

**HARTLINE STUDY GROUP
Finance Subcommittee Meeting
Friday, January 6, 2006, 9:00 AM
601 E. Kennedy Blvd., 26th floor, Conference Room B
Tampa, FL 33602**

Subcommittee Members Present (2)

Barbara Merritt
Brian Delamer

Staff Members Present

John Dausman, Study Group Consultant
Christine Beck, HC County Atty's Office
Ned Baier, HC Plng & Growth Mgmt
Beth Alden, Planning Commission
Debbie Ward, HARTline
Mary Shavalier, HARTline

Others Members Present (4)

Brian Blair
Chelsea Bridges
Norbert Gobin
Carlton Lewis

Subcommittee Members Absent (1)

Kathy Harris, chair (sick today)

Others Present

Gloria Mills
Sheryl Brown
Neil Cosentino
Mike McCoy
Mary Ann Stiles

Bill Schnell
Ted Hull
Conrad Smith
Kenneth Elliot
Mitch Perry

Welcome and Introductions

Barbara Merritt called the meeting to order at about 9:15am. John Dausman announced that Kathy Harris, subcommittee chair, was ill. Commissioner Brian Blair arrived at the meeting and chaired the remainder of the meeting. After introducing himself, he asked each Study Group member to introduce themselves.

Mission Statements

Norbert Gobin read the HARTline Study Group mission statement.
Barbara Merritt read the HARTline mission statement.

Approval of minutes of December 9, 2006 meeting

Brian Blair asked for comments and corrections to the December 9 meeting minutes that were previously distributed. Hearing none, Barbara Merritt moved, and Chelsea Bridges seconded, a motion to approve the minutes as presented. The motion passed unanimously.

Description of Handouts

John Dausman gave a verbal description of the numerous handouts that were distributed at the beginning of the meeting.

Public Comment

Bill Schnell recommended Patricia Fry for the vacancy on the Study Group (Commissioner Norman's appointee).

Mike McCoy, ATU local president, distributed a handout of over 600 names of ATU members that separated employment from HARTline since year 2000. Mr. McCoy commented on the high rate of turnover at HARTline. He also read into the record a new year's message to union members that referenced management issues needing attention and other items.

Conrad Smith commented on improvements at the airport post office bus stop to accommodate ADA access. He recommended that routing buses to the side entrance would serve ADA riders better. He also commented that HARTline customer service was more responsive after the news coverage of ADA deficiencies at the airport. Mr. Smith also mentioned a need for better driver training in the use of wheelchair securing straps, ramp slopes that are too steep and the need for outreach to new riders.

Debbie Ward reported that HARTline currently employs 493 ATU members. This information was requested at a prior meeting.

Kenneth Elliott identified himself as a HARTline bus operator. He spoke about ramp angles and bus operator attitudes. He referred to the turnover list as an indication that HARTline appears to emphasize quantity more than quality. Mr. Elliott also expressed his belief that HARTline management doesn't value bus operator feedback. He gave several examples in support of this position.

Norbert Gobin described HARTline notices that appeared over the holidays announcing bus stop eliminations on Routes 25X and 27X and the negative impact it would have on riders with disabilities. He also commented on the short notice of the pending changes and the difficulties of attending HARTline meetings in person as opposed to outreach in the buses.

Neil Cosentino recommended that the existing Commuter Rail Statute be considered as a possible mechanism to solve transit problems by expanding the scope of the statute. He also recommended that the County create a method of tracking solutions on its website.

Gloria Mills spoke on behalf of HAFIT (Hillsborough Advocates for Improved Transit). She commented on a recent news article about congestion problems

and a need for better answers to problems including transit. She commented on problems with ramp angles and informed the group that HARTline is forming an accessibility committee headed by Commissioner Ronda Storms to address these issues.

Barbara Merritt circulated a copy of a notice she observed on a HARTline bus regarding the pending fare increase. She commented on its very poor copy quality and that it did not announce any effective date. She noted that some buses carried a brochure announcing the new fares but the brochure blended in with the schedule brochures and were easily missed. In contrast, the Christmas holiday service notice, which was still on some buses, was much larger and had good graphics and color.

