

Tampa-Hillsborough County Expressway Authority
Minutes of May 6, 2019 Board Committees as a Whole Meeting
1104 E. Twiggs Street
Tampa, FL 33602

The Tampa-Hillsborough County Expressway Authority held a public meeting at 1:30 p.m. on May 6, 2019, at the Authority's Transportation Management Center, 1104 E. Twiggs Street, Tampa, Florida. The following were present:

Board: Bennett Barrow, Vice Chairman
Mayor Jane Castor
Shaun Oxtal – by telephone

Staff: Joe Waggoner, Patrick Maguire, Amy Lettelleir, David May, Bob Frey, Sue Chrzan, Christina Kopp, Rafael Hernandez, Man Le, Carl Shack, Brian Ramirez, Elizabeth Gray, Anna Quinones, Judith Villegas,

HTNB Jim Drapp, Al Stewart
Masterson Advisors Ed Stull

I. Introduction/Workshop Purpose

Meeting called to order at 1:34 p.m. by Joe Waggoner who began the meeting by introducing and welcoming Mayor Jane Castor and asking everyone to introduce themselves, starting with Mr. Bennett Barrow, Vice Chairman. Mr. Waggoner then explained the purpose of the meeting was to present the FY2020 work plans and budget. It was noted the May Board Meeting would be cancelled and the information would be presented to the Board Members and the June Board Meeting, Monday, June 17.

At that point he turned the meeting over to Bob Frey and Christina Kopp.

II. Planning Committee – Shaun Oxtal, Chair/Bob Frey and Christina Kopp, Staff

Bob Frey, Director of Planning and Innovation started the presentation with a Work Program overview by explaining that the Work Program identifies capital projects and resource commitments. It provides an annual snapshot of THEA's budgeting needs. The Work Program is based on fiscal year (FY) of July 1-June 30, for budgetary expenditures. Mr. Frey explained the reporting was for six years; the existing fiscal year, the budget year and four (4) planning years, with expenditures figured on a 10-year horizon. The reporting continues with ongoing preservation needs and planned enhancements for the next 30 years.

Christina Kopp, Deputy Director of Planning and Innovation continued with an explanation of the basic Work Programs of preservation, which included safety, inspections, maintenance and replacements. The enhancements included added capacities, expansions, such as the Selmon West and other projects. Each program was divided into categories, such as the roadway;

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Intelligent Transportation Systems (ITS), which included connected and automated vehicles; tolls and facilities, which does include the administration offices.

Ms. Kopp added that the programming process starts at the beginning of the calendar year. The work program is developed with cost updates in January-February, while project updates are reviewed from February through April. The draft Work Program is presented and approved by THEA's Board of Directors in May-June. The approved Work Program is then incorporated into THEA's fiscal year budget on July 1. The program is monitored and updated throughout the year as needed.

FY2020 Work Program was then presented by Mr. Frey. It was stated that money shifts throughout the projects and the Work Program was more of a living document than a typical budget. Mr. Frey then went through the program summary by year. The six-year total was \$785,114,000, which included a preservation total of \$25,508,000 and \$759,606,000 for total enhancements. The ten-year planning horizon was \$1.28 billion, which included inflation and other contingencies.

Mr. Frey continued with the draft FY 2020 compared to what was adopted in FY 2019. The shift in money comes from projects which were changed from FY 2019 to FY 2020. Some examples mentioned by Mr. Frey, included replacing pier uplighting fixtures at \$5.2 million, which was moved to FY2020; the replacement of the 22nd and 50th Street east bound exit ramps at \$1.5 million for FY 2019-2020; upgrades to ITS dynamic message sign and VMS at \$1 million, begun in FY 2019 and extended to FY2020; strategic blueprint support at \$900,000, added to FY 2020 and the video wall upgrade in the amount of \$700,000 and advanced to FY 2020.

Moving forward, the Gandy Trail and Park will be new for FY 2021/2022 at a cost of \$2.2 million. FY 2024 will start the cycle for the steel bridge painting at \$6.7 million. Mr. Frey reviewed the projects for FY 2019-2026, which were multi-year bonded projects. Those new projects included:

- Selmon South Capacity Project (NEW, FY 2019-2026) – \$256M
- Whiting Street Improvements (NEW, FY 2020-2023) – \$36M
- Nebraska Improvement (NEW, FY 2020-2023) – \$14.5 M
- Selmon East Phase 1 (NEW, FY 2020-2025) – \$177M
- Selmon East Phase 2 (NEW, FY 2022-2026) – \$152M
- Selmon East Phase 3 (NEW, FY 2024-2028) – \$188M

Continuing, Mr. Frey discussed the FY 2019-2023, multi-year, non-bonded projects, which consisted of Selmon Greenway improvements, a new project for FY 2019-2022 at \$4.8 million and the Downtown Meridian Connector, notice of funding opportunity (NOFO) and another new project for FY 2019-2023 at \$14.9 million with a FHWA Grant. Also, in this category was the THEA Headquarters renovation at \$3 million, which was extended from FY 2019-2020 to FY

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2019-2022. The major Capital Reserve was updated to cover potential bonding for FY 2020-2024.

