

TAMPA - HILLSBOROUGH COUNTY EXPRESSWAY AUTHORITY
Committees as a Whole / Board Meeting
Monday, May 4, 2020 at 1:30 P.M.
Virtual Meeting
Tampa, FL 33602

AGENDA

I. Introduction / Workshop Purpose – *Joe Waggoner*

- Provide update of financial planning for today and tomorrow.

II. Traffic and Revenue – *Shaun Oxtal, Chair – Bob Frey, Staff*

- THEA Traffic and Revenue Monitoring (COVID-19 Effects)

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

- **Financial Budget Update – FY 2021**
 - A. Operations, Maintenance and Administrative Budget
 - B. Sources of Funds
 - C. Flow of Funds, Debt Service Ratios, Per Master Bond Resolution
 - D. Work Program, Capital and Renewal & Replacement Budget

IV. Planning Committee – *Shaun Oxtal, Chair / Bob Frey, Staff*

- Work Program



Tampa-Hillsborough County Expressway Authority

Annual Operating Budget

Fiscal Year 2021

Tampa-Hillsborough County Expressway Authority
Annual Operating Budget for the Fiscal Year Ended June 30, 2021

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Tampa-Hillsborough County Expressway Authority
Annual Operating Budget for the Fiscal Year Ended June 30, 2021

SUMMARY

An annual operating budget has been prepared for Tampa Hillsborough County Expressway Authority (Authority) for the fiscal year ended June 30, 2021. Management has estimated the amounts for all revenue sources, consisting of toll revenues, investment income, and other miscellaneous revenues. Management has also estimated amounts to be used for annual operations, including toll operations, maintenance, marketing, and administrative expenses as well as debt service payments.

Basis of Accounting: Amounts have been budgeted using the accrual basis of accounting, in which revenues are recognized in the period when earned and expenses are recognized when they are incurred. This general purpose framework is based on accounting principles generally accepted in the United States of America (i.e., U.S. GAAP). However, the following items have been omitted from this annual operating budget document, which represents a departure from U.S. GAAP:

- Annual depreciation on buildings and improvements, furniture and equipment, and vehicles
- Annual amortization of bond premiums, discounts, and deferred inflows and outflows of resources relating to debt refunding
- Change in fair value of investments
- Preservation costs, such as road resurfacing and restriping

Tampa-Hillsborough County Expressway Authority
Annual Operating Budget for the Fiscal Year Ended June 30, 2021

Budget Summary: As depicted in the summary statement below, for fiscal year 2021, budgeted revenues are \$60,556,195 higher than budgeted expenses. This budgeted excess can be used to fulfill debt service requirements, fund new and existing capital projects, and build reserves for future projects and other obligations.

	FY '20 Budget Final	FY '21 Budget Proposed
Toll Revenues	95,219,000	76,700,000
Other Revenues	865,301	439,840
Investment Income	2,084,699	2,250,000
Total Revenues	98,169,000	79,389,840
 Toll Operations	 7,680,328	 8,242,555
Maintenance	4,687,500	4,659,995
Marketing	625,000	312,500
Administration - Personnel	4,270,374	3,749,745
Administration - Professional Services	1,320,460	1,179,000
Administration - Office Expenses	756,456	689,850
Total Expenses	19,340,118	18,833,645
 Debt Service - Principal & Interest	 38,526,328	 35,135,398

Revenue

DRAFT

Tampa-Hillsborough County Expressway Authority Annual Operating Budget for the Fiscal Year Ended June 30, 2021

Revenues: For the fiscal year 2021 budget, the Authority's primary source of revenue, or approximately 96%, consists of toll collections on its Expressway system. Other revenues include investment income and other revenues derived from non-operating sources, such as parking and lease revenue.

Table 1 below represents a comparison of budgeted revenue for fiscal year 2020 final adopted budget and fiscal year 2021 proposed budget.

