

FLORIDA TRANSPORTATION COMMISSION

MINUTES OF SEPTEMBER 14, 2005

MEETING NUMBER 150

The one hundred and fiftieth meeting of the Florida Transportation Commission was held Wednesday, September 14, 2005 at the Florida Department of Transportation Deland District Office, 719 South Woodland Boulevard, Deland, Florida. Chairman Holton called the meeting to order at 8:05 a.m.

ATTENDANCE

Members in attendance were: Commissioners Jim Holton, Janet Watermeier, Earl Durden, David Straz, Marcos Marchena, Gabriel Bustamante and Gasper Lazzara. Absent: Commissioner Sidney Calloway.

CHAIRMAN'S REPORT

Chairman Holton reported on the following:

- **Chairman Holton** attended the Florida Transportation Builders Association Meeting held August 11-14.
- The 2025 Transportation Plan has been going strong since the beginning of the year and is continuing toward a December conclusion. Many thanks to Commission members and FTC staff involved in this important effort.
- Commissioner Watermeier chaired the FTP Sustainable Financial Structure/Funding Drafting Group and spoke before the Floridians for Better Transportation Annual Leadership Retreat held July 15th regarding the progress of the Florida Transportation Plan. **Commissioner Watermeier** briefed the Commission on the status of the FTP group; she mentioned that one more meeting is scheduled and the group should be able to come to a conclusion at that meeting. Issues of the Transportation Commission and the Department of Transportation have been addressed or are being addressed. **Chairman Holton** asked Commissioner Watermeier about the Southwest Transportation Authority and a status report on how that is going. **Commissioner Watermeier** reported that the initial meeting is scheduled for February 28th – it will be the first time the two counties will meet and get the local agreements in place and activate the legislation.
- Commissioner Marchena continues to be a strong advocate of interstate toll express lanes. **Commissioner Marchena** reported that they have had a setback and they are working through the issues and hopes to have something positive to report soon.

- **Chairman Holton** announced that Commissioner Lazzara will be leaving the Commission at the end of his term on September 30, 2005. He presented Commissioner Lazzara with a plaque for his dedicated service to the Commission since 2002. Commissioner Lazzara served on the TEAMFL Board and continually worked to promote tolling in Northeast Florida as a tool to build unfunded capacity projects in the First Coast area.
- **Chairman Holton** presented Commissioner Durden with a plaque for his dedicated service as Chairman for the past two years. Chairman Durden accomplishments include:
 - Educating the Legislature, Governor and general public on serious transportation funding challenges facing the State of Florida and the significant financial benefits of transportation investments;
 - Provided the Legislature with an Assessment of the Effectiveness of Regional Transportation Planning that stimulated an acceleration of cooperative regional transportation planning in Florida;
 - Provided a compelling case for a more competitive pay structure for FDOT executives and was instrumental in raising the salary ceiling for top performing key staff at FDOT;
 - Supported the adoption and implementation of the Florida Strategic Intermodal System, which integrates individual facilities, services, forms of transportation (modes) and linkages into a single, integrated transportation system.

FLORIDA DEPARTMENT OF TRANSPORTATION FISCAL YEAR 2004/2005 PERFORMANCE AND PRODUCTION REVIEW

Mark Reichert presented the results of the Fiscal Year 2004/05 Performance and Production Review.

Please refer to the Florida Transportation Commission website (www.ftc.state.fl.us) under "Presentations Made Before the Commission at Commission Meetings" to view this presentation.

Mr. Reichert gave a brief overview of the Performance and Production Review process. The review process has been changed over the last year and the most significant change is that many of the performance measures were made more challenging by either changing the measure altogether or revising the objective to make it more difficult to attain. With this new challenge, it would appear at face value that the Department has taken a step backwards this year. In fact, all things being equal, the Department actually had another great year, especially when taking into consideration the additional challenge of responding to the destruction visited upon us by the four hurricanes of last year. However, the Commission believes that by making the measures more challenging, the Department will continue to strive towards institutional excellence.

Overview of Performance

There are 34 primary and secondary performance measures used by the Commission in this Review (35 in previous years). The 19 Primary measures are the ones in which the Commission places the greatest emphasis. They assess major departmental functions, measure an end product or an outcome, and are, to the greatest extent possible, within the Department's control. The 15 Secondary measures are those that are considered sufficiently important to be reported, but meet the primary criteria to a lesser extent, and/or are used for information purposes.