Ms. Kopp explained the South Selmon Capacity Project, which goes from Gandy to the downtown area is mainly to add capacity with three continuous lanes and not just planning. Mr. Waggoner stated that this project was among new projects that were identified as needed and added to the budget. For the South Selmon project, the construction should begin during the summer of 2022.

The Whiting St. Project has several components. It is to evaluate the costs and impacts of extending whiting street east to Meridian Ave and realigning a segment from Jefferson St. to Brush St. There is also a component to reconfigure the Jefferson St. on-ramps and the Florida St. off ramps. The Florida St. off-ramp would have two lanes. Ms. Kopp mentioned the construction would begin the Winter of 2021. Mayor Castor asked about the planning, development and environment study (PD&E) for this project. Ms. Kopp stated the project would be brought before the Board at the June Board Meeting for approval and the project would be beginning this summer.

The next project described by Ms. Kopp was the Nebraska Improvement. The study area includes Nebraska from just south of Twiggs St. to just north of Cass. The goal is to provide an additional lane. Many drivers exit the REL and turn right on Twiggs to immediately turn right onto Cass. Mr. Waggoner said the goal was to provide relieve the traffic flow as the back up on the REL for those wanting to turn right onto Twiggs can be up to a mile. Mr. Waggoner continued by stating the challenge for this project is the historical status of the train station and the impact of adding another lane. The PD&E would begin during the summer and construction during the summer of 2022.

Mr. Frey discussed the Selmon East Planning/Feasibility Study is broken down to three phases. Phase 1 is the Selmon expressway from Meridian to 50th St. to cost over \$164 million. The construction is expected to begin the summer of 2022. The second phase would be from 50th Street to the beginning of the REL and would cost about \$148 million. Phase 3 would go to I-75 and construction is anticipated to begin 2025. Mr. Waggoner confirmed the costs with Mr. Frey for each phase with the final phase to be \$187 million. This would be part of the six year plan and into the 10-year plan.

The final project discussed was the Downtown Meridian Connector (DMC). Mr. Frey said that THEA has submitted a response to the US Department of Transportation's (USDOT) NOFO to demonstrate connected (CV) and autonomous vehicles (AV). It is a \$15 million project of which USDOT would fund \$10 million. If successful, the goal would be to see how AVs and rideshare in downtown Tampa would interact with the traffic flow and how much connectivity is needed for safety and efficiency. There is a lot of information and Mr. Frey stated that THEA would operate three to five vehicles to judge the impact. It is an intermediary step toward more

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complete rideshare and further utilizing THEA's assets, such as the REL and parking. Mr. Waggoner reiterated that it is a nationwide, competitive process and would build on the CV pilot project that THEA won several years ago.

Finally, Mr. Frey presented the Capital Planning Model showing projected net revenues and the bonding capacity. The model also included future work programs.

III. Finance and Accounting Committee – Commissioner Les Miller, Chair / Amy Lettelleir, Esq. Staff

A. Proposed FY 2020 Operating Budget

Amy Lettelleir, THEA's Chief Financial Officer was introduced to present the proposed FY2020 operating budget. For Toll Operations, the total FY 2020 budget is \$7,680,328. Ms. Lettelleir explained the toll collections operations budget is for THEA's managed service for image review and per the contract there is not an increase this fiscal year. The tolling systems maintenance budget has no changes as it is a flat contract.

The budgets are for image processing IT hardware maintenance, software licensing, solar power and maintenance. Open road tolling (ORT) in-lane, software, hardware maintenance and support budget have no changes as the contract is also a flat rate for FY2020. Ms. Lettelleir stated there was a new line item of \$10,000 for generator costs, including in-lane hardware, software and spare parts. Other toll operations' expenses decreased by \$10,000 on contingency.

For the toll system operations, the costs are increasing by 5% from FY2019 to FY2020 for direct costs associated with expected traffic increases. Costs were adjusted last year with the CCSS and were to be offset by revenue, but this year, the offset is not included within this budget. Ms. Lettelleir said any revenues received will be reported separately in the toll revenue collections.

The Roadway Maintenance and Operations' total FY 2020 Proposed budget is \$4, 687,500, which includes a 4.2% increase in roadway and facilities maintenance. This increase is associated with the overall traffic increase. Ms. Lettelleir said most of the items in the category are negotiated contracts for services such as Road Rangers, HNTB, Ferrovial and others needed to maintain the roadways, railroad tracks and the buildings.

The landscaping and hardscaping costs for the Brandon Parkway and Meridian are planned for a 6.8% increase. This is due to a larger budget for any anticipated change orders as well as a slight increase in costs consistent with the terms of previously negotiated contracts. The contracts are for the outside service vendors needed to maintain the landscaping along the Brandon Parkway and Meridian Avenue.

