



PINELLAS SUNCOAST TRANSIT AUTHORITY  
3201 SCHERER DRIVE, ST. PETERSBURG, FL 33716  
[WWW.PSTA.NET](http://WWW.PSTA.NET) 727.540.1800 FAX 727.540.1913

PLANNING COMMITTEE MEETING  
AGENDA – **JUNE 19, 2015; 9:30 AM**  
PSTA AUDITORIUM

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			<u>TIME</u>	<u>PAGE</u>
1.	CALL TO ORDER		9:30	
2.	PUBLIC COMMENT		9:30	
3.	ACTION ITEMS		9:35	
	A. May 20, 2015 Meeting Minutes	5 min	CHAIR BUJALSKI	2
4.	INFORMATION ITEMS		9:40	
	A. FY2016 Draft Budget	40 min	DEBBIE LEOUS	7
	B. New Shelter Plan	20 min	CHRIS COCHRAN	21
5.	FUTURE MEETING SUBJECTS		10:40	
	• Route Adjustments & Public Engagement			
	• Fare Structure Analysis & Engagement Plan			
	• PSTA's Strategic Marketing Plan			
	• Phase 1 Redesign & Public Outreach			
	• Proposed Millage Rate			
	• FY2016 Budget			
6.	OTHER BUSINESS		10:45	
7.	ADJOURNMENT		11:00	

THE NEXT MEETING IS JULY 15, 2015 AT 10:30 AM



## ACTION ITEM

**3A:**            **May 20, 2015 Meeting Minutes**

**Action:**      **Approve Meeting Minutes**

**Staff Resource:**      Terri Rick, Administrative Assistant

**PLANNING**

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- Staff recommends approval of the minutes of the May Planning Committee meeting.
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### **Attachments:**

1. Minutes



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**PLANNING COMMITTEE MEETING  
 MINUTES – MAY 20, 2015**

The Planning Committee of the Pinellas Suncoast Transit Authority (PSTA) Board of Directors held a meeting in the Auditorium at PSTA Headquarters at 10:40 AM on this date. The purpose of this meeting was to approve the minutes of the April 15, 2015 Planning Committee, review the Service Redesign Work Plan, the Budget Assumptions Forecast, and the Route Performance Monitoring System.

Members Present:

Darden Rice, Vice Chair  
 Mark Deighton  
 Janet Long  
 Ken Welch

Members Absent:

Julie Bujalski, Committee Chair  
 Patricia Johnson (Alternate)

Also Present:

Brad Miller, CEO  
 Bill Jonson, PSTA Board Chairperson  
 Vivian Peters, Transit Riders Advisory Committee (TRAC) Member  
 PSTA Staff Members

**CALL TO ORDER**

Committee Vice-Chair, Darden Rice opened the meeting at 10:50 AM following the Public Hearing on Fiscal Year Projects.

**PUBLIC COMMENT**

There were no public comments.

## ACTION ITEMS

May 20, 2015 Meeting Minutes – Mr. Welch made a motion, seconded by Ms. Long to approve the minutes of the May 20, 2015 meeting. The motion passed unanimously.

Capital Improvement Program (CIP) – Debbie Leous, Chief Financial Officer, spoke about the 2016-2020 Capital Improvement Program Five-Year Budget. She said the Federal Transportation Administration (FTA) requires all grantees to publish a list of projects it proposes to fund with its annual federal apportionments, called the Program of Projects (POP), and provide an opportunity for public comment. PSTA held a public hearing on May 20, 2015 immediately prior to the Planning Committee meeting.

The POP is part of the CIP, which outlines the proposed capital expenditures for the agency over the next five years. A major focus of the plan is a sustainable bus replacement program. Staff has looked at all of the priority projects and ranked them to focus on immediate need. Savings from various budgets such as: reducing the purchase of financial software, re-building farebox hardware (instead of buying new), and reducing the bus shelter purchases will amount to \$7.5 million and can be used to purchase buses in FY 16.