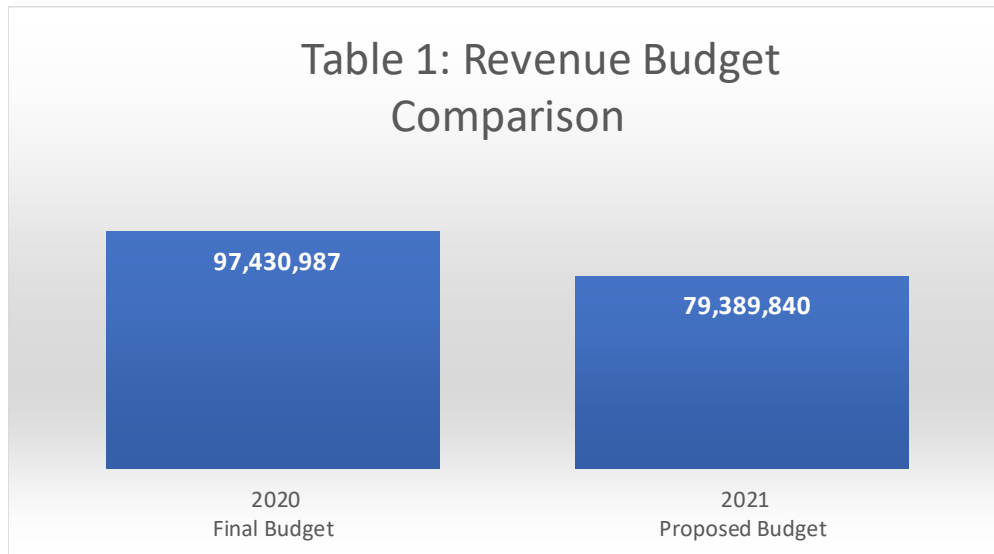
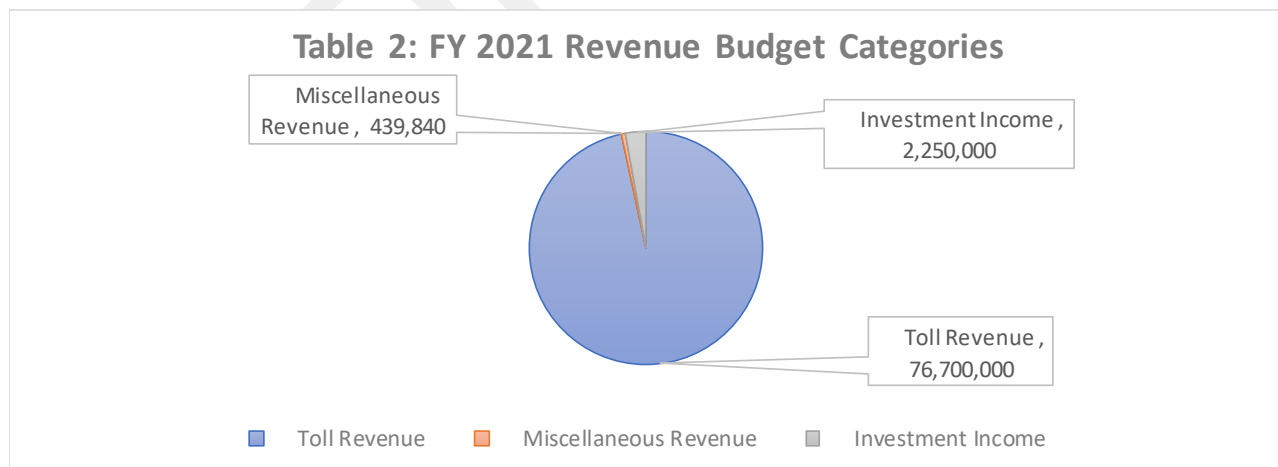


Table 2 presents the categories comprising total budgeted revenues of the Authority for fiscal year 2021.



Expenses

Tampa-Hillsborough County Expressway Authority Annual Operating Budget for the Fiscal Year Ended June 30, 2021

Toll Operations - Toll operations consist of the following components:

- Direct expenses relating to toll collections, including but not limited to transaction processing costs, transponder costs, payment card fees, and image review services
- Maintenance and support of the toll system, including software licensing fees and other software application costs
- Other toll operations expenses, primarily consisting of the cost of operating Open Road Tolling (ORT) services

Table 1 below represents a comparison of budgeted toll operations expenses for fiscal year 2020 final adopted budget and fiscal year 2021 proposed budget.

