



PINELLAS SUNCOAST TRANSIT AUTHORITY
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FINANCE & PERFORMANCE MANAGEMENT
COMMITTEE MEETING
MINUTES – NOVEMBER 19, 2014

The Finance & Performance Management Committee of the Pinellas Suncoast Transit Authority (PSTA) Board of Directors held a meeting in the Auditorium at PSTA Headquarters at 9:00 AM on this date. The purpose of the meeting was to approve the October 15, 2014 meeting minutes, the remanufacture of bus parts and components contracts, and the Jolley Trolley services letters of intent. The following members were present:

Bill Jonson, Committee Chair
Mark Deighton
Brian Scott

Absent

Joseph Barkley
Michael Smith

Present:

Brad Miller, CEO
PSTA Staff Members
Members of the Public

CALL TO ORDER

Committee Chair Jonson opened the meeting at 9:04 AM.

PUBLIC COMMENT

There were no public comments.

ACTION ITEMS

Approval of Minutes – Mr. Deighton made a motion, seconded by Mr. Scott to approve the October 15, 2014 minutes. There were no public comments. Motion passed unanimously.

Remanufacture of Bus Parts and Components – Henry Lukasik, Director of Maintenance, said staff is asking the Committee to recommend approval of four separate three-year contracts not to exceed \$800,000 in total to various vendors to supply specific remanufactured bus parts and components. He explained the four-part Invitation for Bid (IFB) process which was issued on September 11, 2014 and opened on October 21st. Mr. Lukasik reported that for years, PSTA had followed a cumbersome purchasing process seeking competitive quotes weekly for bus parts; therefore, the IFB was issued in order to streamline the procurement process, ensure low prices through bulk purchases, and improve the quality of the replacement parts. He stated that staff is recommending one twelve-month year contract with two twelve-month renewals for a total three-year contract to: Southeast Power, Austin & Sons, Dukane Radiator, and Cummins Power South not to exceed \$800,000. Mr. Lukasik explained that this would be partially federally funded by the Federal Transit Administration (FTA) and operating monies. After a lengthy question and answer period, Mr. Deighton made a motion, seconded by Mr. Scott to recommend approval of four separate three-year contracts not to exceed \$800,000 in total to various vendors to supply specific remanufactured bus parts and components. There were no public comments. Motion passed unanimously.

Trolley Services Letters of Intent – Cassandra Borchers, Chief Development Officer, explained that in order to ensure PSTA is operating the best service at the optimal cost to the taxpayers, staff recommends the trolley service contracts be competitively procured for FY2018. She explained that after staff notified the Jolley Trolley and Looper of this intent, the Jolley Trolley and Looper requested PSTA provide written notification with a defined timeline for the procurement so they could move forward with the planned capital purchasing and other financing needs. Ms. Borchers described the delayed procurement schedule which would not occur until FY2018 allowing the Jolley Trolley and Looper three years to plan and prepare. She added that PSTA is also notifying all the city partners of this future intent to competitively procure the services. Mr. Scott made a motion, seconded by Mr. Deighton to recommend approval of the letters of intent to Jolley Trolley Transportation of Clearwater and the Looper Group, St. Petersburg, memorializing the intent and timeline for competitively bidding all trolley services and consulting with City staff on these plans. There were no public comments. Motion passed unanimously.

INFORMATION ITEMS

Grant and Project Management Compliance – Mr. Miller made a presentation to the Committee outlining measures that could be implemented to ensure all grants and capital projects are managed in a compliant and efficient way. He described PSTA's review of the Department of Homeland Security (DHS) grant and reported that a review of all project management and financial oversight functions is ongoing. Mr. Miller presented seven new controls that are in place for grant and project management compliance

improvement. He explained that staff will recommend amending the Rules and Regulations in two ways: 1) limit account transfers to \$100,000 like purchases, and 2) retroactive approvals of emergency expenditures. He added that Alan Zimmet, General Counsel, is drafting the wording for the changes to the Rules and Regulations.