In response to Mr. Welch's question about the financial software, Ms. Leous indicated that staff is now utilizing all of the features included in the software. He also asked about the elimination of shelters and he was told that PSTA has money in an old grant that will be used to purchase new shelters. Cassandra Borchers, Chief Development Officer, added that the shelter plan would be presented at next month's meeting.

PSTA plans to employ several bus replacement strategies; smaller buses, lower cost buses such as clean diesel vs. 100% hybrid, as well as consideration of Compressed Natural Gas (CNG) and 100% electric buses. They will also consider contracting out some of the bus service to private vendors, where it is cost effective, to reduce the fleet size.

In the future, PSTA will need to replace about 15 buses per year. That includes extending the life of some buses to as much as 15 years. Buses will receive a mid-life major overhaul which will increase maintenance expenses. In addition, PSTA will seek to balance federal funding between operating expenses and capital expenses. Through project reduction and reserves, there will be funding to replace 65 buses through the year 2020. In the year 2021, additional funding opportunities will need to be found. If no additional funding is made available, PSTA may have to initiate further service adjustments.

In addition to focusing on buses, other important projects being considered in the CIP include: Regional Fare Media project, short-range and long-range planning, federally funded employee training, as well as upgrades to PSTA's phone system, software/server and other equipment.

After a brief discussion, it was noted that the Transit Riders Advisory Committee (TRAC) recommended approval. With that, Ms. Long made a motion, seconded by Commissioner Welch to approve the CIP. The motion passed unanimously.

## **INFORMATION ITEMS**

Explanation of Route Performance Monitoring Tool Methodology – As a follow-up to a presentation made at the March 22, 2015 Board Meeting on the data-driven Route Performance Monitoring System, Chris Cochran, Senior Planner, provided further explanation on the methodology used to evaluate routes. He indicated that the system includes a two-screen process: Screen #1 – Performance Data and Screen #2 – Targeted Analysis.

The system scores routes on passengers per revenue hour and cost recovery. Routes are compared against the entire system and across similar service types (local service, FLEX services, Jolley Trolley services, express services). A combined score is calculated resulting in an overall ranking.

Targeted Analysis takes into consideration data from various sources to help identify appropriate options for lower performing routes and to further improve higher performing routes through streamlining, increasing frequencies and hours of service, and providing more direct service. Target Analysis also includes public outreach and surveys of current riders to identify potential alternatives for affected riders.

Staff is currently conducting the Targeted Analysis and will be presenting initial route redesign recommendations to the Committees and Board in July. The Planning Committee expressed that the methodology was a sound approach to analyzing route performance. Ms. Long suggested sharing this information with Senators Latvala and Brandes.

FY-2016 Budget-Personnel Assumptions – Ms. Leous discussed the FY 2016 Budget-Personnel Assumptions related to PSTA's largest expense, personnel compensation and benefits, which constitute 63% of expenditures. She said that personnel expenditures are made up of salaries and fringe benefits which include health insurance, pension, social security, Medicare and workers' compensation. Bus Operators make up the

largest group of employees at PSTA, followed by fleet maintenance, administration, and facilities maintenance. In addition, labor agreements with the union drive costs up.

Ms. Leous reported that PSTA compares favorably to the public transit industry in percent of personnel to total costs, with PSTA falling in the mid-range on bus operation and mechanic pay comparison. Comparative overhead costs are low.

Mr. Miller said that he is recommending a 3% adjustment for administrative employees based on merit (performance evaluation process), giving department heads discretion. Other government organizations are offering a similar incentive.

Ms. Leous stated that healthcare costs are estimated to increase by 10%. She said that staff has explored three health insurance options: maintain being fully insured, a minimum premium arrangement (a hybrid of being fully insured and self-insured) and being self-insured. Staff believes changing to the minimum premium arrangement is the most cost effective and best option for the employee, without impacting the benefits.

### **OTHER BUSINESS**

No other business was discussed.