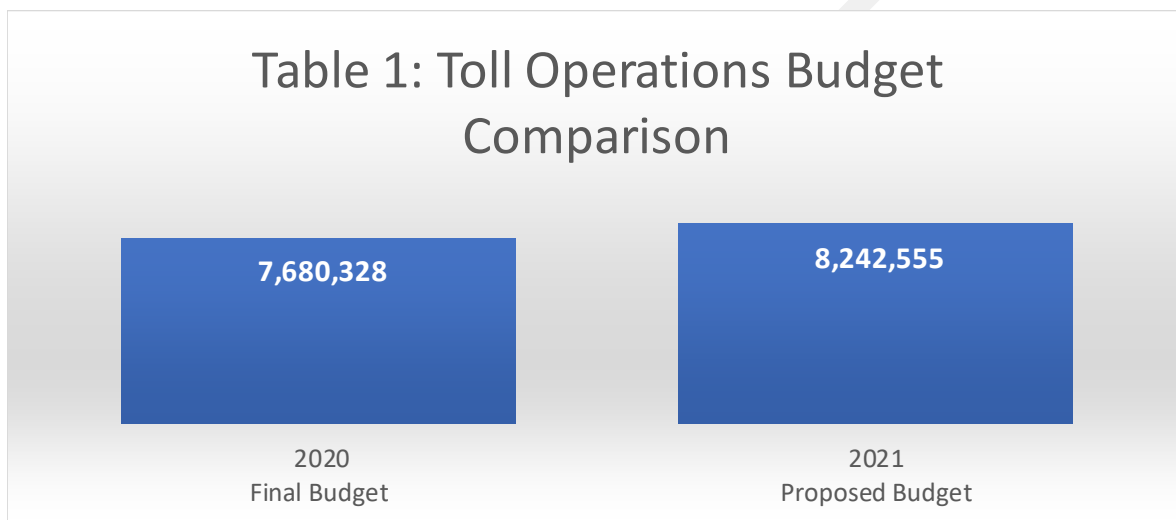
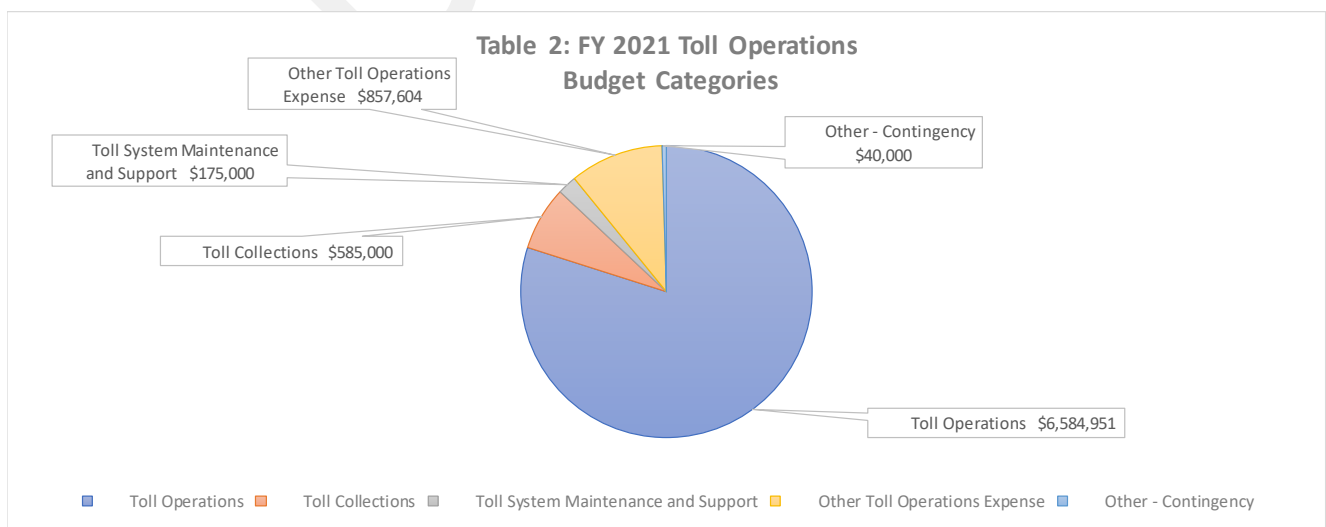


Table 2 presents the categories comprising total budgeted toll operations expenses of the Authority for fiscal year 2021.



Tampa-Hillsborough County Expressway Authority Annual Operating Budget for the Fiscal Year Ended June 30, 2021

Maintenance — Maintenance expenses consist of the following components:

- Maintenance on the roadways and related facilities
- Beautification of the Expressway system and Meridian Avenue, such as landscaping & hardscaping activities
- Intelligent Transportation System (ITS) and other related expenses, including spare parts, tools, and small equipment
- Maintenance Support Services (environmental monitoring and permitting)
- Renewal and replacement activities, consisting of pavement resurfacing and cleaning
- Bridge inspection services provided by Florida Department of Transportation (FDOT)
- Bridge, property, and business interruption services

Table 1 below represents a comparison of budgeted maintenance expenses for fiscal year 2020 final adopted budget and fiscal year 2021 proposed budget.

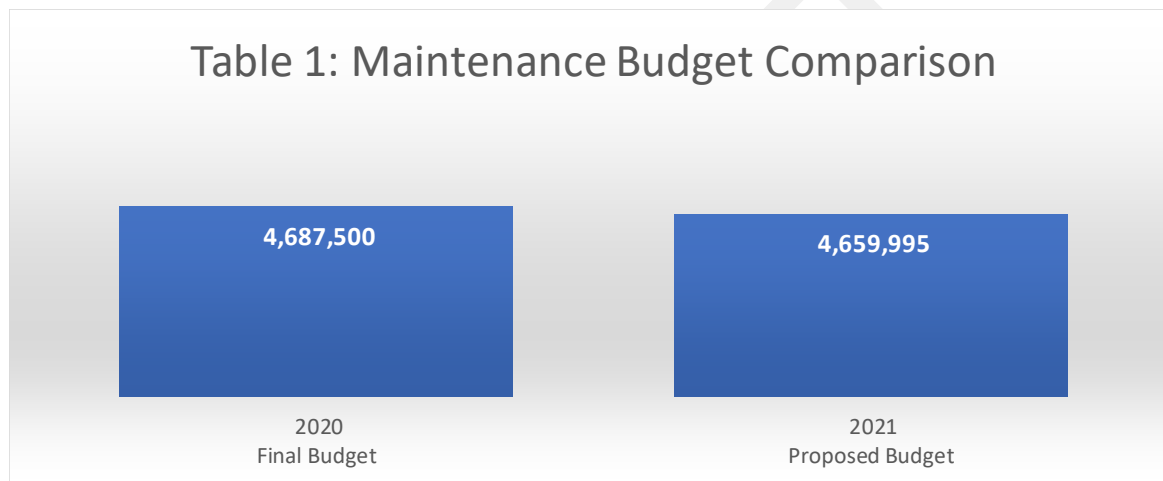
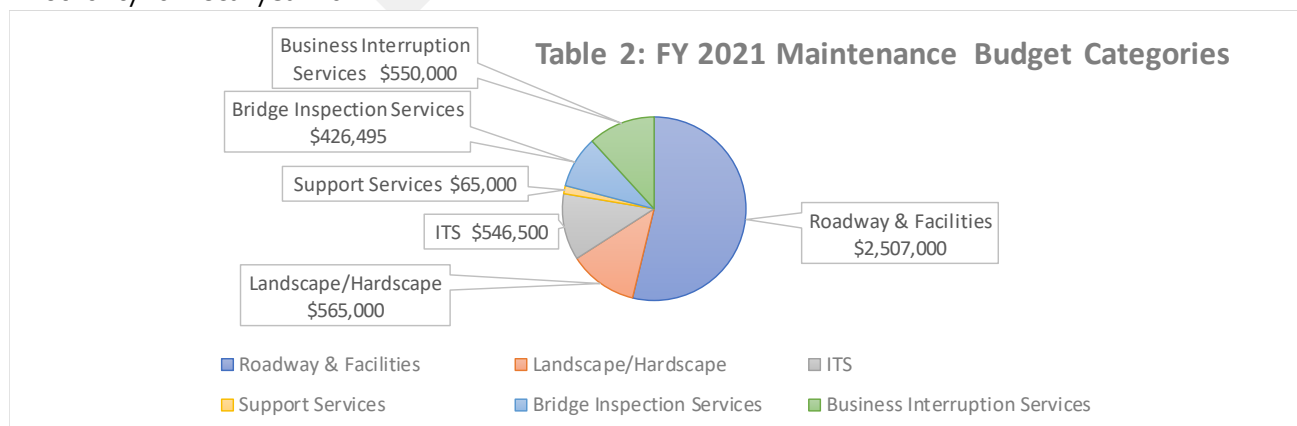


