regionalization. She pointed out demand for transit service from Pasco County to the University area, a major employment center.

Director Murman said many residents of Manatee County commute to work in Hillsborough County.

Director Govin suggested creating a committee tasked with confronting the problem. He said a plan needs to be created to take into account consolidation and planning regionally, but producing locally.

Director Murman supported the idea of creating a strategic planning committee to follow up with the Board's recommendations.

Mr. Gobis referred to his presentation's information regarding the current collaboration among transit agencies and suggestions on potential collaborations proposed by HART staff for the Board's consideration.

Ms. Mary Shavalier, HART Director of Grants Management and Planning, indicated that the operational costs of inter-county service is entirely funded by the state.

Director Suarez said as a viable, strong and forward-thinking agency, staff needs to explore more collaboration with Pasco County.

Director Jaroch noted one of the biggest operational expense is paratransit service. She indicated that PSTA has a lower cost per passenger trip. Director Jaroch recommended staff could look at savings in this area. She said that before looking at efficiencies via a consolidation, HART should look for internal efficiencies.

Director Sharpe suggested exploring the value of privatization. He asked if staff is looking at every level of service with a focus on expense side, looking for efficiencies and savings.

Mr. Gobis noted that the factors that make the PSTA paratransit operations cost different needs to be communicated.

Chair Hewitt suggested a committee tasked with looking at internal efficiencies, cost reducers and generators, and all aspects of HART operations through the eyes of businesspeople, taking into consideration the ways the private sector generates revenue.

Director Polzin noted reasons for the operational cost disparity between HART and PSTA for paratransit service, but it is worth evaluation.

Mr. Gobis introduced a few examples of privatization, both successes and failures.

Director Beckner pointed out that his larger concern is to be able to adhere to the core mission of local transportation, and keeping it affordable to riders. He asked how to make sure that a private company

taking on an operation from a public agency does not raise fares, making the service less affordable for the public.

Director Polzin remarked that privatization of service is a non-trivial management exercise, and referred to his experience while working for Dallas Ttransit Authority.

Director Murman asked if HART could contract with a private company to use a bus for employees to go to work or an event. She suggested using every opportunity to generate growth that, in turn, will help make up the deficit and pay for the HART vision down the road.

Mr. Gobis referenced an example of New Jersey transit agency that buys buses and provides them to groups of commuters.

Director Suarez brought up an example of the Republican National Convention and the crowds it is expected to bring to Tampa. Due to security issues, HART will not be able to use the streetcar to serve these crowds and will lose even more revenue. He noted the Federal Department of Transportation strings that are attached to bus purchases with federal funds can hurt HART.

Mr. Gobis indicated that Mr. Fletcher, in his capacity of HART Board General Counsel, will need to walk the Board members through FTA regulations. He noted that FTA regional offices render different opinions on regulations. Mr. Gobis recommended using Washington delegation to try to mitigate their opinions on federal regulations.

Director Sharpe supported the need to research and lobby more aggressive ways to generate revenues.

Director Murman said the HART Board needs to get into a fund-raising mode and offered her assistance with this initiative. She pointed out that the Governor's office is looking for every available possibility now to help expand jobs and get transportation going in the state. Director Murman mentioned that it could be a great platform for the Governor to request help from the federal government.

The Board recessed from 11:05 to 11:15 a.m.

Mr. Gobis introduced the topic of Potential Funding Sources for HART. He outlined HART funding and financing strategies, major cost drivers, and major projects.

Ms. Shavalier provided a brief overview and financial timeline for the MetroRapid East-West project. She noted that pending the HART Board approval of the project design, the system can be operational in 2015. Ms. Shavalier said available funding includes \$3 million from Hillsborough County to pay for 30 percent of design. She reported that HART does not currently have programmed funding for the remaining 70 percent of design and will have to apply for a grant for federal funding. Ms. Shavalier said the federal requirements are that initial work on the project design is to be done and HART must demonstrate a funding source for operations.

Director Murman pointed out that the incoming speaker in the state government is from this area and it presents an excellent opportunity for HART to approach him, and put a package together that requests help from the state, especially for the MetroRapid East-West corridor.

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Director Mechanik said the HART Board was accused of lack of vision since the failure of the referendum. He stated he did not see it as a realistic initiative, mostly as a result of weak economy, to approach the Board of County Commissioners with a request to put a sales tax referendum on the ballot. He noted another option of looking for a different taxing authority through legislature.