### **ADJOURNMENT**

The meeting was adjourned at 12:15 PM. The next Planning Committee meeting will be held on June 19, 2015 at 9:30 AM.

## INFORMATION ITEMS



**4A: FY2016 Draft Budget**

**Action: Information Item**



**Staff Resource:** Debbie Leous, Chief Financial Officer  
Michael Hanson, Director of Finance

**PLANNING**

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### **Background:**

#### **Fiscal Year 16 Budget (FY16)**

- A summary presentation of the Draft FY16 PSTA Operating Budget reflects PSTA's new Strategic Path Forward with a customer orientation focus.
- The focus will now be on a review of the draft budget over the summer months, inclusive of the Path Forward recommendations to examine cost reduction and revenue adjustments in order to present a final draft budget to the PSTA Board at the August 26, 2015 PSTA meeting.

#### **PSTA Budget Highlights**

##### **Fiscal Year 2015**

- The current FY15 budget assumed a transfer from reserves of \$2,194,990. This transfer will not be needed.
- \$486,860 will be added to reserves based on current FY15 projections.
- The FY15 total revenue forecast is less than 2% variance to budget.
  - Passenger Fares revenue is forecasted to be under budget \$1,368,308 or 9.6% primarily due to the increasing use of Transit Disadvantaged (TD) supported discounted bus passes.
  - Advertising (Auxiliary) revenue is forecasted to be \$91,400 or 34.2% over budget.
  - Non-Transportation revenue is forecasted to be \$44,910 or 35.0% over budget primarily due to increased investment interest income.
  - All other revenue sources were within 2% of budget.

##### **Fiscal Year 2016**

The key highlights of the FY 16 budget include:

- A 2% further loss in revenue due to the increased enrollment in the TD discounted bus pass program.
- With rising property values alone, the Ad Valorem tax is increasing \$2,445,530.
- Salaries are increasing \$1,795,400 as follows:
  - “Step” increases per existing collective bargaining agreements are equal to an average 1.1% increase even before adjustments are computed.
  - PSTA will budget additional funds for Union wage adjustments subject to settlement of a new contract with its largest Union, TBATWU.
  - The proposed budget also assumes merit-based lump sum compensation adjustments for Union employees based on performance and attendance.
  - 3% Merit base adjustments for Administrative Staff (non-Union).
  - Only two new positions, the smallest increase in several years: focused on improving our customer experience – Two Maintenance Service Attendants to increase the frequency of detailed interior bus cleaning. A net reduction of total overall workforce is planned for FY16.
- Fringe Benefits are increasing \$894,183 primarily due to an anticipated 7% increase in health insurance costs, which is shared with the employees.
- Repair parts are increasing \$410,000 to assist in extending the useful life of our fleet to 15 years.
- Diesel Fuel is anticipated to decrease to \$2.40/gallon saving \$1,434,420.
- Customer Service training, and funding for post-customer service training surveys.
- Funding for a strategic marketing plan and community outreach.
- Budget for a consulting firm to assist PSTA in securing funding and acting as a federal legislative lobbyist.
- Budget of \$50,000 for Board Governance Training.

### **The Path Forward Assumptions**

- As was presented at the previous Workshops and Board Meetings, PSTA has committed itself with looking at all possible options for containing costs and considering existing revenue sources to provide a sustainably balanced operating budget for the longer-term future. The following assumptions, not included in the draft FY2016 budget as presented today, will be considered by the Board over the next several months prior to the final budget approval to allow for longer-term sustainability:.



- Fare Adjustment increasing revenues \$1 million
- An increase in Advertising due to outsourcing of \$300,000
- An increase in the ad valorem millage rate from .7305 mills to .7500 mills that represents an additional \$1 million in revenues.
- Service Adjustments saving \$930,000
- With the implementation of the above, the budget assumes a transfer into reserves of \$2,910,855 to be used for balancing the operating budget over the next five years.