Table 2 presents the categories comprising total budgeted maintenance expenses of the Authority for fiscal year 2021.



Tampa-Hillsborough County Expressway Authority Annual Operating Budget for the Fiscal Year Ended June 30, 2021

Marketing – Marketing expenses consist of 1) outsourced communications and other marketing services 2) production costs associated with the Authority’s Annual Report 3) managing the Authority’s website 4) memberships with chambers and other associations 5) purchase of SunPass Minis and dissemination costs, such as postage 6) sponsorships and hosting special events

Table 1 below represents a comparison of budgeted marketing expenses for fiscal year 2020 final adopted budget and fiscal year 2021 proposed budget.

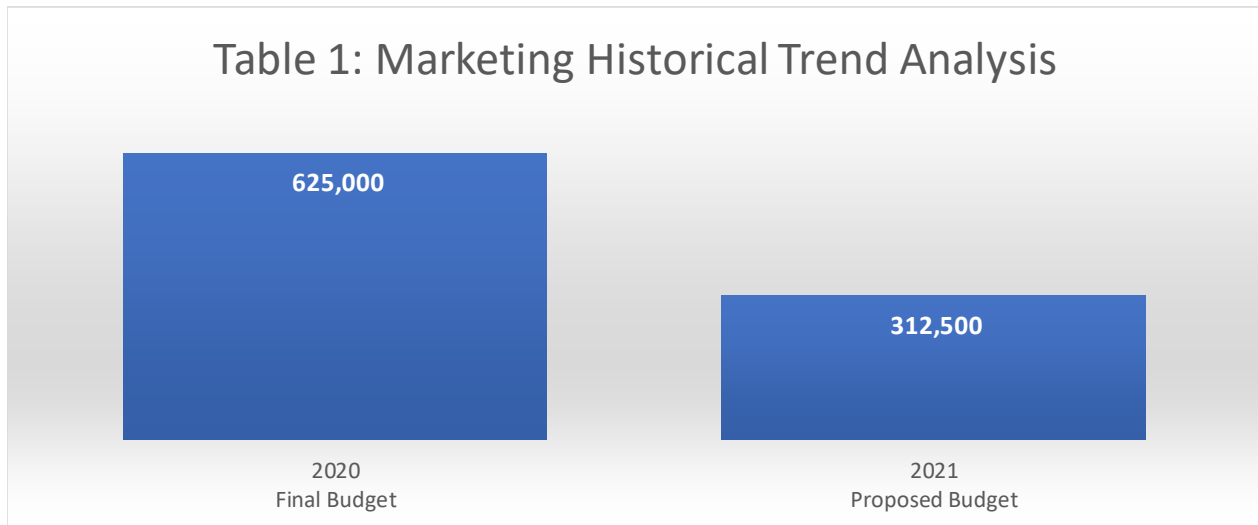
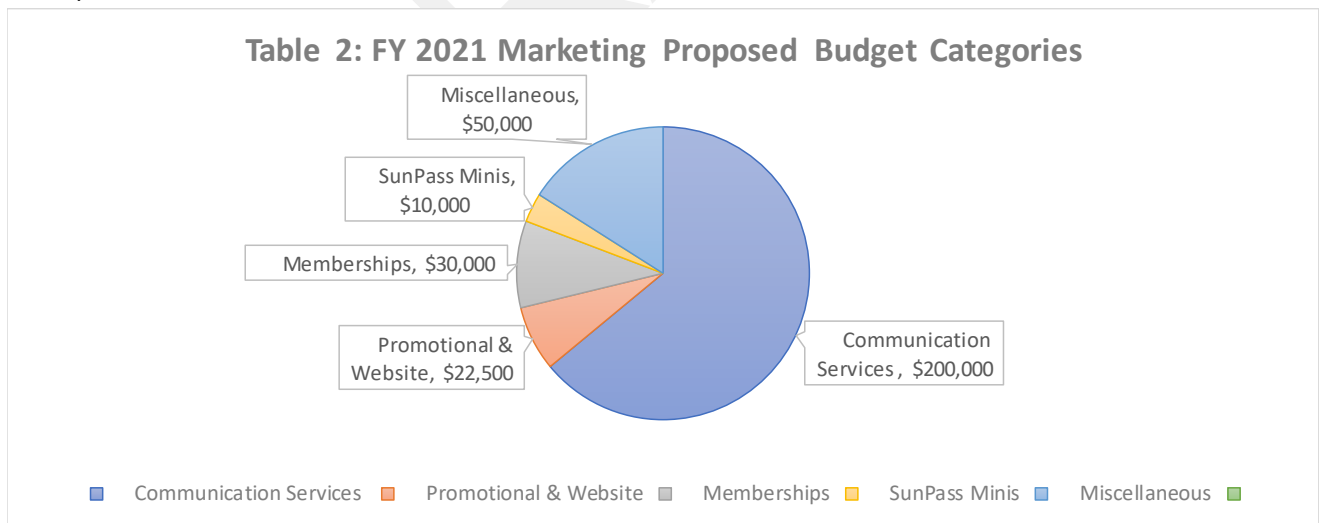