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Ms. Lettelleir continued by explaining that for Intelligent Transportation System Maintenance, THEA would be moving into the maintenance phase in FY 2020 following the completion of the capital projects. This would account for the \$45,000 increase. This budget is used to hire outside ITS services including maintenance and licensing, purchasing spare parts, tools and equipment.

There is an annual rate adjustment for Maintenance Support Services. For the FDOT Bridge Inspection, an annual expected increase in cost was budgeted at 11% higher. There are no major additions to cover under the Bridge, Property and Business Interruption Insurance. The new properties are just land and require little covers. As a result, the cost is estimated at a 5% increase.

The overall Maintenance budget shows a 5.1% decrease for FY 2020 over the FY 2019 budget.

The Salaries, Taxes and Benefits portion of the FY 202 budget for Administration shows a 6.4% increase. This includes a 3% cost of living increase for all employees, which is consistent with Hillsborough County Civil Service. Contribution rates to the Florida Retirement System continue to increase. THEA will transfer an estimated \$410,000 of total salaries/benefits to Capital Projects calculated on the percentage of staff time allocated to the projects.

For FY 2020, THEA anticipates a 11.6% increase in Professional Services line item of the Administration Budget. The Biennial Inspection Report due this year accounts for a part of the increase. Ms. Lettelleir said increased costs associated with the implementation of a new accounting workflow program and a new document management program was budgeted. There were also small annual increases in provider contracts included.

Ms. Lettelleir continued by stating the FY 2020 budget shows a minor Office Expenditure increase of 3.6%. While there were some increases for maintaining capital projects that were brought on during FY 2019, there are also some decreases in expenses for some costs being included in the renovation budget. There is an increase in the continuing education and training budget since several new staff members have been added and there is potentially 2-3 more to be added. Similarly, as the staff count increases, the associated costs for travel to conferences will require an increased budget.

Communications and Public Relations budget does not change from FY 2019 to FY 2020.

The total Operations, Maintenance and Administration proposed budget for FY 2020 is 23.3% higher than FY 2019 primarily due to the CCSS revenues no longer offsetting expenses in this category.

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III. B. FY2020 Revenue

Moving on to FY2020 Revenue, Ms. Lettelleir shared the source of funds for THEA is primarily toll revenue at \$95,219,000. The proposed FY 2020 budget is \$98,169,000, which includes leases and other investments. It does not include any potential revenue from CCSS.

III. C. Flow of Funds

Ms. Lettelleir continued with the Flow of Funds and Debt Service Ratios per bond. As mentioned previously, the toll revenue for FY 2020 was projected to be \$95,219,000 and other income was \$2,950,000, totaling \$98,169,000. The operating expenses included toll operations, maintenance, administration and other expenses totaled \$19,203,292. Bond covenants fund requirements had no change from FY 2019 and still are at \$500,000. Net revenue is projected to be \$78,465,708. Ms. Lettelleir outlined the debt services payments for FY 2020 as \$38,526,328 for a net amount available for System Projects of \$39,939,360.

III. D. FY 2020 Cap Budget

Following the Flow of Funds, Ms. Lettelleir outlined the Capital, Renewal and Replacement Work Program. The roadway projects included the Selmon West Extension, South Selmon Safety and Meridian Improvement Projects and the FY 2020 proposed amount was \$105,125, a lower amount than for FY 2019. Ms. Lettelleir also reviewed the budget for tolls and facilities. The improvement projects included the full cost for the CV Pilot and DMC Project as costs are up front and the federal funds are subsequently reimbursed. The renewal and replacement category of the Work Program for FY 2020 was \$8,210,000 and included roadway, ITS, tolls and facilities. The total Work Program for FY 2020 totaled \$121,538,000, which was less than for FY 2019.

III. E. Capital Planning Model

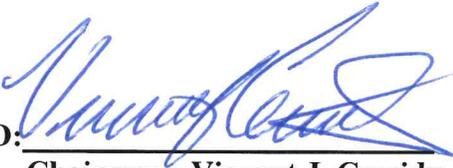
Ms. Lettelleir then presented the Capital Planning Model, which was also explained previously by Mr. Frey. It was explained that the budget was all funded by tolls. There were some investments included and the increases were conservative. There were also some 30-year work programs focusing on replacement and/or renewal.

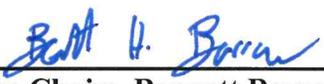
Vice Chairman Bennett Barrow had a question regarding the Flow of Funds and Ms. Lettelleir reviewed both the Flow of Funds, the debt ratio and the net available for system projects.

VII. ADJOURNMENT

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There being no further business to come before the Board Committee Meetings as a Whole,
the meeting was adjourned at 2:24 p.m.

APPROVED: 
Chairman: Vincent J. Cassidy

ATTEST: 
Vice Chair: Bennett Barrow

DATED THIS 17th DAY OF June 2019