

**HILLSBOROUGH TRANSIT AUTHORITY
AND
TAMPA HISTORIC STREETCAR, INC. BOARDS
TASK FORCE FOR THE RENEWAL OF THE OPERATOR'S AGREEMENT
FOR THE TECO LINE STREETCAR SYSTEM**

MEETING MINUTES

Wednesday, June 15, 2011 at 3:30 p.m.

1201 E. 7th Avenue, Tampa, FL 33605

HART Board Members Present (2)

John Byczek (via teleconference)
Dr. Steven Polzin

Staff Members Present

Sylvia Berrien
Katharine Eagan
Olga Gonzalez
Philip Hale
Stephen Hendershott

THS Board Members Present (2)

Michael English
Santiago Corrada

Marcia Mejia
Martha Milligan
Brenda Mowen
Steven Taylor
Kenneth Wagner

Others Present

Lee Huffstutler, City of Tampa
Richard Schlosser, THS General Counsel

CALL TO ORDER

Meeting was called to order at 3:45 p.m.

Ms. Olga Gonzalez, HART Manager of Executive Policy and Board Relations, presented the edits to the Operator's Agreement and Operations and Maintenance Plan and noted that these documents remain under review.

Subsequent to the May 18, 2011 meeting and prior to the current meeting, THS General Counsel, Mr. Richard Schlosser, provided his comments to HART. HART then provided responses to Mr. Schlosser's comments. The Task Force considered the comments and responses from both parties. A copy of this document can be obtained from the Clerk of the Board at milliganm@gohart.org.

A. Operator's Agreement

Article II, Section 4: Term

All parties agree that the operator's agreement is to be renewed for a 5-year term.

Article III, Section 1b (7) (second): Capital Expenditures

The language in the Interlocal and Tri-Party Agreements state capital expenditures are the obligations and responsibilities of HART and the City of Tampa. References to capital expenditures should be removed from the Operator's Agreement.

Director English noted the need to ensure that the agreements correctly reflect the City's responsibilities.

Director Corrada said he was surprised to see that an operator's agreement between THS and HART has reference to the City's obligations as it relates to capital expenditures. He agreed that the City's financial obligations need to be addressed in documents other than the Operator's agreement.

Mr. Schlosser stated the agreement should have provisions identifying parties responsible for major capital expenditures that will soon be necessary due to age of the streetcar system.

Mr. Philip Hale, HART Interim Chief Executive Officer, stated that HART owns the streetcars and is responsible for their maintenance.

Director Polzin said HART, as the streetcar system operator, should make every effort to secure funding to mitigate overall costs for THS.

Ms. Gonzalez said a Point of Contact at the City needs to be identified to work with HART staff on streetcar infrastructure issues on the City's right-of-way.

Director Corrada suggested Mr. Irvin Lee, Public Works Director, whose area of responsibility includes transportation functions.

Ms. Sylvia Berrien, HART Staff Attorney, suggested Mr. Sal Territo, City Attorney, also be a Point of Contact.

Article III, Section 1e (4)

Mr. Schlosser said more strict guidelines and benchmarks need to be set throughout the Operator's Agreement and Operations and Maintenance Plan. He added the draft documents prepared by HART staff eliminated the benchmarks and instead state the work or service would be provided in accordance with the budget.

Director Polzin asked if the billing structure was based on HART actual incurred costs or is set at a fixed rate.

Mr. Hale responded the billing is based on the hours of service provided.

Director Polzin said the parties need to work collaboratively and save money wherever possible without compromising the quality of service.

Article III, Section 1j

To simplify the current process and identify responsibilities of advertising agreements, HART staff drafted a Standard Operating Procedure (SOP) for Advertising Contracts. Mr. Schlosser made a few modifications and suggested the SOP be distributed at the next meeting for review. He suggested that the final SOP be attached as an exhibit to the Operator's Agreement.

Ms. Katharine Eagan, HART Chief of Service Development, suggested that the SOP be presented to the THS Marketing Committee on August 3 and to the full THS Board at the August 17 meeting. She said it needs to be built so it is applicable to any vendor who facilitates the advertising process.

Article III, Section 11 (2)

Mr. Schlosser suggested the agreement to be updated to reflect monthly reporting structure versus weekly reporting.

Article III, Section 2a

This section relates to capital improvements which are being removed from the Operator's Agreement.

Article III, Section 2b (4)

This section relates to capital improvements which are being removed from the Operator's Agreement.

Article III, Section 2c (4)

HART will bill THS a cease service fee of \$1000 per each event, notwithstanding the THS decision not to pass the fee to an event sponsor.

Director English expressed concern that this fee may be too steep for some organizations.

Mr. Hale reiterated that staff time factored in the FY2012 and FY2013 budgets is tight. HART must be compensated for additional administrative charges for cease service.

Article III, Section 4 (c)

All statutory references throughout the document will be updated by Mr. Schlosser in his next draft revision.

In response to the previous request by the Task Force members, Mr. Schlosser suggested a provision regarding the responsibility of THS for the Railroad Insurance to state that THS has a responsibility to find the money for the railroad insurance; however HART and THS shall to work together in an attempt to reduce insurance costs.

Director English stated he did not understand the basis for the insurance costs being responsibility of the THS.

Mr. Schlosser stated the agreement cannot obligate any party to attain reduced premiums.

Director Corrada asked for clarification in the Operator's Agreement in the section regarding reporting performance, service conditions and accidents, injuries or death.

Mr. Schlosser will correct the language in that section to reflect clear reporting standards.

B. Operations and Maintenance Plan (O&M Plan)

Director Polzin asked for clarification of the details of service characteristics stated in the Annual Operations Budget and asked how compensation is handled in situations when it is required to cease service due to extenuating circumstances, hurricane, evacuation, etc.

Mr. Schlosser responded that in such circumstances THS would have to absorb HART expenses that are not otherwise recovered through insurance. He remarked that he would need to further investigate the matter.

Ms. Gonzalez stated that one of the reoccurring provisions throughout the Operations and Maintenance Plan is for the budget to serve as a vehicle for service definition. She pointed out that the O&M Plan is adopted for a 5-year term while the annual budgets are adopted on an annual basis. Ms. Gonzalez said she would work with Mr. Schlosser to resolve this miscorrelation.

Director Polzin stated there should be only one, clearly defined controlling variable.

Ms. Brenda Mowen, HART Chief Administrative Officer, stated it is a widely-used practice for broad performance criteria to be written into a contract detailed with an annually defined work program.

Mr. Hale stated there were several key performance indicators used throughout the transit industry that can be spelled out in the Operations and Maintenance Plan. He clarified that the budget is driven by the service provided.

Mr. Schlosser addressed the issues and concerns of the Federal Transit Administration (FTA) related to Special Service (charters). In conclusion, he requested an opportunity to provide his revision of the Operator's Agreement and O&M Plan based on the comments received from the Task Force members. Mr. Schlosser will provide his revision to HART staff and then present it at the next scheduled Task Force Meeting.

Ms. Gonzalez related a request to hold the next meeting on Monday, July 18, immediately following the HART Finance Committee meeting.

NEXT MEETING

July 18, 2011, at 10:30 a.m. or immediately following the HART Board Finance, Governance and Administration Committee meeting.