



PINELLAS SUNCOAST TRANSIT AUTHORITY
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**BOARD OF DIRECTORS MEETING
MINUTES – MARCH 25, 2015**

The Pinellas Suncoast Transit Authority (PSTA) Board of Directors met in regular session in the Board Room at PSTA Headquarters at 9:00 AM on this date with the following members present:

Bill Jonson, Chairperson
Julie Bujalski, Vice-Chairperson
Janet Long, Secretary/Treasurer
Joseph Barkley
Mark Deighton
Ben Diamond
Dave Eggers
Curtis Holmes
Patricia Johnson
Wengay "Newt" Newton
Darden Rice
Brian Scott
Kenneth Welch

Absent:

Doug Bevis
Pat Gerard

Also Present:

Brad Miller, CEO
Alan Zimmet, PSTA General Counsel
PSTA Staff Members
Members of the Public

CALL TO ORDER AND PLEDGE OF ALLEGIANCE

Chairperson Jonson called the meeting to order at 9:02 AM and the Board was led in a moment of silence and the Pledge of Allegiance.

[Ms. Bujalski and Mr. Newton entered the meeting at 9:03.]

PUBLIC COMMENT

Mose Bell, PSTA Bus Operator, spoke about the negative comments from citizens about the Bus Operators. He invited the Board to ride the bus and see how passengers are treated. Chairperson Jonson stated that he recently rode six routes and the Bus Operators were very respectful.

[Mr. Eggers entered the meeting at 9:06.]

NON-BOARD COMMITTEES

Metropolitan Planning Organization (MPO) – Ms. Bujalski reported on the March 11th meeting. She stated that the newly consolidated MPO & Pinellas Planning Council (PPC) selected Whit Blanton as the new Executive Director, who will start in mid-June. Ms. Bujalski indicated that the MPO will review a significantly revised PSTA request for funding at its May meeting, after the PSTA Board reviews and approves it at their April meeting.

MPO's Local Coordinating Board (LCB) – Ms. Johnson reported they did not meet but there will be a sub-committee meeting at PSTA on March 26th.

[Ms. Rice entered the meeting at 9:19.]

CONSENT AGENDA

Ms. Long made a motion, seconded by Mr. Welch to approve the Consent Agenda. There were no public comments. The Board unanimously approved the Consent Agenda, which included the approval of the February 18, 2015 Workshop minutes, the February 25, 2015 Board meeting minutes, and the bus shelter contract.

ACTION ITEMS

FY2014 Audit – Debbie Leous, Chief Financial Officer, introduced Laura Brock and Aimee Varnum from Mayer Hoffman McCann, P.C. Ms. Brock reported that they had completed the FY2014 Comprehensive Annual Financial Report (CAFR) and presented it to the Finance Committee on March 20th.

Ms. Brock presented the specific steps completed to perform the CAFR such as the 2014 financial statements, regulatory items, and the required auditor communications. She reported that the significant areas and key processes examined were: revenue generation (fares), grants management, litigation, self-insured risks, post-employment benefits (other than pensions), procurement (including acquisition of capital assets), human resources, information technology, and financial reporting.

Ms. Brock reported on PSTA's net position comparing FY2014 to FY2013. She stated that total assets decreased from \$139 million to \$128 million for FY2014, and the total liabilities decreased from \$15 million to \$12 million in FY2014. Ms. Brock reported the total liabilities and net position of \$128 million as compared to \$139 million for FY2013. She also presented the statements of revenues and expenses and indicated that the total operating revenues decreased from \$14.8 million to \$14 million in FY2014, and the total expenses increased from \$68 million to \$72 million in FY2014 with an increase in the operating loss from (\$53.5) million to (\$58) million in FY2014. Ms. Brock indicated that there was a decrease in the net position from \$10 million in FY2013 to (\$8.2) in FY2014.

Ms. Brock explained the single audit process, which grants were tested for FY2014, and reported that there were no findings and no exceptions with the grants tested. She stated that as part of the CAFR, prior year audit comments were inspected. She said that in FY2013, there were no material weaknesses, no significant deficiencies, and no recommendations to report on. This year, she said there were no material weaknesses and no significant deficiencies, however, there was a noncompliance finding for the Department of Homeland Security (DHS) grant. Ms. Brock had one recommendation – continue improving the closeout process. She informed the Board about the upcoming Governmental Accounting Standards Board (GASB) statements and the timing for each.

Mr. Welch asked Mr. Miller about the status on the DHS grant. Mr. Miller responded that a thorough review was presented to the Finance Committee with some recommendations which are on the agenda today. Mr. Welch questioned the adjusted entries in the CAFR and Ms. Brock provided more details on the adjustments. Mr. Barkley reported that the Finance Committee performed a very thorough evaluation and discussion on the CAFR and recommended approval. Mr. Barkley made a motion, seconded by Mr. Newton to approve the FY2014 Audit Report. Ms. Bujalski requested that the Executive Committee review PSTA's grant policy at a future meeting. Mr. Diamond stated that it would be helpful to have PSTA's Director of Risk Management give a report on the claims process and how those are managed. There were no public comments. Motion passed unanimously.