Table 2 presents the categories comprising total budgeted marketing expenses of the Authority for fiscal year 2021.



Tampa-Hillsborough County Expressway Authority Annual Operating Budget for the Fiscal Year Ended June 30, 2021

Administration: Personnel — Personnel expenses consist of salaries, payroll taxes, and benefits for all of the Authority's employees. There are forty-five (45) full-time budgeted positions, plus two part-time internship positions, budgeted for fiscal year 2021.

Table 1 below represents a comparison of the Authority's budgeted salaries, taxes and benefits expenses for fiscal year 2020 final adopted budget and fiscal year 2021 proposed budget..

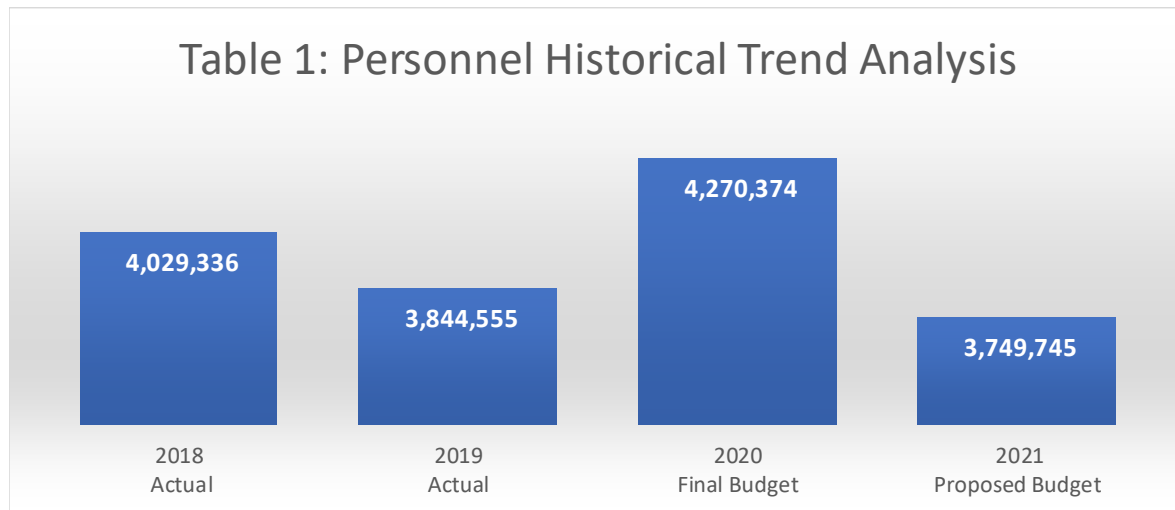
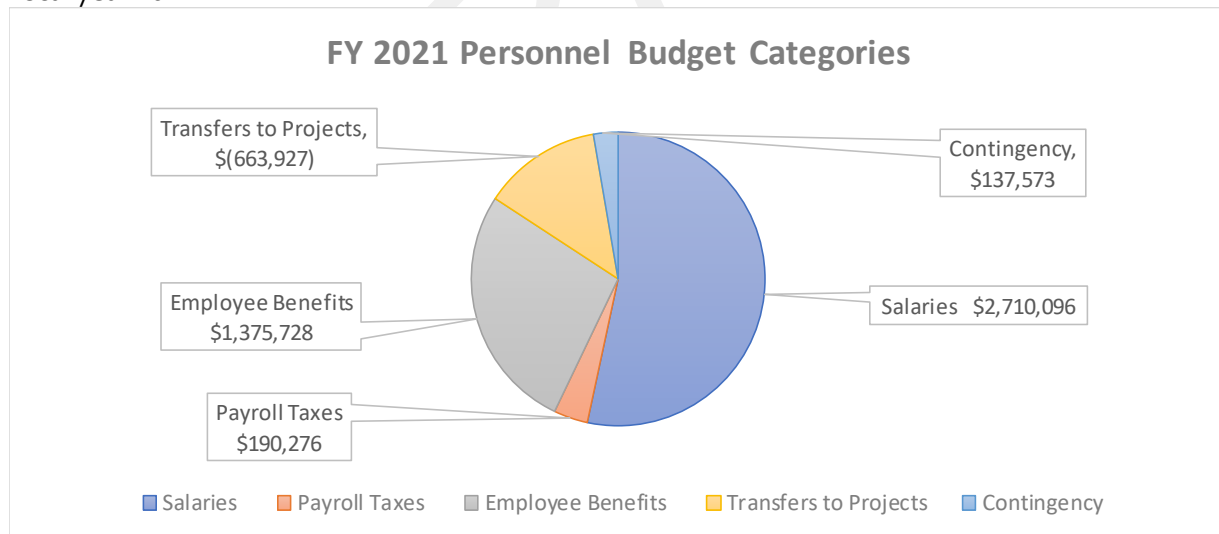


