

FLORIDA TRANSPORTATION COMMISSION

MINUTES OF MARCH 4, 2003

MEETING NUMBER 135

The one hundred and thirty-fifth meeting of the Florida Transportation Commission was held Tuesday, March 4, 2003 at Florida Department of Transportation, Auditorium, 605 Suwannee Street, Tallahassee, Florida.

ATTENDANCE

Members in attendance were: Commissioners David Brown, Earl Durden, Jim Holton, Norman Mansour, Janet Watermeier, Sidney Calloway, Bob Namoff and Gasper Lazzara.

MINUTES

Minutes of the February 17, 2003 Commission Meeting were approved.

CHAIRMAN'S REPORT

Chairman Brown briefly went over the Secretary Selection process and thanked the members of the Search Team, which consisted of Commissioners Durden, Holton and Calloway. A total of 42 applications were received for the position, eight candidates made the short-list and the Commission interviewed five of the eight on February 17. Three were submitted to the Governor for consideration. The three candidates nominated were: Messrs. José Abreu, Buck Limehouse and Frank Martin. The Governor should make an announcement in the next few days.

- Chairman Brown spoke before the Florida Chamber of Commerce, Board of Governors and the Florida Senate Transportation Committee in February. He attended a briefing held by the Department of Transportation and Deputy Chief of Staff Denver Stutler. Florida's priorities for the next federal act were presented to transportation associations and groups throughout the State.
- Commissioner Mansour presented an award to Secretary Barry on behalf of the Commission honoring his many years of service at a reception in his honor on February 19, 2003. Commissioner Calloway was also in attendance.
- Commissioner Durden spoke before the House Transportation Systems Subcommittee in February.
- The High Speed Rail Authority met on March 3, 2003. **Commissioner Mansour** gave the Commission an update on the High Speed Rail Authority Activities. The Authority received presentations from the four proposers who have submitted bids to the Authority. They also received a legislative update from Senator Sebesta regarding things going on in his committee as well as with others in the legislature concerning possible legislation, putting the item back on the ballot. The Authority is operating under the constitutional mandate and the statutory

directives that they have. There are a lot of variables and unanswered questions that remain. The Authority has a schedule to select one of the proposers next fall. **Chairman Brown** asked who the proposers were. **Commissioner Mansour** stated the companies are: Fluor Bombardier, Global Rail, Georgia Monorail and E23.com. **Commissioner Durden** asked if the firms were financially prequalified. **Commissioner Mansour** said there was a prequalification process that was done a year ago and there were requirements for the separate proposers to present their financial qualifications along with other requirements.

- Sally Patrenos gave the legislative update.

The next Commission meeting is scheduled for April 15th in Tallahassee.

- **Commissioner Namoff** briefed the Commission on the status of the Motor Carrier Safety Study. There was a panel meeting scheduled several weeks ago and was postponed awaiting new Federal Guidelines that will be disseminated in the next month or so. In addition, in the Motor Carrier Compliance legislative package includes penalties for certain motor carriers that break the rules and allow intrastate compliance reviews of the carrier companies headquarters that previously could not be done because of a loophole in law. The FTA (Florida Trucking Association) is agreeable to this bill and we are working very well with the FTA panel.

FTC STRATEGIC PRIORITIES UPDATE

Chairman Brown commented that after we have a new Secretary on board, one of his goals would be to have a work session to go over the Strategic Priorities with the new Secretary and hopefully be able to continue on achieving success in accomplishing the different priorities and we would look to do that shortly.

Mark Reichert briefed the Commission on the Second Quarter Performance Report. Everything looks great for the second quarter. The Department is on track and should have another exceptional year. There have been changes made in the formatting of the quarterly reports. Basically, the quarterly reports serve as a monitoring tool to the Commission to check out how the Department is doing throughout the year so that if we do notice a problem it can be resolved to get back on track.

Chairman Brown thanked Mark for all his work on the reports. He also mentioned that he has received very good feed back from people and the legislature about being able to link to the reports on our website and how insightful the reports are to the public and legislature as to the performance of FDOT. It is very much appreciated.

UPDATE ON TRANSPORTATION INVESTMENT STUDY

Ysela Llort, State Transportation Planner, briefed the Commission on the status of the Transportation Investment Study. She turned the presentation over to Dick Glaze, President of Glaze Associates, Inc.