Rules and Regulations – Chairperson Jonson stated that at the last meeting, the Board requested a list of the changes and a redlined version of the Resolution. There were no Board questions on the document. Ms. Long made a motion, seconded by Mr. Scott to adopt Resolution #15-01. There were no public comments. Motion passed unanimously.

INFORMATION ITEMS

Chairperson Jonson explained that these information items were presented to the Transit Riders Advisory Committee (TRAC) on March 17th and the Executive Committee on March 23rd. The Executive Committee discussed the process for the “Path Forward” plan and said that the Committee’s basic role is to provide the Board with good information and to help make sound decisions. There was consensus by the Committee to add a new Board member and the past-Chairperson to the Executive Committee, bringing the Committee membership to five members.

Service Redesign Work Plan – Mr. Miller explained that following the November 4, 2014 referendum, there was a need to “redesign” PSTA’s services to be even more focused and customer oriented. He stated that before the agency develops and seeks public input on various service delivery scenarios or increase revenues, it will be important for the PSTA Board to collaborate on a “Path Forward” to set high-level policy guidance for the future direction of the agency. Mr. Miller indicated that this policy development will be prioritized over the next few months, preceding the required FY2016 budget review and Florida Department of Transportation (FDOT) Work Plan processes and suggested four key redesign elements: 1) Path Forward, 2) FY2016 budget approval, 3) service redesign consideration, and 4) public engagement.

Mr. Miller detailed eight directions for the Path Forward for the next two to three years:

1. Focus on constant improvement of core services
2. Redesign current bus according to specific principles:
 - a. Straighten routes
 - b. Reduce number of very low ridership buses
 - c. Concentrate majority of operating funds where public transit works best - core routes
3. Avoid major cuts
4. Implement a sustainable bus replacement plan
5. Use built-up reserves on bus replacements/seek additional resources to maintain what we have
6. Secondarily, but in parallel, seek to incrementally improve service
 - a. Premium bus rapid transit and express services

- b. Regional fare collection project
- 7. Third, in the future, work towards the high-frequency grid network
- 8. Review governance structure
 - a. Strengthen roles of Board, Committees, and CEO
 - b. Strengthen coordination with transportation partners

Mr. Miller explained that the transit service redesign efforts will be analyzed at the staff level, but will await the policy discussion so Board consensus can be achieved. Service improvements will be balanced with overall changes as well as the longer-term planning to implement rapid transit pilot projects.

Mr. Miller discussed the FY 2016 budget approval calendar. He then presented the four suggested components of the service redesign consideration process: 1) approve “Path Forward” principles, 2) consider targeted areas of redesign, 3) coordinate with capital plan assumptions and revenue assumptions, and 4) public involvement. Mr. Miller indicated that the goal is to implement the first changes by October 2015.

Mr. Welch stated he would be happy to serve on the Executive Committee. Mr. Newton commented on how important it is to get the public involved in this process.

Budget Assumptions/Forecast – Debbie Leous, Chief Financial Officer, presented the FY2016 budget process and key assumptions. She provided the budget calendar overview and the new Key Budget Assumptions report which included a multi-year budget forecast, key expenditure assumptions, and a multi-year operating plan. Ms. Leous reported on the reserves and indicated that staff is recommending the use of reserves in the short-term for bus replacement needs. Ms. Leous stated that for FY2016, there is an anticipated \$1.2 million operating deficit, and outlined five potential strategic changes: 1) increase the property tax to the maximum millage, 2) increase the average fare, 3) increase advertising revenue by outsourcing, 4) implement administrative savings, and 5) service hour adjustments.

[Ms. Long left the meeting at 10:12 AM and did not return.]

Mr. Welch requested that the Federal Transit Administration (FTA) send an email or letter stating that using local funds for bus replacement would not affect federal funding for PSTA. Mr. Scott encouraged Ms. Leous to take a look at personnel in the budget equation. Mr. Diamond asked about the five communities who not pay into the ad valorem tax and Mr. Zimmet spoke about the history as well as the agreements with St. Pete Beach and Treasure Island. Chairperson Jonson recommended looking at PSTA as it relates to economic development, congestion mitigation, and how the agency supports the

communities. Ms. Rice asked how much ad valorem revenue would be recovered from the five municipalities not currently paying the ad valorem. Ms. Leous responded approximately \$2.9 million.

Route Performance Monitoring System – Chris Cochran, Senior Planner, introduced the Service Performance Monitoring System and explained that this is a tool to use in conjunction with the work plan to assist in providing the data and information that will aid in helping make the best decisions. He explained that this presentation had been given to the TRAC, Finance, and Planning Committees. Mr. Cochran described in detail the methodology for the new system using two screens – performance and qualitative assessment.