Table 2 presents the categories comprising total budgeted personnel expenses of the Authority for fiscal year 2021.



Tampa-Hillsborough County Expressway Authority
Annual Operating Budget for the Fiscal Year Ended June 30, 2021

Administration: Professional Services – Professional services expenses include, but are not limited to, general engineering consultant (GEC) services, legal services, information technology support, and financial and investment advisory services.

Table 1 below represents a comparison of budgeted administrative professional expenses for fiscal year 2020 final adopted budget and fiscal year 2021 proposed budget.

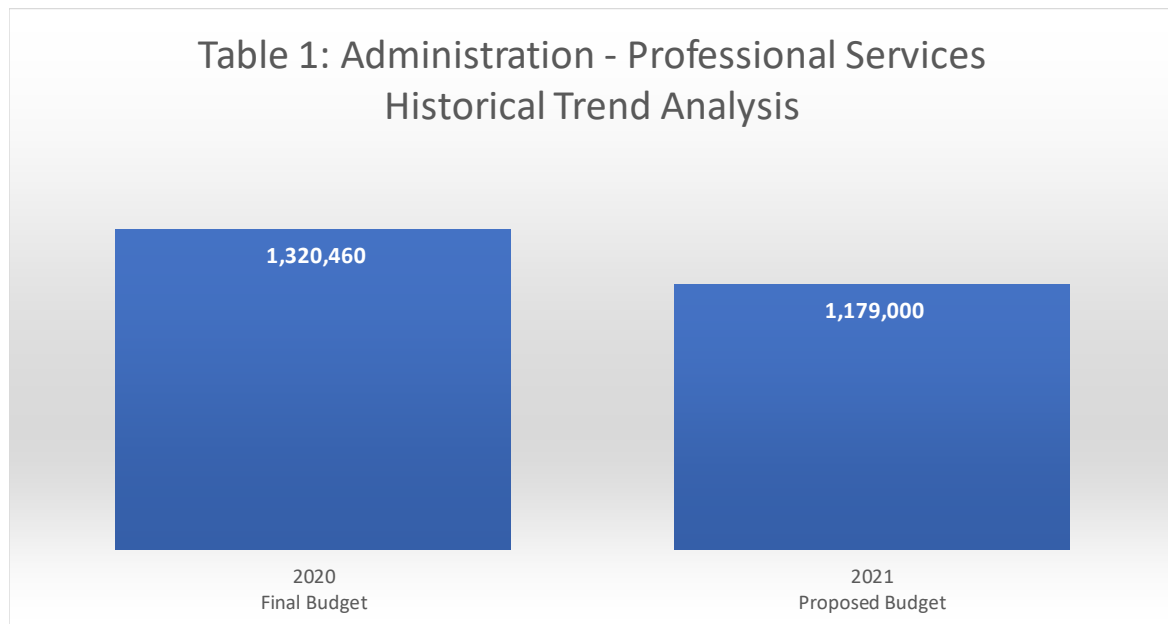
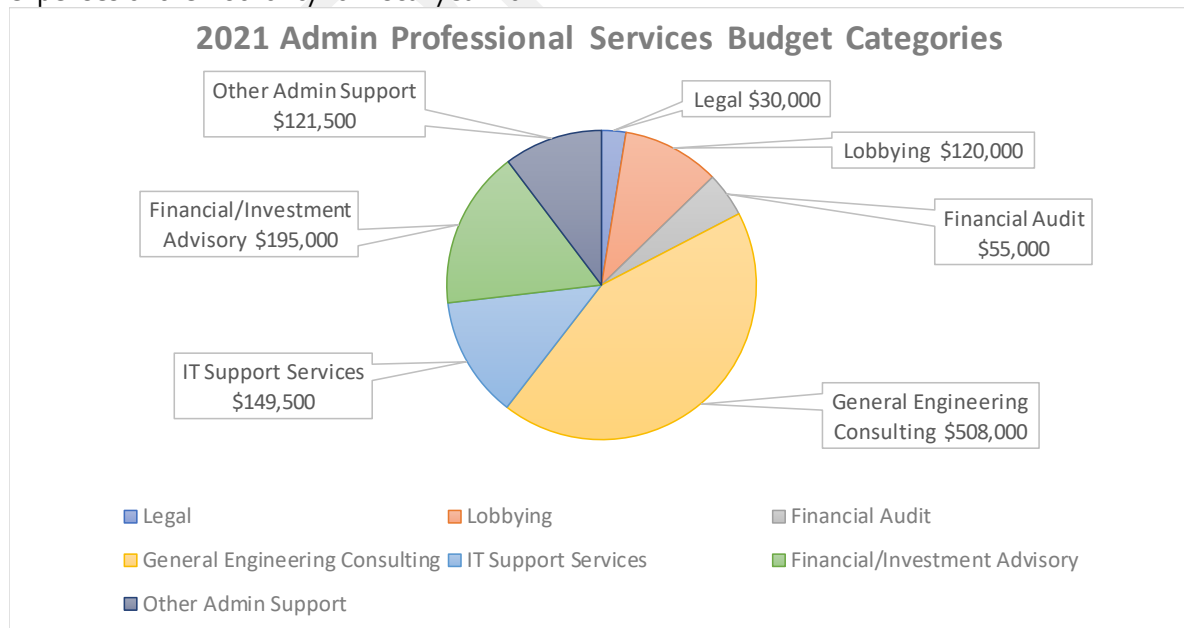