Chairman Brown stated that he does not want to produce a report that is misunderstood; he wants to produce a report that is useful to the overall understanding of the policy-makers. He would like to give the Commissioners and staff time to study the report and have Ms. Llort come back to the April meeting and have an opportunity to ask questions. He would like to have a workshop the day before to make sure we understand the report and to identify opportunities to draw conclusions that we understand what those conclusions might be and what the next steps should be. **Commissioner Durden** stated he would be in favor of having a workshop on this and getting something to the Legislators and to the Governor's office. We need to come up with a way to present this to get someone's attention – we may need to offer some type of proposal to address the shortfall. Ms. Llort also offered to brief the Commission on the Macroeconomic Impacts of the Florida Department of Transportation Work Program. **Chairman Brown** said he would like to be briefed at the workshop.

Commissioner Watermeier stated that she recognizes that we haven't added in the information for the ports and the airports because we don't have them. However, she believes that they also have mechanisms for projecting needs into the future. She thinks that the big picture of where those dollars are is critical, particularly when we are moving to the strategic intermodal system. In her opinion, there is an awful lot of dollars going into ports and she sees the intermodal connectors and those dollars, both at the local level and federal level, as being huge numbers, maybe even more than the road numbers. **Chairman Brown** commented that there are a couple of issues – the security issues in airports. There has been a federal trust fund for aviation for years – it has really fairly adequately funded the aviation industry. However, all that money is probably going to be taken for security in the coming years. As that happens, you are going to have a further shortfall in capacity as it relates to airports. One of the things he is interested in talking about is where does the shortfall in transportation add noticeable and measurable losses to the economy as a whole? Somewhere the needs shortfall should cross with economic demand and the economic effect. There is the positive effect by the reinvestment, but where does it become a negative factor to the economy itself in Florida? He thinks that is something that if we don't make the connection statistically for the policy makers, it will be harder for them to appreciate the argument. Dick Glaze responded that when they bring to the Commission the results of the Macroeconomic Study it would be of help.

FLORIDA DEPARTMENT OF TRANSPORTATION REPORT

Assistant Secretary Ken Morefield gave the Department report. He handed out items for TEA-21. He also handed out the status report on TEA-21 – updates will be published periodically.

Mr. Morefield thanked Commissioners Mansour and Calloway for being at the Secretary's farewell dinner and was very appreciative of all the kind words said by Commissioner Mansour.

Department staff attended an AASHTO meeting in Washington. The feed back received was very good on the federal/state issues, specifically the transportation issues. The group heard from the Homeland Security office, the house speaker, Representative Esser

from Illinois and Secretary Martinez from HUD. Bob Burleson made arrangements to meet with the DOT Deputy Secretary Michael Jackson for Senators Sebesta and Webster to meet on some DOT issues and some of the Reauthorization issues, and he wanted to thank Bob Burleson for arranging that.

Stephanie Kopelousos, Federal Programs Administrator, met with the Florida US Congressional Delegation staff people, specifically to discuss the donor state issue and our position for reauthorization. Ms. Kopelousos reports that meeting with the staff is 99% of the battle to get your message across since they will take it back to their bosses. She reported that went very well and they understand the issues as Florida sees them.

Mr. Morefield felt like the meeting the Chairman attended with Denver Stutler went very well. He thinks the message that the Department wanted to get across to the Governor's Office was the Department is going to be actively involved and that the groups need to have a consistent, coordinated message if we are going to have any achievements in Washington. He thought the meeting was well received.

Mr. Morefield reported that the President signed the 2003 Federal budget last week. That put \$31.6 billion into the Federal Transportation arena for this fiscal year. What they are doing is taking some of the excess in the trust fund – a one-time deal getting it to \$31.6 billion. They also put in a lot of earmarks – the final earmarks in the Federal 2003 budget were provided in your package – for Florida it is about \$40 million dollars for the highway program, about \$8 million for the transit. The Department is analyzing the impact of those earmarks as it relates to the formula fund. The Department does not anticipate any problems. They believe there will be excess money, but don't know what pot it will be in. They don't anticipate having to shift any projects in this year's Federal budget arena.

