

Tampa-Hillsborough County Expressway Authority
Minutes of the May 9, 2022, Board Workshop
1104 E. Twiggs Street
Tampa, FL 33602

The Tampa-Hillsborough County Expressway Authority held a public meeting at 1:30 p.m. on May 9, 2022, at THEA Headquarters, 1104 E. Twiggs Street in Tampa Florida. The following were present:

BOARD:

Vincent Cassidy, Chairman
Bennett Barrow, Vice Chairman
Secretary David Gwynn, Member
John Weatherford, Member
Commissioner Ken Hagan, Member

STAFF:

Greg Slater
Amy Lettelleir
Bob Frey
Brian Pickard
Jeff Seward
Sue Chrzan
Charlene Ponce
Krystina Steffen
Anna Quinones
Shannon Bush

Max Artman
Brian Ramirez
Tyler Oldano
Al Stewart
Lisa Pessina
Emma Antolinez
Judith Villegas
Julie Aure
Gary Holland

OTHERS:

Christina Kight
Sean Moore
Matthew Sansbury

Executive Director, Greg Slater, opened the meeting and briefly discussed what the board can expect from the workshop. He then turned the meeting over to Mr. Frey.

Bob Frey presented the proposed FY2023 Work Program noting that the Program is for six years – the existing fiscal year, the budget year, and four planning years. He pointed out that the plan contains ongoing preservation needs and planned enhancements.

He discussed the types of projects, which include Roadway, ITS, Tolls, and Facilities – and each project potentially has a Planning, Design, Right-of-Way, and Construction phase.

Mr. Frey discussed the six-year total (FY 22-27 Program \$733M) noting a 14% increase from the FY22 Adopted work program. The key factors attributed to that increase include:

- Major Preservation Program needs and cycle projects
- Major Capital Projects – project updates and phasing
- Additional Programmatic/Annual needs, and
- New Projects

Next, he reviewed the Preservation Program - \$10.8M for FY23 and \$69.5 total for FY22-27, and he briefly touched on the Major Preservation Elements of the plan.

Mr. Frey presented the Major Capital and Enhancement Elements, which total \$608M over six years and \$62M for FY23. He pointed out that the South Selmon Capacity project is the largest. Programmatic elements total \$32.8M for the six years and \$7M for FY23. Finally, new projects total \$12.7M over the six-year program.

Brian Pickard updated the board on the South Selmon Capacity Design-Build project. At the January 31, 2022, Board meeting, staff originally presented a cost of \$207,225,138. Since that time, additional costs have been identified. Those costs include tolling equipment, enhancement to bridges, and a construction timeline stimulus. The added cost comes to \$38,045,000 for a total of \$245,270,000.

Chairman Cassidy asked about the stimulus portion of the new costs. Mr. Pickard explained it is an incentive to prevent overlaps with future projects and to accommodate local citizen's requests.

Mr. Slater noted that these costs were not identified in the PD&E phase.

Mr. Weatherford asked for the breakdown of costs. Mr. Pickard stated that the equipment portion is about \$12M, the enhancement to bridges is about \$12M, and the stimulus is \$8M.

Secretary Gwynn asked if staff has redone its estimates to reflect inflation. Mr. Pickard explained that the figure provided to the board in January did have an inflationary component added to it. Secretary Gwynn mentioned that FDOT is experiencing high increases in many cases and updating the estimates might be a prudent exercise. He also asked about the timeline. Mr. Pickard noted the plan is to advertise in July and open price proposals in April.

Chairman Cassidy asked Mr. Frey if there are any new projects in the Work Plan that the Board didn't previously know about. Mr. Frey referred to the *New Projects* slides. The Chairman restated his question, asking if there are any new projects associated with a road. Mr. Frey confirmed there are not. Mr. Slater pointed out that in the programmatic list is where those items would be found.

The Chairman asked about the corridors for which THEA did preliminary analyses. Mr. Frey responded that they were US 301 from the Selmon Expressway to Big Bend Road in

Hillsborough County and three corridors in Pinellas County. There was a brief discussion about U.S. 301. Mr. Slater reiterated that the programmatic list of items is kept current. Mr. Frey noted that these costs are annual, if they do not get used, they roll off the list.

Mr. Weatherford asked about future large-scale projects. Mr. Slater explained THEA is making investments to get a better, more accurate, picture of the system to understand where the congestion is and also taking into consideration where the growth is. The data will tell us where the opportunities are and what we need to do.

There was a brief discussion about growth and opportunity.

Mr. Seward provided an update on the proposed annual operating, maintenance, and administrative budget.

Revenues are anticipated to grow at 11.5 percent. Two things are moving that for us. First is the 2.5% toll indexing and second is an increase in the estimated 1.1M toll transactions per month.