Board members discussed gas tax as one of the alternatives for additional revenue source.

Director Sharpe stated he would not advise to go to the voters with a tax initiative until HART has an attractive product to offer. He noted the need to act, but prudently, scaling back and looking for a trade-off tax option.

Director Polzin noted that creating a vision with specificity for taxpayers will require significant seed money investment. He reminded Board members that the proposal that was taken to taxpayers in November 2010 was for 250 plus percent increase of public money for transit. Director Polzin said there are different ways to ask the public for smaller increase, but it needs to be linked with a vision which would cost several million of dollars to plan. He suggested as options considering rolling back ad valorem in unincorporated area versus requesting a small sales tax increase in incorporated area to reflect the existing core market; or look at various geographic districts within the core market area and have special assessment districts for them where they would get premium transit service and inequity in transit service would be adequately reimbursed by areas that benefit from it; or conditional proposals of a half cent increase for the next ten years, etc. Director Polzin said the reality of a decision should be made on when it is prudent to start.

Director Byczek left at 11:55 a.m.

Director Davin left at 12:01 p.m.

Director Murman said collaboration with other agencies will be required to approach the problem, and innovative and creative ways are to be sought.

Director Sharpe suggested coordinating efforts with Hillsborough County staff. He referenced past experience and said the focus of the coordinating group needs to be very limited and specific to prevent failure.

Director Mechanik stated he was a member of the Transportation Task Force. He said, in his opinion, since Hillsborough pulls the majority of financing capabilities, the county needs to be a leading agency; with other entities present at the table.

Mr. Gobis highlighted the task of coordination with infrastructure available today, at the lowest possible cost. He summarized the Board's consensus on forming a working group on evaluating revenues and making it part of a strategic plan, and further discussion on a privatization option. Mr. Gobis pointed out that this needs to be done as quickly as possible to maintain the momentum. He noted the importance of keeping the agency focused.

Chair Hewitt said there is a perception that HART does not have a vision and the HART Board does not have a message to the community. She suggested creating an internal and external crisis management media plan. Chair Hewitt indicated that HART is typically reactive to the media rather than playing a

leadership role for transit. She gave an example of the press comments on Transit Development Plan even before the Board had an opportunity to review the document.

Director Polzin spoke about the reasons behind the referendum failure. He said the reality was that HART did not lead the campaign, did not communicate its vision, and the sense of buy-in was lost. He noted that at the time, a number of political leaders in the community were not active about the topic. Director Polzin suggested HART play a stronger role in future initiatives.

Director Suarez stated the press is going to write their story regardless. He pointed out that the more focused the HART Board is the easier it is to carry out a message. Director Suarez remarked that all members of the Board vote collectively and members should be mindful of taking pot shots in the public. He said workshop-style meetings are very helpful in coming to a decision on how to make this organization the best bus system based on the current constraints.

Chair Hewitt said there are more elected officials in Tallahassee who know TBARTA, and not HART. She remarked that HART does not have constant communication with the delegation and does not keep them up-to-date.

Director Murman pointed out the state leadership is from this area and presents a great opportunity for HART to be in tune with this individual to garner support for this agency's vision.

Mr. Gobis introduced a topic of succession planning to be addressed by Mr. Philip Hale.

Mr. Hale said the recent organizational realignment created three major groups reporting to three chiefs. He referred to a challenge of recruitment of CEOs within the transit industry across the nation. Mr. Hale stated some HART employees have extensive transit experience and employee retention would contribute to success of the agency.

Director Polzin said the topic of Interim CEO as well as CEO recruitment needs to be further discussed in a subsequent meeting. He pointed out that the word "interim" needs to be taken off Mr. Hale's current job title for perspective of the community. Director Polzin remarked that Mr. Hale is currently serving without an employment contract or performance requirements. Director Polzin added that the HART Board needs to determine the right time for CEO recruitment, taking into consideration challenges of continuing talks about potential merger and uncertainty of federal funding.

Mr. Gobis thanked the Board members for participation in the workshop. He said next week he will work on putting together an action plan with assigned timelines.

The meeting adjourned at 12:33 p.m.

Alison A. Hewitt, Chair
HART Board of Directors

ATTEST

Wallace Bowers, Secretary
HART Board of Directors