Table 2 presents the categories comprising total budgeted administrative professional services expenses of the Authority for fiscal year 2021.



Tampa-Hillsborough County Expressway Authority
Annual Operating Budget for the Fiscal Year Ended June 30, 2021

Administration: Office & Occupancy Expenses — Office & occupancy expenses include, but are not limited to, liability and workers' compensation insurance, utilities and office building expenses, dues, fees & subscriptions, telecom/communications, IT equipment, and professional development expenses.

Table 1 below represents a comparison of budgeted administrative office and occupancy expenses for fiscal year 2020 final adopted budget and fiscal year 2021 proposed budget.

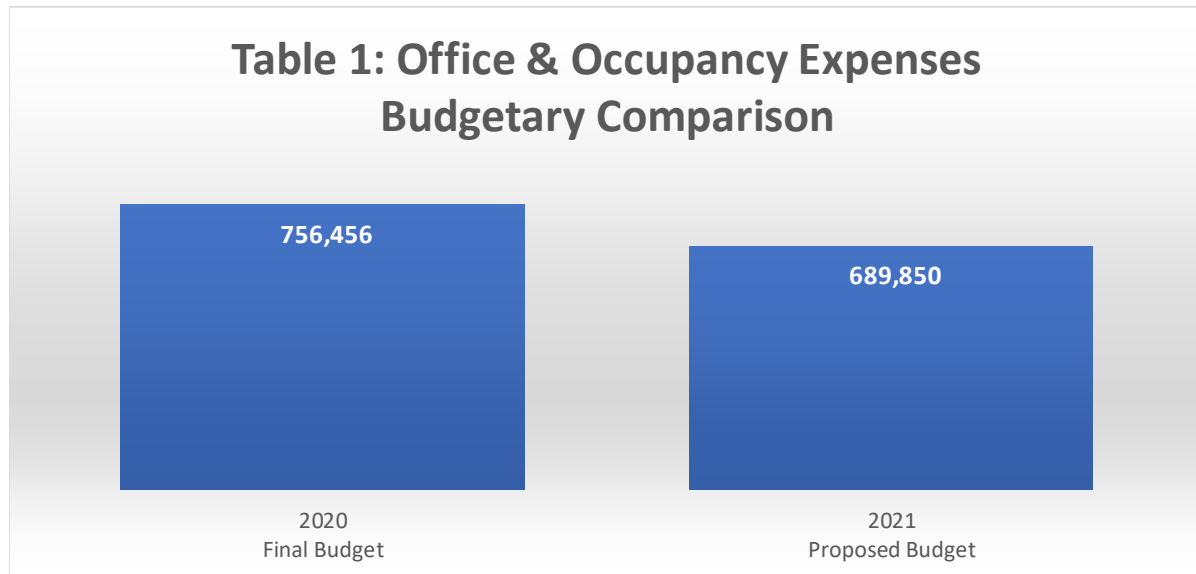
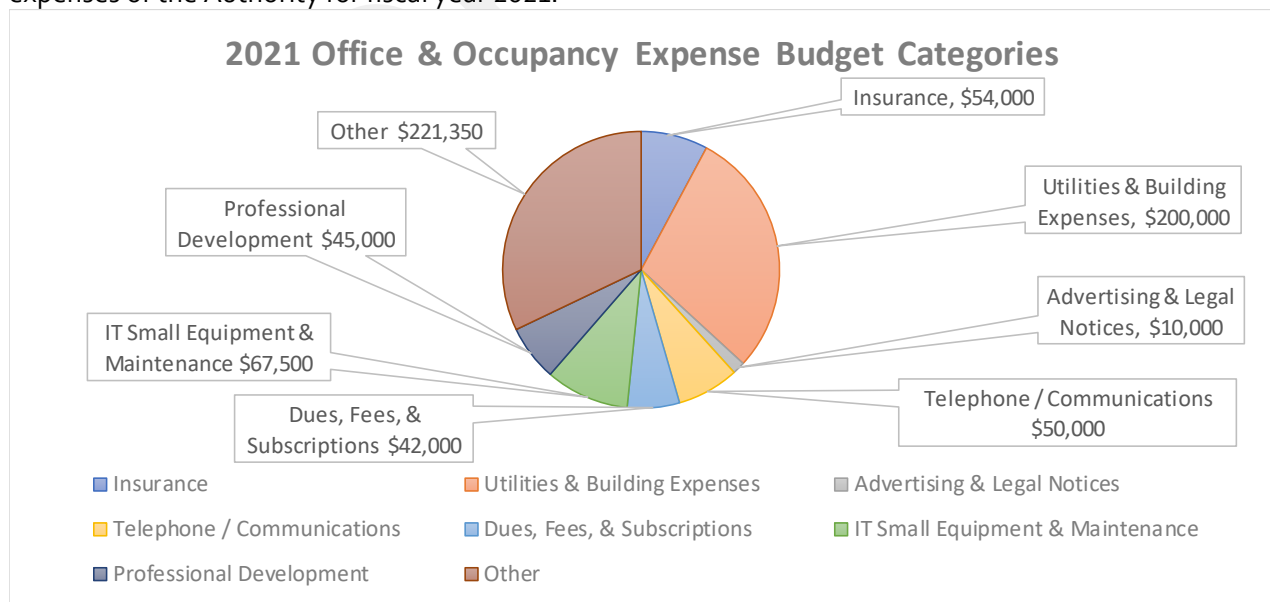