Mr. Cochran described some options for the identified low performing routes: improve marketing/branding and monitor, research and redesign, or eliminate and reallocate resources. Mr. Cochran showed a graph of the highest and lowest scoring routes with route recommendations for the lowest scoring routes which were: Route 444, East Lake Connector, Routes 1 and 30, Route 58, and the Jolley Trolley Coastal Route. He presented staff recommendations for each of these routes. After much discussion, the Board asked for examples for clarification on how this system and the scoring works.

TRAC – Elaine Mann, Committee Chair, provided an update on the March 17th meeting. She announced the newest members of the Committee, reported that Mr. Miller presented the work program schedule, and Mr. Cochran presented the Route Performance Monitoring System. She explained that the members of TRAC discussed in detail all the proposed route adjustments, and requested that the TRAC be given every opportunity to help guide the service changes before they are implemented. Committee Chair Mann indicated that TRAC members were invited to contact Mr. Cochran or Cassandra Borchers, Chief Development Officer, to address recommendations regarding specific routes of which they may have more knowledge. She informed the Board that the next TRAC meeting will be held on April 14th at 4:00 PM and urged Board members to attend or review the meeting video.

Mr. Welch asked when the recommendations will be made on the routes and Mr. Miller responded this summer. Mr. Scott asked if the evaluation process is something that staff developed internally or is it an industry standard process. In response, Mr. Miller explained that the basic components are standard. Ms. Rice stated that she would also like to explore how to make the mid-to-slightly higher routes more productive and efficient. Chairperson Jonson noted that the Community Bus Plan should not be ignored and should be built into the model at some point.

Ms. Bujalski commented that coming out of the February 18th Workshop, she felt that there was a need for some guidance and believes that this is a good approach. Mr. Welch stated that he believes that this is a positive step forward going back to PSTA's core mission, and believes that it is important to keep the elements of the Community Bus Plan.

REPORTS/CORRESPONDENCE

PSTA Performance Report/Updates – The report was included in the Board packet. Mr. Miller presented the monthly performance reports highlighting that February was a record ridership month.

Capital Projects – Mr. Miller said the Capital Projects list is included in the packet and that this list is reviewed quarterly, in detail, by the Finance Committee.

FUTURE MEETING SUBJECTS

The Board received a schedule of future meeting subjects. Mr. Miller indicated that there will be one or two half-day workshops scheduled at PSTA in April and May, with an Executive Committee meeting beforehand to plan out the workshops.

Mr. Holmes questioned how actual ridership numbers are figured. Mr. Miller gave an explanation, adding that this is how the federal government mandates ridership be counted.

[Ms. Johnson left the meeting at 11:25 AM and did not return.]

OTHER BUSINESS

No other business.

BOARD MEMBER COMMENTS

Mr. Eggers commented that the presentations were good and reminded everyone of the importance of communicating with the public every step of the way, which will also help build PSTA's credibility.

Mr. Diamond thanked Mr. Miller, Ms. Long, Ms. Rice, and Mr. Newton for advocating PSTA's legislative agenda for the Bus Rapid Transit (BRT) pilot project in downtown St. Petersburg. He added that Senator Brandes is also very supportive of this project.

Mr. Newton stated that he was involved in the Bus Driver's Appreciation Day which was an eye-opening experience for him. He also recognized 28 Bus Operators and one Transportation Supervisor for passenger commendations and thanked them for their service.

Ms. Bujalski wished everyone a happy Easter holiday and noted that this was Highland Games Week in Dunedin.

Mr. Barkley thanked Mr. Bell for his comments about the Bus Operators. He stated that he is happy the audit went very smoothly. He believed that the presentations on the Path Forward were excellent, and stressed that PSTA must continue to concentrate on providing transportation services for those who need it, while at the same time, increasing choice riders improving the environment, reducing gridlock, reducing pollution, and increasing the living conditions in Pinellas County for everyone.

Mr. Deighton thanked staff for the three-year range presentations, and suggested the Board also be thinking about five and maybe ten years. He suggested that the Executive Committee develop a longer range plan.

Mr. Welch echoed Mr. Barkley's comments and reminded everyone of the Firestone Grand Prix this weekend in St. Petersburg. He thanked Mr. Holmes for his comments on the ridership issue.

Chairperson Jonson informed the Board that he had an interview with Mike Deeson recently and was very pleased with the outcome. He thanked Mr. Newton for participating in the Bus Driver's Appreciation Day. Chairperson Jonson reported that he, Mr. Miller, and Mr. Newton will be traveling to Tallahassee along with the Chamber group. He remarked that his personal goal for this year continues to be the functioning and governance of the Board and ensuring it is as effective as possible and thanked the Board members for their participation. Chairperson Jonson thanked the public who attended the meeting and those watching on the internet.

ADJOURNMENT

There being no further business, Chairperson Jonson adjourned the meeting at 11:38 AM. The next meeting is scheduled for April 22nd at 9:00 AM.

Chairperson