**Recommendation:**

- Staff recommends the first draft of the Proposed FY 16 Operating Budget be forwarded to the PSTA Board with further discussions of the detailed Path Forward assumptions over the next two months.
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**Attachments:**

1. PowerPoint



## FY 2016 Draft Budget PSTA's Path Forward

TRAC and Planning Committees  
June 2015

### Agenda for the Draft FY 16 Budget

- FY 2015 Forecast
- FY 2016 Draft Budget Summary
  - Recommendations Support the Path Forward
- Beyond FY 2016



## FY 2015 Forecast Summary

No.	Line Item	FY 2015 Projected Over / Under
1	Revenues (Under)	(\$1,283,650)
2	Transfer from Reserves Not Used	\$2,194,990
3	Expenses (Under)	(\$3,965,500)
4	TOTAL FY 2015 Projected Surplus	\$486,860

**FY 2015 Will Be PSTA's 4<sup>th</sup> Straight Year of Substantial Savings**

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## Last Month's Board Decision....



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## FY 2016 Budget Summary

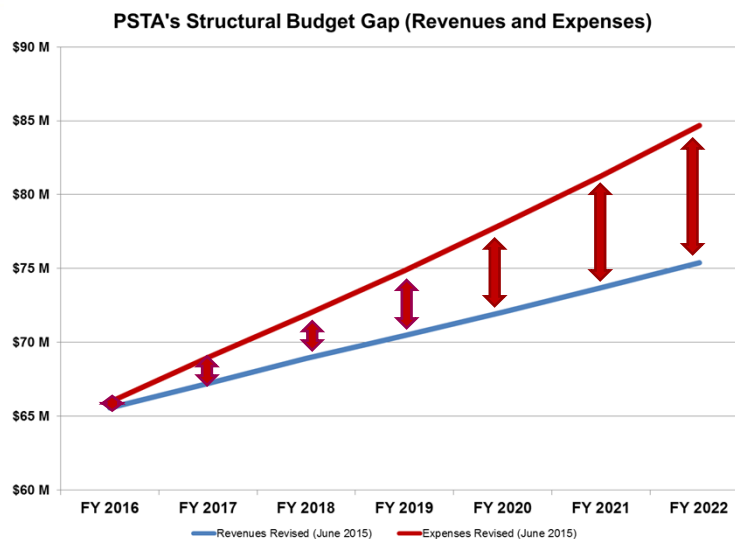
Source:	FY 2015 Adopted Budget	FY 2015 Forecast	FY 2016 Proposed Budget	Variance to Forecast
Revenues	\$64,468,084	\$63,184,434	<b>\$65,577,092</b>	\$2,392,658
Expenses	\$66,663,074	\$62,697,574	<b>\$65,959,287</b>	\$3,261,713
Surplus/ (Deficit)	(\$2,194,990)	\$486,860	<b>(\$382,195)</b>	\$896,055

**Without Other Decisions, PSTA does not address future operating deficits.**

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## If We Do Nothing....



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### Path Forward Strategic Plan: Examine All Options

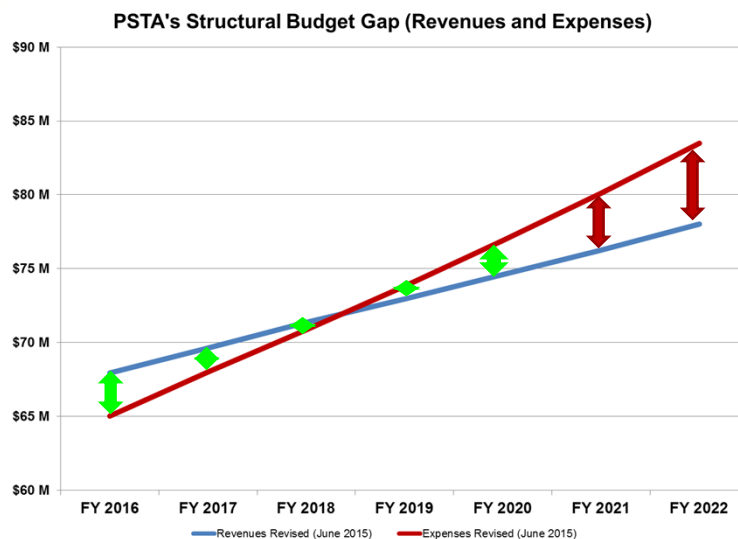
- Outsourcing of Advertising +\$300,000
- Service Redesign -\$930,000
- Fare Adjustments +\$1,054,000
- Ad Valorem Tax Rate (to 0.75 Cap) +1,009,050
- Efficiency Savings: +\$103,000