Overview of State and Federal Funding

Mary Shavalier, HARTline Planning Director, distributed a handout describing federal and state grant programs for transit. She explained the funding formula for the largest source of federal funding for HARTline, the 5307 program which provided \$8.7 million in 2005. She noted that Pinellas County receives more funding than Hillsborough in spite of Hillsborough's significantly larger population because the Pinellas transit service, PSTA, gets credit for running more service miles and more demand response trips (paratransit). Ms. Shavalier represented that the existing interlocal agreement with Pinellas and Pasco counties is generous to Hillsborough. Ms. Shavalier finished with an overview of other federal funding programs such as 5309 discretionary earmarks that depend on legislative allocations and other programs that require a competitive process for awards.

Carlton Lewis asked about the process and frequency of application for competitive grants and earmarks. Mary Shavalier responded that the earmark and competitive process is annual. She also commented that HART has received significant funding almost every year through this process, particularly for the purchase of buses. She noted that full size buses cost about \$350,000 each.

Mary Shavalier continued her presentation with a description of the Congestion Mitigation Air Quality (CMAQ) grant program and funds received for bus facilities and streetcar line extension.

Brian Delamer asked for clarification of this funding in light of recent announcements that the Tampa Bay area lost its eligibility for this program.

Mary Shavalier responded that 2005 funding would be held for three years pending satisfaction of grant requirements but that no new money would be added in future years. She described the requirements for doing an impact

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assessment of a streetcar extension which the HART Board has not yet authorized.

Brian Blair asked if the streetcar grant funds, in particular, could be used for buses.

Beth Alden described the priority list of unfunded CMAQ projects.

Brian Blair asked that this list be provided to the Study Group.

Mary Shavalier finished her overview of federal grant funding sources with a description of the federal Surface Transportation Program (STP). She commented that even though this is a federal program, the funds are administered by the state.

Ned Baier added that our local Metropolitan Planning Organization (MPO) must allocate these funds which amounts to about \$20 million a year. He noted that two local projects, the 40th Street project and the Bruce B. Downs project were allocated a majority portion of the funds in recent years.

Mary Shavalier concurred that HART competes for STP funds with road projects in local jurisdictions.

Ms. Shavalier described the allocation formula that the state uses in awarding operating grant funds to transit agencies. She noted that the formula is based on a combination of population, bus revenue miles and passenger trips. Under this formula, HART receives about \$3 million annually.

Ms. Shavalier continued her presentation with a description of the state competitive grant program for new service. She said that funds from this grant support the Hyde Park circulator, the extra bus on the MacDill express route 25X and the new route 27X to Fish Hawk Ranch. This program provides about \$350,000 a year in total.

Ms. Shavalier described the state's Urban Corridor grant program that supports transit service across county lines. She said that the express routes linking Hillsborough and Pinellas counties, 100X, 200X and 300X were supported by this program as well as the new expresses to New Tampa that begin in Pasco County. This program provides about \$250,000 a year.

Norbert Gobin asked if HARTline was considering the purchase of any coach style buses like those used on the 100X and 300X operated by PSTA.

Mike McCoy responded that motor coach style buses (tour buses) are much more expensive, up to \$500,000 each, but last longer.

Mary Shavalier finished her presentation with a description of the state's Park And Ride grant program. She also noted that 2006 funding for all the programs are still being finalized through legislative and regulatory channels.

Chelsea Bridges asked if HARTline's grant funds are used up every year.

Mary Shavalier responded that operating funds are totally expended each year but capital money is sometimes held, such as for bus replacements where the timing of new bus purchase depends on when old buses can be removed from service under federal guidelines. She noted that HARTline has 85 buses that will need replacement in the near future.

Debbie Ward described the process of obtaining grant funds over multiple years to fund large capital projects such as the replacement of the communications system in all buses and also consolidating enough funds for years when the number of buses to be replaced is especially large.

Brian Blair asked if HARTline has adequate grant funds to satisfy the current fleet replacement schedule.

Mary Shavalier responded that replacement of current fleet appears funded. However the problem is future growth of the system. She added that HARTline's service is highly concentrated on rush hour service which causes problems with vehicle availability, driver discontent with split shifts, and issues with the size of vehicles. She said that smaller buses are often not sufficient to handle peak hour service but are then oversized for the rest of the day.