The President released his budget proposal for the 2004 fiscal year, which will be the first year of the new Reauthorization bill. It is at \$29.3 billion, which is less than this year. They are redirecting the 2.5 cents for gasohol back into the trust fund. They are starting a new program – interstate maintenance and bridge program - using \$1 billion of existing resources, taking it from the surface transportation program of the federal bill. It looks like they will be continuing the TIFIA (Transportation Infrastructure Finance Innovation Act) program and the Federal State Infrastructure Bank Program. Since the Department has not seen the actual Reauthorization bill, this is based on the budget and can tell those parts will be continued on in their proposal. From a federal perspective – that is what the Department knows about this year's budget and what is being proposed for next year.

MPO issues – with the 2000 census – there are new designations of MPO's, new urbanized areas. The Department has issued letters to each of the new urban areas along with the existing MPOs asking for recommendations that the Department can send to the Governor by the end of April. There are four newly designated urbanized areas: St. Augustine urbanized area, Lady Lake urbanized area in Lake County, Leesburg/Eustis in Lake County, Zephyrhills in Pasco County. The Department's general recommendations should redesignate eight MPO's as they are, the new MPO's Lady Lake and Leesburg should consider merging into a new three county MPO, and the larger MPO's that are adjacent to each other - such as Miami/Dade, Broward/Palm Beach, Sarasota/Manatee

plus some others – the Department recommended that they consider consolidation. The Department has asked the MPO's to review the recommendations and get back with them so they can make recommendations to the Governor, same thing with the new MPO's – it is a coordinated effort.

Chairman Brown asked if there was any thought in the Department to go to a different scheme for MPO's statewide. His discussions on a federal level are that the Department has more flexibility. He believes we need to come up with some initiative to try to make the MPO's bigger and more significant as to the regional planning process and not as compartmentalized as they currently are. Mr. Morefield responded he believes that would be a major effort, because it has to be a cooperative effort. It may be too late for this reauthorization bill, but he agrees.

The Department met about three weeks ago to look at their strategic objectives and came up with eight possible new strategic business objectives. The Department will meet again in April to discuss them and hopefully be able to adopt them as the official strategic business objectives in the next couple of years. They are: 1) Improve external customer satisfaction; 2) Improve response time to external customer issues; 3) Implement a statewide transportation safety plan; 4) Improve project delivery; 5) Implement the DOT business model statewide; 6) Improve the leadership effectiveness system; 7) Address the workforce development issues; and 8) Improve effectiveness in communication all throughout the Department.

Chairman Brown asked that the Department keep the Commission updated during the Session of any movements that are of concern to the Department and its priorities and not to hesitate to ask the Commission for assistance.

STATEWIDE PUBLIC HEARING: DEPARTMENT'S TENTATIVE WORK PROGRAM FOR 2003/2004-2007/2008

(Please refer to the Review of Department of Transportation Tentative Work Program FY 2003/04 – 2007/08 Report for detailed information).

Chairman Brown briefly described the process of the hearing. This review will be in three parts; first the overview of the Work Program; second compliance with laws and policies and third, public comment. This part of the meeting was turned over to Mark Reichert.

Mark Reichert introduced Ron Hutchinson, Manager, Program Development Office to give the Commission a brief overview of the annual Tentative Work Program process that brought us to where it is today. Mr. Hutchinson discussed the process using two flow charts that he went over in detail.

Overview/New Programs Implemented

Mr. Reichert briefed the Commission on the report. This Work Program covers the period of July 1, 2003 through June 30, 2008 the Five-Year Work Program. The Tentative Work Program totals \$25.2 billion, \$0.6 billion larger than last year's. \$20.9

billion is planned in Product and Product Support. The Work Program will add 1,077 additional lane miles to the highway system; it will resurface 12,714 lane miles; it will repair 748 bridges and replace 24 bridges. There is \$2.63 billion set aside for public transportation. There are 7,725 projects in this Work Program and 22,576 project phases. There are no new programs impacting this Tentative Work Program, however the impacts of past programs are still being felt, including Mobility 2000 created in May 2000. It provided \$2.5 billion of additional funds for transportation resulting in the advancement of \$4 billion in transportation improvements. The impact on this Tentative Work Program is the net advancement of an additional \$187 million worth of project phases. There is the Transportation Outreach Program, which is dedicated to funding transportation projects of a high priority. \$515 million is designated to this program over the Tentative Work Program period. There is the State Funded State Infrastructure Bank, this program provides loans to help fund transportation projects that otherwise may be delayed or not built at all. There is \$40.4 million designated to this program over the Tentative Work Program period.