**By Making These Decisions in July & September,  
PSTA Has Long-Term Sustainable Budget**

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### If We Make Key Decisions....



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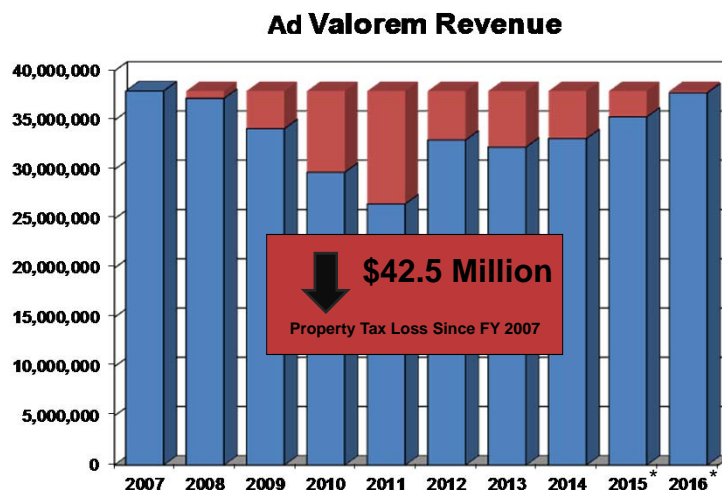
## FY2016 Draft Budget Assumptions

- **Conservative Fare Revenue Estimate** - A 2% further loss in fare revenue due to the increased enrollment in the TD Discounted Bus Pass Program.
- **Increased Property Values** – Up \$2,445,430 without a rate change.
  - Despite the increase, we have lost over one entire year's worth of Ad Valorem revenue since the market shift.

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## Ad Valorem Revenue



\*Projected

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## FY2016 Draft Budget Assumptions

- **Biggest Increase:** Wages: Up \$1.8M
  - Union:
    - CBA Settlement Funds
    - Step Increases
    - Merit-Based Bonuses
  - Non-Union: 3% Salary Merit Based Increases
- **Net Reduction in Workforce** – Only 2 New Positions Recommended: 2 Service Attendants to Improve Bus Cleanliness Per Customer Focus

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## Key Variances – FY 15 Forecast to Budget

- **Fringe Benefits** – Up \$894,183 primarily due to anticipated 7% increase in health insurance costs, shared with the employees. Move to “Minimum Premium Arrangement.”
- **Bus Repair Parts** – Up \$410,000 to assist in extending the useful life of our fleet to 15 years.
- **Diesel Fuel** – Down (\$1,434,420) based on \$2.40 a gallon.