Debbie Ward added that the Federal Transit Administration (FTA) only allows a 20 percent spare ratio for fleets purchased with federal funds.

Neil Cosentino asked if HARTline can contract for extra rush hour vehicles.

Mike McCoy responded that use of federal funds must conform to the requirements of the 13c regulation that any outside contracts would have to have labor agreements in place. Otherwise federal operating funds cannot be spent on non-union services.

Norbert Gobin commented that the funding schedule shows that federal funds provide about 10 percent of HARTline's total operating "pie."

Debbie Ward confirmed this is correct. She noted that federal sources provide a much larger portion of capital funding.

Gloria Mills asked if HARTline would lose federal funding if it were privatized.

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Mary Shavalier responded that federal funds would not be lost as long as service requirements are met.

Neil Cosentino asked if Plant City receives federal funds for its bus service.

Debbie Ward responded that Plant City received a CMAQ demonstration grant when the service began which was during the time that it was operated by HARTline. She added that Plant City has not received any federal funds since Plant City took over the service last year.

Barbara Merritt asked if there were match requirements for the grant programs discussed today.

Mary Shavalier responded that the Urban Corridor program is the only program that does not require a local match.

Debbie Ward added that federal programs often require a 50 percent match. However the local portion can come from any non-federal source.

Barbara Merritt asked if impact fees were used for the Park N' Ride lots.

Mary Shavalier responded that impact fees often provide the local match portion for state and federal grants.

Bill Schnell asked if any grants were lost or returned by HARTline.

The HARTline reps present did not have an immediate answer. Barbara Merritt requested that this question be noted for follow up.

John Dausman handed out a comparison of population growth since 1990 for Hillsborough, Pinellas and Pasco counties. He noted that Hillsborough County surpassed Pinellas County in absolute population size around year 2000 and since then has experienced sixty two percent of the entire region's growth which exceeded the population growth in Pinellas and Pasco counties combined. He added that the handout also indicated that Hillsborough will receive only 45 percent of new federal funding dollars over the next seven years while Pinellas will receive 40 percent of all new dollars even though its is receiving only 13 percent of the growth. Mr. Dausman concluded that this is an inequitable situation that will place Hillsborough further and further behind in transit capital funding as time passes. He suggested that this issue should be addressed legislatively. He also noted that none of Pasco counties share of federal dollars flows to Hillsborough even though the majority of Pasco's population growth is in communities directly above Hillsborough. He noted that Pasco's new Transit Development Plan does not include any transit connections with Hillsborough

County through 2010 but significant new and expanded service is projected to connect with Pinellas County. Mr. Dausman ended with an observation that a large portion of Pasco County's federal block grant is shared with Pinellas, but none with Hillsborough County.

Mary Shavalier responded that the population comparisons reflect the current situation. She added that service quantity (number of bus miles) and population density are important factors in the federal allocation formula. She also noted that Pinellas County has significantly higher demand response service (paratransit) than HARTline.

Brian Blair asked that HARTline staff provide the Study Group with a comparison of Hillsborough and Pinellas demand response services.

Ned Baier commented that Pinellas residents pay a high millage rate, 0.75 mills, to support transit.

Debbie Ward commented that a mill of ad valorem tax levied in Pinellas County used to result in more total dollars than a mill levied in Hillsborough County because two equal properties used to have a higher market value in Pinellas than Hillsborough, but she added that she did not know if this was still true.

Barbara Merritt asked how the services provided by Sunshine Line might impact the comparisons. She suggested that this be discussed further at a future meeting.

Gloria Mills commented that Hillsborough paratransit fares are higher than Pinellas fares. This hurts Hillsborough usage because disabled clients have very tight budgets and even a small increase in fares have a disproportionate impact on modest budgets.

Referendum Intent

Christine Beck, Hillsborough County Managing Attorney, distributed a handout of news articles from around the time of formation of HARTline and the ad valorem referendum approved by City of Tampa and Hillsborough County residents. She noted that a first attempt for a transit funding referendum failed in June 1980 by 2000 votes and that those negative votes were disproportionately from the unincorporated area. She commented that news coverage of the failed referendum cited concerns about whether county residents would receive transit and whether there was a need for such transit as reason for the negative votes.