Assistant Secretary Ken Morefield went over the Total Work Program summary, which is generally about the same amount as last year. The percentages are almost identical except Administration, which was 2% of the Work Program but with taking OIS out of the individual categories and putting it all in Administration, it is now 3%. Mr. Morefield pointed out that in the area of Construction the dollar amounts would be going down in the year 05/06. **Chairman Brown** asked if the construction is going down by about a billion dollars in lettings starting in the years 05/06 because a lot of money was accelerated in the Economic Stimulus as well as the Mobility 2000, but the benefit of that is going to go away as far as to the volumes of the lettings. Mr. Morefield responded that is correct, the Department is hoping to do better with TEA-21 and build more back in before the next Tentative Work Program.

Each District Secretary briefly went over his district as it relates to the Tentative Work Program. Also, each District Secretary discussed plans for dealing with the Deferred Retirement Option Program (DROP) over the next couple years.

Chairman Brown asked that in the future Edward Prescott's district come back and make a presentation to the Commission, he feels as though it is the less understood districts as far as the emerging development and all the growth in the area. It is the most vibrant new area in the State. Mr. Prescott stated that their rate of growth is the highest in the State.

Chairman Brown stated that he would like to have a presentation by the Turnpike Enterprise regarding Express Lanes in Florida – Orlando will be the proto-type for Toll Express Lanes.

Overview of Florida Intrastate Highway System (FIHS)

Mr. Morefield went over the Florida Intrastate Highway System.

Overview of the Intermodal Development Program

Mr. Morefield went over the Intermodal Development Program. It is a combination of projects such as; fixed guide-way transportation systems, access to seaports, airports and other transportation terminals, etc. The bulk of the program goes to the Miami Intermodal Center.

Financial Soundness

Assistant Secretary Cris Speer briefed the Commission on the Financial Soundness of the Work Program. Ms. Speer went over the statutory requirements of the Work Program. Ms. Speer stated that in the State Transportation Trust Fund, the Department has to meet statutory minimums on a quarterly basis at the end of the quarter. For the Turnpike cash it is at the end of the fiscal year, so they only have to meet the statutory required minimums at the conclusion of the fiscal year. The Commission's staff findings are that the Department has submitted a completed and balanced finance plan and that it does meet the required minimums.

The Department's Finance Plans according to the Tentative Work Program complies with the law and does not take into account the Governor's recommended budget. However, the Department has a plan to implement the Governor's recommendation should that be accepted and they will put that plan in place before adopting the Work Program in July.

Ms. Speer stated that the Commission could be of assistance with the State Infrastructure Bank (SIB) in the Department's legislation. **Chairman Brown** said to keep the Commission informed and let us know what needs to be done by the Commission.

Stability of Project Schedules

Mark Reichert briefly reviewed the stability of the Work Program. He found that 88.5% of the project phases experienced no change in schedule or were advanced to an earlier fiscal year. The Department's objective is 80%. Mr. Reichert stated the stability of this Work Program is the same as last years.

Linkage with Long Range Goals and Short Range Objectives

Mr. Reichert briefly reviewed the linkage of the Work Program with long-range goals and short-range objective of the Florida Transportation Plan. The Department met all five of the short-range objectives.

Production Capacity

Mr. Reichert stated he concluded that the preliminary engineering consultant funding levels are higher in each year of the Tentative than in the Adopted Work Program for a total net increase of \$261.8 million. Therefore, resources should be adequate to produce the Tentative Work Program.

Compliance with Approved Local Government Comprehensive Plans

Mr. Reichert stated the Department of Community Affairs (DCA) reviews the Tentative Work Program and provides to the Commission a list of those projects in the Work Program, which are inconsistent with approved local government comprehensive plans. The 2002 Florida Legislature removed the requirement that the Commission consider the DCA list as part of its evaluation of the Tentative Work Program. However, DCA is still required to submit the list. We feel it is prudent to acknowledge receipt of the list and to ensure the Department worked with the affected local governments and appropriate MPOs to resolve the inconsistencies. DCA identified sixteen project phases that are inconsistent with approved local government comprehensive plans. We verified that all inconsistencies were being resolved satisfactorily.

