

**HILLSBOROUGH TRANSIT AUTHORITY (HART)  
BOARD OF DIRECTORS  
FINANCE, GOVERNANCE AND ADMINISTRATION COMMITTEE MEETING  
Monday, May 17, 2010, 8:30AM  
HART Administrative Office, 1201 East 7<sup>th</sup> Avenue  
Tampa, FL 33605**

**Board Members Present**

Wallace Bowers  
John Byczek  
Fran Davin  
John Dingfelder  
Ron Govin  
Alison Hewitt  
David Mechanik

(7)

**Staff Members Present**

David Armijo  
Katharine Eagan  
Joe Escobedo  
Olga Gonzalez  
Philip Hale  
Tameca Johnson  
Brenda Mowen  
David Persaud  
Lena Petit  
Mary Shavalier  
Michael Stephens  
Deborah Tamargo  
Ken Wagner

**Others Present**

Clark Jordan-Holmes, JJH  
Deborah Lyons, FDOT  
Ted Jackovics, the Tampa Tribune  
Pierre Mathurin, 3409 W Caracas Street, Tampa, FL 33614

**CALL TO ORDER AND INTRODUCTIONS**

**Sign-in sheets are attached.**

Meeting was called to order at 8:38 a.m.

**MINUTES**

*Director Hewitt made a motion to approve the Finance, Governance and Administration Committee Meeting minutes of January 18, 2010. Director Bowers seconded. All Committee members present voted aye. The motion carried unanimously.*

**DISCUSSION ITEMS**

**Overview of Express Service**

Katharine Eagan, HART Chief of Service Development, presented a report on HART's Express Service and Route Performance. A full copy of the presentation is on file and can be obtained from the Clerk of the Board at [petit@gohart.org](mailto:petit@gohart.org).

Director Mechanik arrived at 8:41 a.m.

Director Bowers stated that several riders have communicated to him their concerns about HART eliminating bus stops near residence centers for persons with disabilities. He asked if surroundings are taken into consideration when deciding which bus stops to eliminate.

Ms. Eagan responded that such factors are important and are considered. She explained the procedures preceding the elimination of a bus stop. Ms. Eagan stressed the fact that HART always seeks public input prior to making such decisions.

Mr. Armijo noted that staff is researching opportunities to consolidate several bus stops to allow buses to move more quickly.

Director Davin asked how soon until HART's fleet is totally upgraded.

Mr. Armijo responded that in the last year, HART replaced 35 percent of the fleet, with the average fleet age decreasing from 7.2 to 5.5 years. He indicated that HART's fleet is fairly young, however, there are a few old buses that are planned to be replaced in the upcoming years.

Philip Hale, HART Chief of Maintenance, noted that HART replaces seats on some older buses, being cognizant not to spend on interior improvements on a vehicle that is scheduled for disposal within the next 12 months.

Director Hewitt requested an explanation on the process of bus rotation in the local service network.

Mr. Hale pointed out that staff identifies specific size of buses for certain routes based on ridership demand. He added that the entire fleet is rotated through the service area.

Director Dingfelder arrived at 8:57 a.m.

### **Overview of Fuel Costs**

Brenda Mowen, HART Chief Administrative Officer, gave a presentation on HART's Fuel Purchase Process. A full copy of the presentation is on file and can be obtained from the Clerk of the Board at [petitl@gohart.org](mailto:petitl@gohart.org).

Director Govin asked how many gallons of gas HART uses on a daily basis.

Mr. Hale responded that HART uses on average 7,200 gallons of gasoline each day.

Ms. Mowen added that the minimum delivery requirement is 7,500 gallons.

Director Mechanik asked if it would be easier for HART to meet the minimum delivery requirement if it purchased fuel jointly with PSTA.

Ms. Mowen remarked that this suggestion will be taken into consideration at negotiations for a future joint purchase.

Mr. Hale compared the costs of CNG and diesel fuel and the cost of the vehicles operated on different fuel types. He noted that natural gas is less expensive and its price does not fluctuate as much as diesel. Mr. Hale indicated that historically, Gillig, the bus manufacturer used by the Florida Consortium for bus purchases, only had diesel buses, but now started production of CNG engine coaches. He added that the 21<sup>st</sup> Avenue Operations Facility is located in close proximity to a gas line, and no gas storage is required since it can be pumped directly from the line.