Table 2 presents the categories comprising total budgeted administrative professional services expenses of the Authority for fiscal year 2021.



Debt Service

Debt Service: Debt service consists of principal payments, which are due on July 1 of each year, and interest payments, which are due on January 1 and July 1, for the Authority's outstanding revenue bonds. The Authority's revenue bonds consist of the following:

Series 2012: The Authority issued \$334,165,000 in Tampa-Hillsborough County Expressway Authority Refunding Revenue Bonds, Series 2012A and 2012B; \$40,420,000 in Tampa-Hillsborough County Expressway Authority Taxable Revenue Bonds, Series 2012C; and \$70,105,000 in Tampa-Hillsborough County Expressway Authority Taxable Refunding Revenue Bonds, Series 2012D during the year ended June 30, 2013. The funds were used to refund the Series 2002 and Series 2005 bonds; payoff the SIB and TFRTF loans; fund the Authority's portion of the I4/Selmon Connector project and the AET conversion; and fund reserves for debt service, operations, maintenance and administration and renewal and replacement.

Series 2017: During the year ended June 30, 2018, the Authority issued \$157,780,000 in Tampa-Hillsborough County Expressway Authority Revenue Bonds, Series 2017; \$152,410,000 in Tampa-Hillsborough County Expressway Authority Refunding Revenue Bonds, Series 2017B; and \$36,190,000 in Tampa-Hillsborough County Expressway Authority Revenue Bonds, Series 2017C. The funds were used to refund the series 2012B bonds; fund Selmon-West Extension Project which includes the construction of 2.5 miles of elevated roadway over a portion of the existing Gandy Boulevard in South Tampa; and fund South Selmon Safety Project and Meridian Improvement Project.

The schedule below represents principal and interest payments budgeted for fiscal year 2020 and fiscal year 2021.

	2020	2021
	Final Budget	Proposed Budget
Debt Service		
Principal Series 2012	10,210,000	11,655,000
Interest Series 2012	12,145,728	11,855,764
Defeasance of Series 2012 Bonds	-	(4,549,216)
Interest Series 2017	7,889,000	7,889,000
Principal Series 2017B	335,000	355,000
Interest Series 2017B	6,137,100	6,120,350
Interest Series 2017C	1,809,500	1,809,500
Total	38,526,328	35,135,398

Tampa-Hillsborough County Expressway Authority
Annual Operating Budget for the Fiscal Year Ended June 30, 2021

Debt Service Coverage Ratio: According to the Authority's Master Bond Resolution, toll revenues shall at all times be fixed and established at such rates, and revised from time to time whenever necessary, so that in each fiscal year the Net System Revenues, consisting of revenues less operating expenses less \$500,000 deposit to the Operating, Maintenance, & Administration (OM&A) reserve account, shall be sufficient to pay 130% of the Annual Debt Service Requirement for the Authority's outstanding bonds. Net System Revenues comprises 1.53 times the Annual Debt Service Requirement for budgeted fiscal year 2021.

The schedule below presents the calculation of the debt service coverage ratio for fiscal year 2018 and 2019 actual results, fiscal year 2020 results, along with budgeted debt service coverage ratio for fiscal year 2020 and 2021.

	2020 Final Budget	2021 Proposed Budget
Toll Revenue	95,219,000	76,700,000
Other Income	2,950,000	2,689,840
Total Revenue	98,169,000	79,389,840
Total Operating Expenses	19,340,118	18,833,645
Deposit to OM&A Reserve Account	500,000	-
Net System Revenue	78,328,882	60,556,195
 Total Debt Service Payments	 38,526,328	 35,135,398
 Debt Service Coverage Ratio	 2.03	 1.72