Post Greenlight Next Steps – Ms. Borchers reported that staff is revising technical documents to reflect the November 4, 2014 decision on the transit referendum. She said the Transit Development Plan (TDP) will be revised to document the results and default to the No-New Revenue funding scenario. Ms. Borchers explained that staff is working with the Pinellas Metropolitan Planning Organization (MPO) to revise the transit element of the Long Range Transportation Plan (LRTP) from the Greenlight Pinellas Plan to the No-New Revenue Scenario. She stated that staff will examine how the recommendations of the Community Bus Plan No-New Revenue Scenario Core and Coverage Options could be implemented. She noted that there will be a Board Workshop in January 2015, and discussions with the community about their needs. Ms. Borchers reported that the Transit Riders Advisory Committee (TRAC) voiced their concerns about potential cuts and were advised that PSTA has a policy about major service changes and community engagement.

Committee Chair Jonson would like the Finance Committee to comment to the Board on the next steps process and to mention the workshop. He said he believes it would be helpful to determine the reasons why the referendum did not pass. Mr. Scott stated that he agrees with conducting a workshop and questioned how staff decides the number of the service cuts that would have to be made. Mr. Miller responded that the financial forecast quantified that the dollars be reduced by 30%, and stated that needs to be revised because it was completed a year and a half ago. Mr. Miller reported that PSTA did develop a No-New Revenue Scenario Community Bus Plan that accounted for less money. Mr. Deighton suggested bringing in someone to look at how to get new funds into the system. Ms. Borchers responded to questions from Mr. Scott regarding the fare structure, and Committee Chair Jonson mentioned the map showing the voting results for the referendum that was passed out.

REPORTS

PSTA Investments/Reserves – Debbie Leous, Chief Financial Officer, presented the quarterly investment report for the fourth quarter of FY2014. She reported that Fund B has a balance of zero, Category A (Florida PRIME) has a balance of \$24.5 million, and Category D has a balance of \$19.1 million. Ms. Leous also reported the quarterly comparison of returns. She indicated that for the year ending September 30th, the beginning balance was \$43.7 million and the ending balance was \$43.6 million, which did not require the use of \$1 million in reserves as was anticipated.

Financial Statement – Ms. Leous presented the preliminary financial status report for the month ending September 30th which was missing the year-end actuary reports. She reported that for the month of September, there was a net deficit of \$3.8 million which was \$814,000 unfavorable to the budgeted deficit of \$3.0 million. She said that the federal grants are below budget by \$782,000 due to the budget allocation, and will be on target for the year. She reported that expenses are below budget in almost every category for the month except for advertising and promotion media. Ms. Leous reported that YTD September 2014 had a \$1.8 million surplus which is a positive variance of almost \$2.8 million. She stated that the Auxiliary Revenues are below budget, and the Transportation Disadvantaged (TD) passes were above budget. Ms. Leous said expenses were under budget in all categories. She presented the year-to-year comparison and YTD actuals as of September 30th, and reported a surplus of \$1.8 million for 2014 as compared to a surplus of \$4 million in 2013 with a \$2.3 million variance.

Ridership/Performance – Mr. Miller reported that October had the highest ridership in PSTA's history with the U-Pass program doing well, and Sunday ridership increasing. Mr. Scott asked if Sunday ridership was focused in any certain areas of the County. Mr. Miller replied that Routes 19 and 52 have additional buses running on Sunday due to the church crowd, and will explore further explanations for the Sunday increase.

FUTURE MEETING SUBJECTS

Mr. Miller indicated that there will be a Nominating Committee meeting on December 3rd.

OTHER BUSINESS

Mr. Scott spoke about New Flyer making smaller buses and suggested PSTA look at the options for replacement buses. He also believes some areas could benefit from utilizing the private sector for transit options.

ADJOURNMENT

The meeting was adjourned at 10:38 AM. The next meeting will be held on December 17, 2014 at 9:00 AM.