### **Overview of Employee Health Benefits Expenditures**

Michael Stephens, HART Director of Human Resources and Legal, gave a presentation on the cost of HART's Employee Benefits. A full copy of the presentation is on file and can be obtained from the Clerk of the Board at [petitl@gohart.org](mailto:petitl@gohart.org).

Chairperson Byczek arrived at 9:28 a.m.

Director Dingfelder asked how HART's health insurance plan compares to the plan offered by Hillsborough County.

Mr. Stephens responded that the cost of HART's health insurance plan is 16 percent higher than the County's plan due to several factors, among which are claims history and additional purchasing power. He discussed HART's strategy focused on identifying options of providing quality employee benefits at a sustainable cost. Mr. Stephens said staff is evaluating if HART could benefit from joining another entity's health insurance plan as well as looking for ways to change HART's claims experience, the alternatives of cost shifting, setting a pharmacy contract, and transitioning to a self-insurance option. He said last year HART selected a different provider which helped to avoid an 18 percent health insurance increase proposed by United Healthcare, the prior provider.

Director Davin asked if staff had considered offering multiple plans to the employees.

Mr. Stephens responded that variety of plans drives the administrative costs up. He explained that transitioning to self-insurance option takes significant planning and detailed analysis of the past history. Mr. Stephens added that staff is working with a broker to assess this option.

Director Govin asked if HART offers a Health Savings Account (HSA).

Mr. Stephens said HART offers an HSA for its vision plan.

Director Hewitt asked if labor contract negotiations would be impacted by uncertainties with health insurance costs.

Mr. Stephens responded that during the course of negotiations there will be an opportunity to discuss a shift in costs in various coverage categories.

Director Hewitt asked how often HART organizes seminars and information drop-in sessions for the employees to make sure they understand how to best maximize the coverage they have.

Mr. Stephens stated that HART periodically holds health wellness fairs that are attended by health insurance providers and representatives of various wellness programs. He said HART's benefits managing staff has an open door policy for the employees, and the Human Resources staff is reaching out to the Unions' leadership to discuss partnership opportunities for better ways to educate employees about health plan choices.

Chairperson Byczek thanked staff for presentation and noted that an HSA is an outstanding option and is worth evaluating.

Mr. Armijo indicated that health insurance and fuel costs are expected to significantly increase in the next fiscal year and thus some adjustments to the FY2011 budget will be considered.

### **Overview of FY2011 and 2012 Budgets**

Mr. David Persaud presented an overview of the FY2011 and FY2012 Budgets. A full copy of the presentation is on file and can be obtained from the Clerk of the Board at [petitl@gohart.org](mailto:petitl@gohart.org).

Mr. Armijo explained that Fiscal Year 2011 will be financially challenging for the streetcar system. He noted that the assumptions set in the 20-year plan are not being met. Mr. Armijo noted that streetcar advertisement revenue was projected at \$100,000, however only \$10,000 has been generated.

Director Mechanik said that the advertisement sales representative contracted by the THS Board of Directors has not been able to produce much revenue. He suggested that HART makes this report available at the next scheduled THS meeting with the City of Tampa staff. Director Mechanik added that the City of Tampa would be obligated to cover a shortfall in case of depletion of the streetcar endowment fund.

Director Dingfelder noted that six years ago it was suggested that homestead exemptions on the special assessment district be eliminated.

Director Mechanik responded that an analysis was conducted last year that indicated this would not result in a significant increase in revenues for the streetcar system. He indicated that these findings were presented to the THS Board of Directors and the consensus was that it was not the right economy for this change.

Director Dingfelder noted that HART's 5-year capital budget reflects a big jump in Alternatives Analysis and New Starts costs. He asked if this projection is based on the assumption that the sales tax passes in November.

Ms. Mary Shavalier confirmed the statement.

Mr. Persaud remarked that HART does not make long-term investments and interest rates decreased in the course of the year.

Director Davin requested an explanation on the significant differences for fringe benefit costs for different modes.

Director Bowers left at 10:29 a.m.

Mr. Persaud explained that the numbers are based on salaries, Florida Retirement System (FRS) contributions, and health benefits for the employees of various departments of various modes.

Mr. Armijo indicated that staff will be evaluating additional service restructuring to reduce costs. He said the budget was built on the assumption that HART does not increase its millage rate this year prior to the referendum.

***Director Hewitt made a motion to recommend submittal of the budget to the full HART Board of Directors for review and approval. Director Govin seconded. All Board members present voted aye. The motion carried unanimously.***

The meeting adjourned at 10:37 a.m.