The differential will be revisited next year. Mr. Slater explained an issue staff is researching relative to video transactions. He explained that while we know what our video transactions are – a percentage of those are Peach Pass or some other transponder (and not really video toll transactions). So, we may not have an increase in video tolls, rather, an increase in out-of-state residents with other transponders using the system.

There was additional discussion about the differential, the debt coverage ratio, and THEA Policy.

Chairman Cassidy asked for a timeline on when we'll know the detailed information. Staff will pull the information together and provide it in the near future.

Mr. Seward returned to the discussion on Revenues noting the end of the Ardent Mills lease and the addition of two new property leases.

Chairman Cassidy asked about the lease – Jeff noted \$250 per month. The contract allows us to cancel if we need the property for anything. Ms. Lettelieir pointed out that the fee is consistent with THEA's policy on leasing our property for staging.

There was a discussion about FY22 amended vs FY23 proposed. Mr. Seward explained that the numbers will be trued up and brought back to the Board for adoption.

Mr. Seward continued with Toll System Maintenance & Support expenditures, which have increased due to:

- Increase in FTE expenses

There was a brief discussion about what THEA is paying the state. Mr. Weatherford asked if the budget slides could, in the future, include percentages. Staff will oblige. Chairman Cassidy asked about whether the state makes a profit. Secretary Gwynn noted that he did not think that was the case.

Mr. Seward mentioned an increase in image review costs and contractor staffing. Ms. Antolinez gave an update that we are catching up and stand at around 22 days behind. Mr. Seward continued noting the following:

- Increase in software licensing and IT support costs
- Increase for in-lane equipment maintenance
- Increase for tolling cabinet AC and generator maintenance costs

Next, he reviewed the Communications budget, which has not increased.

The Maintenance budget has increased 12.66% over FY22 Amended. Key drivers to the net increase include:

- Roadway and Facilities Maintenance
- Landscape/Hardscape Brandon Parkway & Meridian
- Intelligent Transportation System & Other Expenses
- Bridge Inspection

Mr. Slater noted THEA is taking over the bridge inspections from FDOT – a more proactive approach

Mr. Seward continued with Personnel, noting an increase of \$383,103. He discussed what various other agencies are doing for employees and pointed out that THEA is:

- Budgeting a 5% COLA for all employees
- Seeing a 7% increase in healthcare benefits
- Responding to a 3% increase in State mandated employer Florida Retirement System contributions
- Adding a third intern position and increase to intern hourly rate
- Reclassifying a vacant position for Procurement support

Mr. Weatherford asked if staff expects this amount to be enough or if there might be an amendment down the road. Mr. Seward explained that if THEA moves to the state number it would be a \$13,000 increase and if we went to what the Port of Tampa does it would be \$36,000 increase.

Chairman Cassidy asked what turnover is. Staff will calculate and provide at a future date.

Secretary Gwynn noted that FDOT got the 5.3% and the Legislature gave the FDOT additional money for targeted recruitment and retention.

Mr. Seward reviewed the professional services budget. Increases include:

- Outside legal support
- An Agency-wide Contingency
- A reduction in GEC support due to no-biennial inspection for FY23
- A reduction in anticipated temporary staffing expenses

The Chairman remembered the Legislative Liaison number being closer to \$600K. Staff noted that was two years ago. Mr. Seward will verify and report back.

Mr. Seward then reviewed the expenditures on the administration side:

- Organization contingency was moved to Professional Services budget
- Sales tax expense associated with Ardent Mills lease was eliminated
- All property and liability insurance expenses increased
- Professional development, tuition reimbursement and conference travel increased

He reviewed the Debt Service Funding Requirements, noting the total debt service for FY2023 is \$38,024,425.

Mr. Seward summarized the key take-aways:

- Revenue increased by 11.75%
- Expenditures increased by 12.87%
- FY23 Capital Improvement Program is fully funded
- Projected to increase long-term Capital Improvement Program Fund by \$50M (close of FY23)
- Estimated Debt Service Ratio of 2.33 at close of FY23 (estimated to end FY22 at 2.07)



He concluded by stating the organizing is very strong and is addressing the needs of the community.

In preparation for the South Selmon Capacity we're looking at the opportunity to leverage the cash we set aside for that project, and we should have about \$70M to put toward that project. Chairman Cassidy asked how much THEA has set aside that is unrestricted. Mr. Seward noted \$59M right now and we are adding another \$50M. We'll have at least \$20M that can go toward the South Selmon Capacity project.

There was a discussion about fixed price bids and built-in incentives.

Mr. Slater asked if there were any areas of focus board members wanted to discuss. Secretary Gwynn recommended paying attention to inflation.

With no further business the meeting adjourned at 2:55 p.m.

APPROVED:  ATTEST: 
Chairman: Vince Cassidy Vice Chairman: Bennett Barrow

DATED THIS 23rd DAY OF MAY 2022.