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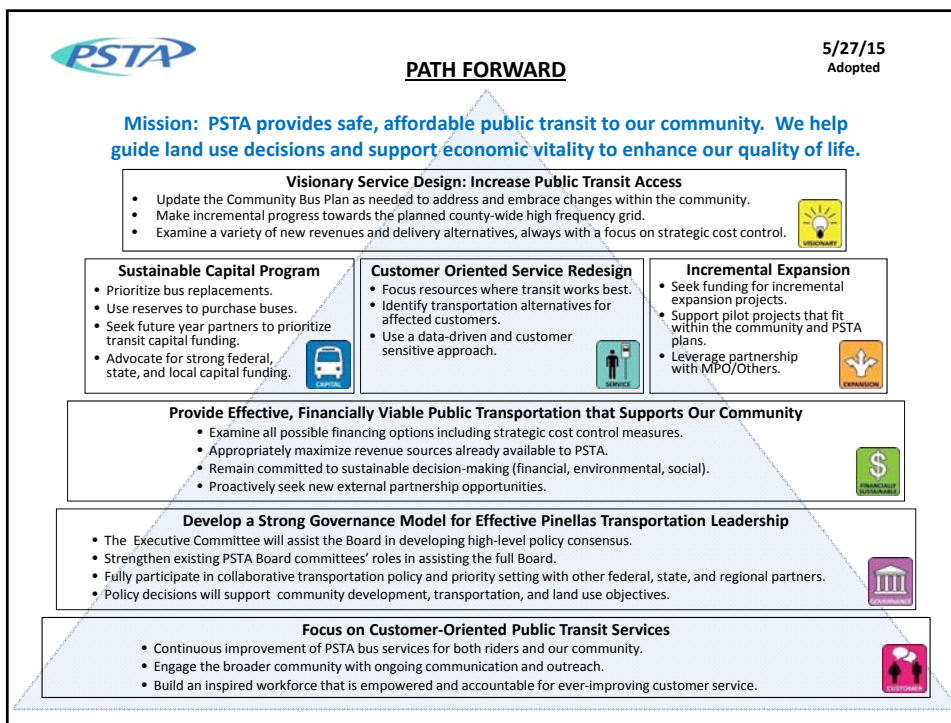


## FY 16 and the Path Forward

### • FY2016 Draft Budget Plan Based on Path Forward Strategic Plan



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## Customer Orientation



- **Customer Satisfaction Initiative** – Specific funds for training & follow-up customer surveys.
- **Strategic Marketing Plan** – Includes funds for community outreach.
- **Better Bus Cleaning** - 2 New Cleaners
- **Training, Training, Training!** – Along with merit based compensation for all employees, union and non-union.

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## Strong Governance Model



- **“Governance Training”** - \$50K for MPOAC-like initiative for Board members.
- **Federal Lobbyist** – Funded



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## Financial Sustainability



- **New Capital Plan** – Prioritizes projects to move \$7M+ from Deleted Projects to Bus Replacements and adds +\$15M from built up reserves.
- **FY2016 Draft Budget Down \$1.6M from FY2015 Adopted Budget**
- **Consideration of New Decisions for Multi-Year Sustainability**

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## Customer Oriented Service Redesign



- **Community Bus Plan** plus new data driven analysis saves \$930,000
- **Major Community Outreach Underway**
- “Screen 2 Funds” Included (\$200K)
- Recommendations Coming in **July**

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## Plan Forward – Financial Impact