Ms. Beck described a subsequent referendum effort in November of 1980. She noted that a group called Citizens for Transit was formed to support the referendum. Ms. Beck noted that the news articles of the effort indicate that promises were made to voters; among them were: 1) restoration of bus service

inside City of Tampa to previous levels, 2) elimination of annual subsidies by City of Tampa and Hillsborough County of about \$1 million each, 3) doubling the size of the bus fleet, 4) expanding service throughout the county with the new buses and 5) specific commitments to create routes serving Brandon, Sun City Center and the USF areas.

Discussion of Tangible and Intangible Benefits of Transit

This topic was deferred by the group until the next finance subcommittee meeting to allow Kathy Harris to participate in the discussion.

Follow up to Issues Raised at December 9 Meeting

John Dausman described the materials that were distributed at the beginning of the meeting related to this topic. He highlighted portions of the response to 24 questions from HARTline management. He drew attention to the description of how HARTline service is allocated. He said that the response emphasized route efficiency, volume of demand, density of population and legal requirements such as ADA law. Mr. Dausman said he concluded from HARTline management's response that member issues such as value of funding contributed versus value of service provided in return is not part of HARTline's formal service allocation process.

Mr. Dausman also drew attention to the portions of the handout that indicated there were a large number of changes to county transit service over the last five years. He also drew attention to the document that listed salaried positions and their job descriptions. Mr. Dausman stated that the listed positions amount to about \$4.5 million in salaries per year.

Brian Blair asked if these numbers included benefits.

Debbie Ward responded that benefits were not included. She added that benefits would add about 30 percent more to the amounts shown.

Norbert Gobin drew attention to the response from HARTline that the total cost of providing service is \$83.88 per hour or \$6.46 per mile including depreciation.

Barbara Merritt commented on cost saving opportunities at holiday time. She noted that there were many empty buses on the day after Christmas and the day after New Years. She noted that they were federal holidays. She recommended that HARTline consider a reduced schedule on light usage days like these.

Brian Blair asked if HARTline's response about service allocations included consideration of membership equity.

John Dausman responded that HARTline's written response did not address membership equity. He concluded that a specific mechanism to include such issues are not currently in place.

Mary Shavalier commented that HARTline's current Vision 2016 outreach program is seeking the input from all areas of the county. She also noted that this effort is seeking input on ideas for providing different types of service response that would be more appropriate for the need in less populated areas.

Norbert Gobin commented that he believed that HARTline's concept of providing express service is flawed. He said that the reliance solely on Park 'N Ride pick ups is wrong because this approach is too narrow to suit the needs of the population paying for the service.

Kenneth Elliott referred to the small bus memo in HARTline's response. He said that HARTline's claim that there is no longer a small bus labor rate is not true. He commented that the current union agreement still includes a "B" driver rate which equates to a small bus rate.

Bill Schnell commented that route 31 from Brandon to Apollo Beach does not run on Saturdays but the local circulator route 84 does. He questioned why south county riders are deprived of connections to other areas on weekends. He also asked why Kings Point residents do not have to pay bus fares.

Chelsea Bridges asked if salaries were paid by ad valorem taxes.

Mary Shavalier responded that some federal funding supports operating expenses, some of which go toward salaries for eligible activities such as maintenance and paratransit.

Debbie Ward added that fares also go to pay salaries.

John Dausman asked if the question were limited to administrative staff salaries only, would ad valorem taxes and fares pay the vast majority of this category.

Debbie Ward responded yes, ad valorem and fares.

Gloria Mills suggested that the Study Group try to obtain corresponding information from other transit agencies to see how HARTline's percentage of staff salaries compares to these other entities.

John Dausman reviewed the schedule of meetings and reminded the finance subcommittee that they have only two meetings remaining and will be starting their deliberations and conclusion phase at the next meeting.

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Debbie Ward commented that the list of salaried position is broader than just management. She noted that this list includes planners, accountants, technicians, network administrators and other professionals that are not normally considered management.

Brian Blair asked if the response from HARTline identified the extent of consultant use.

John Dausman responded that the Study Group had not requested that information, but that a request could be forwarded to HARTline.

Carlton Lewis asked for information at a future meeting on the total amount spent by HARTline on labor costs.

Brian Blair adjourned the meeting at about 11:18 AM.