Metropolitan Planning Organization Objections & Requests

Mr. Reichert stated the Metropolitan Planning Organizations (MPO's) or boards of county commissioners may file an objection of any project rescheduled or deleted from the Work Program that was included in their Transportation Improvement Plan. We found there were no objections filed, however, there were seven comments and requests from three planning organizations made for further consideration of projects. We verified that the districts reviewed and acknowledged all comments and requests submitted and are satisfied the issues were adequately addressed.

County Transportation Programs

Mr. Reichert stated the 2000 Legislature created two county grant programs; the County Incentive Grant Program (CIGP) and the Small County Outreach Program (SCOP). There is also a Small County Road Assistance Program (SCRAP) that was created by the 1999 Legislature. All three of these programs contain specific criteria for evaluating candidate projects. The County Incentive Grant Program and the Small County Outreach Program were originally funded through FY 02/03 by an annual non-recurring general revenue appropriations of \$125 million. However, the general revenue funds for these activities were not requested in FY 02/03 and there was never a mechanism to fund these two programs in FY 03/04 and FY 04/05. Future funding will be derived from the service charge that had been collected on the proceeds from the local option fuel tax. Projects have not yet been identified for funding from these programs, but the money is boxed in the FY 05/06 through FY 07/08. Projects identified for funding under the Small County Road Assistance Program were selected and prioritized as required by statute.

Transportation Outreach Program

Mr. Reichert stated the Transportation Outreach Program (TOP) is dedicated to funding projects of a high priority based on preserving the existing transportation infrastructure; enhancing Florida's economic growth and competitiveness; and improving travel choices. The law requires the Department to allocate a minimum of \$60 million each year. Since the Transportation Outreach Program Advisory Council has not convened, no specific projects have been recommended for funding. However, the TOP item in the Tentative

Work Program reflects protection of funding for future projects in excess of the \$60 million minimum.

Florida Intrastate Highway System Funding

Mr. Reichert stated the Work Program plans to commit far in excess of the amounts required by statute totaling over \$5.2 billion over the five years.

Public Transportation Funding

Mr. Reichert stated a minimum of 15% of all state revenues deposited into the State Transportation Trust fund shall be committed annually for public transportation projects. 16.9% is programmed for public transportation projects in this Work Program.

Fund Distribution

Mr. Reichert stated that funds allocated to each district were allocated according to the statutory requirements. Also, the Tentative Work Program is planned so that 111.4% of turnpike tolls collected in South Florida remain in South Florida.

State Comprehensive Enhanced Transportation System Tax Distribution

Mr. Reichert stated State Comprehensive Enhanced Transportation System Tax Distribution (SCETS) tax proceeds were allocated to each district according to statutory requirements and to the maximum extent feasible were programmed in the county where collected.

Compliance With Other Applicable Laws and Policies

Mr. Reichert stated the law directs the Commission to conduct an in-depth evaluation of the Tentative Work Program for compliance with applicable laws and Department policies. To verify this compliance, Commission staff developed a series of questions keyed to requirements. Appendix A provides a copy of the questions along with the Department's responses.

Mr. Reichert stated that with the exception of public comment, the Commission staff is confident the Tentative Work Program for FY 2003/04 through 2007/08 is in compliance with applicable state laws and Departmental policies.

Mr. Reichert stated an important function of the public hearing is to identify projects that have been added, advanced, deferred, moved out or deleted from the Tentative Work Program after the public hearings were conducted in the district. A list of those projects are included in the report.

Mr. Reichert extended his gratitude to the Work Program Office staff for their partnership with this Tentative Work Program.

PUBLIC COMMENTS

There were no public comments.

Commissioner Durden moved for adoption of the Tentative Work Program Review. **Commissioner Holton** seconded. The Tentative Work Program Review was approved.

The meeting adjourned at 12:35 p.m.

MINUTES APPROVED _____ AS READ _____ AS AMENDED

THIS 15th DAY OF APRIL, 2003

CHAIRMAN

NOTE: If further detail of these proceedings is required, please contact Commission staff at 850-414-4105 or write to 605 Suwannee Street, Mail Station 09, Tallahassee, Florida 32399-0450. Meetings of the Florida Transportation Commission are recorded on video and audiotape.