### Pinellas Suncoast Transit Authority Operating Budget Projections FY 2015 - 2022

Line	FY 2015 Revised	FY 2016 Revised	FY 2017 Revised	FY 2018 Revised	FY 2019 Revised	FY 2020 Revised	FY 2021 Revised	FY 2022 Revised
1 Operating Reserves - Beginning Year	\$ 16,972,411	\$ 12,897,881	\$ 15,220,117	\$ 16,121,880	\$ 15,942,810	\$ 13,227,843	\$ 4,328,435	\$ (301,034)
<b>Operating Revenues</b>								
2 Operating Revenue	\$ 14,887,864	\$ 16,150,727	\$ 16,230,311	\$ 16,303,479	\$ 16,379,245	\$ 16,457,704	\$ 16,538,954	\$ 16,623,099
3 Property Tax	\$ 35,355,160	\$ 38,809,640	\$ 40,284,406	\$ 41,815,213	\$ 43,195,115	\$ 44,620,554	\$ 46,093,032	\$ 47,614,102
4 State Operating Grants	\$ 7,367,460	\$ 7,418,284	\$ 7,545,878	\$ 7,675,667	\$ 7,807,688	\$ 7,941,980	\$ 8,078,582	\$ 8,217,534
5 Federal Operating Grants	\$ 5,573,950	\$ 5,561,491	\$ 5,561,491	\$ 5,561,491	\$ 5,561,491	\$ 5,561,491	\$ 5,561,491	\$ 5,561,491
6 Total Operating Revenues	\$ 63,184,434	\$ 67,940,142	\$ 69,622,086	\$ 71,355,850	\$ 72,943,539	\$ 74,581,729	\$ 76,272,059	\$ 78,016,226
<b>Operating Expenses</b>								
7 Operating Expenses	\$ 62,697,574	\$ 65,029,287	\$ 68,014,747	\$ 70,846,621	\$ 73,809,659	\$ 76,910,661	\$ 80,122,835	\$ 83,485,236
8 Non-Federal/State Capital Expenses								
9 Total Operating Expenses	\$ 62,697,574	\$ 65,029,287	\$ 68,014,747	\$ 70,846,621	\$ 73,809,659	\$ 76,910,661	\$ 80,122,835	\$ 83,485,236
10 Revenues Over / (Under) Expenses	\$ 486,860	\$ 2,910,855	\$ 1,607,339	\$ 509,229	\$ (866,120)	\$ (2,328,932)	\$ (3,850,776)	\$ (5,469,010)
11 Transfer To/(From) Reserves	\$ 486,860	\$ 2,910,855	\$ 1,607,339	\$ 509,229	\$ (866,120)	\$ (2,328,932)	\$ (3,850,776)	\$ (5,469,010)
12 Service Enhancements	\$ (200,000)	\$ (200,000)	\$ (208,000)	\$ (216,320)	\$ (224,973)	\$ (233,972)	\$ (243,331)	\$ (253,064)
13 Capital Reserve Decrease	\$ (4,000,000)				\$ (1,130,034)	\$ (5,819,670)		
14 Increase in 2 Month Operating Reserve	\$ (561,390)	\$ (388,619)	\$ (497,576)	\$ (471,979)	\$ (493,840)	\$ (516,834)	\$ (535,362)	\$ (560,400)
15 Decrease in Insurance Reserve								
16 Operating Reserves - End of Fiscal Year	\$ 12,897,881	\$ 15,220,117	\$ 16,121,880	\$ 15,942,810	\$ 13,227,843	\$ 4,328,435	\$ (301,034)	\$ (6,583,508)

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## Summary

The FY 16 Draft Budget reflects

- PSTA's Path Forward
- Allows for Key Decisions to Provide Long Term Stability

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# QUESTIONS?

## INFORMATION ITEMS



**4B:** New Shelter Plan



**Action:** Information Item

**Staff Resource:** Chris Cochran, Senior Planner

**PLANNING**

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### **Background:**

- A new bus shelter contract approved by the PSTA Board in March 2015.
- Staff has developed a data driven deployment plan for new shelters throughout the system, as well as a strategic reuse plan that leverages existing shelters in good condition.
- The Shelter Plan is a phased deployment approach that maximizes our goals of meeting customer needs and supporting community development, revitalization plans and upcoming projects.
- Staff has completed the analysis of Phase 1 and has identified nine key locations that shelters will be placed.
- Ongoing Phases will be consistent with the plan goals and analysis for Phase 2 deployment has already begun.

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### **Attachments:**

1. PowerPoint



## PSTA Shelter Program

TRAC and Planning Committees  
June 2015

### Introduction – 704 Bus Shelters

- **Critical Role of Shelters in System:**

- Provide comfortable and safe waiting environment
- Create more attractive customer experience



- **Current Status of Shelters**

- No New Basic Shelters in 3 Years.
- Most “critical” shelters maintained with parts from other shelters in the system.



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## New Shelter Design Approved

Old



New

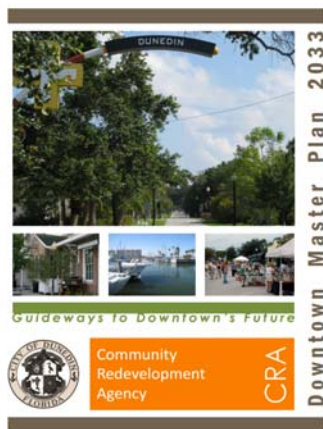


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## Recommended Distribution Strategy

1. Focused on maximizing the impact on customer needs
2. Support community development, revitalization plans and upcoming projects





# Distribution Strategy - Methodology

## 1. Customer Focused Needs

- Benefits the most riders
  - Rider threshold
  - Land use and demographics at site location
- Maximize area impact
  - Cluster Analysis
- Geographic Equity

### Highest Ridership Bus Stops without Shelters

STOP LOCATION	CITY	AVERAGE DAILY BOARDINGS
Gulfview Blvd. & 3rd St.	Clearwater Beach	184
Central Ave. & 7th St.	St. Petersburg	114
Central Ave. & MLK St.	St. Petersburg	107
Gulf Blvd. & 4th Ave.	Indian Rocks Beach	102
75th Ave. & Boca Ciega Dr.	St. Pete Beach	101
Central Ave. & 4th St.	St. Petersburg	86
Gulfview Blvd. & Pier 60	Clearwater Beach	81
Gulf Blvd. & 105th Ave.	Treasure Island	75
Central Ave. & 16th St.	St. Petersburg	69
Gulfview Blvd. & Bayway Blvd.	Clearwater Beach	50

Source: PSTA, June 2015 APC

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# Distribution Strategy - Methodology

## 2. Community Revitalization

- Complements Existing and Future Plans
  - Land use
  - Corridor
  - Community
- Leverages investments by other agencies and local jurisdictions
- Fosters Partnership Opportunities
- Works to Enhance and Support Local Economic Development



City of St. Petersburg  
Matching Grant Program  
FY 15



### WHAT IS THE PURPOSE OF THE MATCHING GRANT PROGRAM?

The Matching Grant Program is designed to provide grant awards to neighborhood & business associations, organizations or groups of residents for specific improvement projects that build relationships and improve the community.

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## Recommendations

- **Balanced Deployment**

- Aim to maximize goals
- Assess replacements based on shelter conditions
- **Phased Deployment**

- Phase 1: Replacement
- Phase 2: Expansion - Match with Community Revitalization Plans and Expansion Shelter Needs



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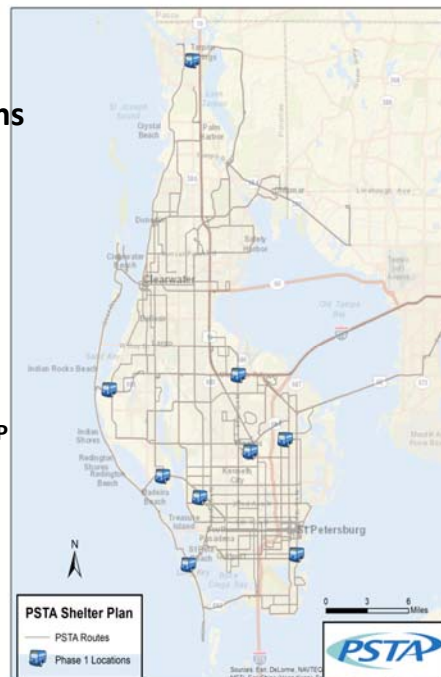


## Recommendations

### Top Priority Replacement Locations (31 Shelters)

1. 75<sup>th</sup> Avenue and Gulf Blvd, St. Pete Beach
2. Shoppes at Park Place, Pinellas Park
3. Gateway Mall, St. Petersburg
4. Indian Rocks Shopping Center, Largo
5. Tyrone Square Mall, St. Petersburg
6. East Tarpon Avenue and South Huey Avenue, Tarpon Springs
7. 49<sup>th</sup> Street & Ulmerton Rd Intersection, PP
8. 4<sup>th</sup> St South Corridor, St. Pete
9. Bay Pines Veterans Hospital, St. Pete

To be Completed by 1/2016



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