In FY 04/05, the Department met 13 of the 19 primary measures. However, two of these measures have objectives relating to meeting a level of achievement in outer years and although the Department has not "technically" met them at this time, we are giving them credit for doing so since, through the Commission's calculations, appear to be on track to do so within the stated time frame.

Consultant Acquisition

The Department planned to execute 811 consultant contracts in FY 04/05. It actually let 760 of the contracts in the plan, resulting in a 93.7% letting level. Just under the 95% objective. However, the Department also let an additional 86 consultant contracts that were not in the original plan. The downturn in meeting the objective for this measure is due to the inclusion of LAP contracts for the first time. The LAP program, or Local Agency Program, involves projects that are in the Department's Adopted Work Program, but instead of pursuing these projects itself, the Department has contracted with local agencies to plan, develop, design, acquire ROW, and construct the transportation facilities and will reimburse the local agencies for the services provided. The responsibility of administering and overseeing the LAP program does rest with the Department.

Although in dollar terms LAP projects don't amount to much, they do impact production in the number of contracts. For instance, in FY 04/05 of the 811 consultant contracts in the plan valued at \$689 million, 57 of them were LAP contracts valued at only \$11.5 million. Of the 51 consultant contracts not completed, LAP contracts accounted for 21 of them. Exclude the LAP contracts and the Department exceeds the 95% objective.

Right-of-Way Acquisition

The Department's plan was to certify that all ROW parcels were acquired on 61 projects. The Department certified the acquisition of all parcels on 57 of the projects in the plan for a 93.4% certification rate. Exceeding the 90% objective

Construction Contract Lettings

The construction contract letting plan for FY 04/05 included LAP projects for the first time, resulting in a significant negative outcome. The plan was to let 601 construction contracts.

The Department let 516 contracts from the plan for a letting level of 85.9%, less than the 95% objective. However, 69 additional construction contracts not in the letting plan were let during the year.

Construction Contract Lettings showing LAP

Of the 601 projects in the plan, 117 of them were LAP construction projects valued at \$63 million. This is out of a \$2.2 billion plan. Only 47 of the 117 LAP projects were let.

If the LAP projects had not been included in the plan, the Department would have exceeded the objective with a 97% letting level.

Bridge Condition

In FY 04/05, 94.3% of bridges were rated at either excellent or good. This surpasses the objective of at least 90%.

Restricted Bridges

In FY 04/05, only 0.18% of bridge structures were posted with weight restrictions.

Pavement Condition

In FY 04/05, 79.7% of the lane miles had a rating of either excellent or good. Unfortunately, everything is carried out to at least the tenth of a percentage point in the review otherwise this would have been rounded up to 80% and would have met the objective.

Routine Maintenance

The maintenance goal of 80 is based on the results of the Department's Maintenance Rating Program which grades 5 elements of a roadway to arrive at a composite score of 80 being the acceptable standard. The MRP for FY 04/05 was 83.

Strategic Intermodal System (SIS)

Since the objective for this measure is set in a later fiscal year, calculations are based on work program allocations. The Department does seem to be on track to meet the objective in FY 14/15.

Capacity Improvements: Highways

The plan for FY 04/05 was to let 267.5 lane miles of highway capacity improvement projects. The actual number of lane miles let for construction was 235.1 or 87.9% of the plan. This falls short of the 90% objective.

Capacity Improvements: Public Transportation

The goal is to increase transit ridership at twice the rate of population growth. For FY 04/05, Florida's transit ridership growth rate was 5.88%, which is more than twice the state population growth rate of 2.61%.

Commitment of Federal Funds

Although the federal fiscal year does not end until September 30th, this measure reports on the commitment of federal funds that are subject to forfeiture at the end of the federal fiscal year if not committed. Obviously, the goal is to commit 100% of those funds.

The Department has always met this goal and is on track to commit 100% of federal funds again this year. It also plans to seek additional unused federal funds that will be made available for redistribution.

Management of Administrative Costs

One measure of efficiency is how well the Department manages its administrative costs. To do this the Commission reports on the Department's dollar amount of administrative costs measured as a percentage of the total program. The objective is to keep administrative costs below 2% of the total program amount.

In FY 04/05, administrative costs were 1.1% of the total program amount. In dollar terms this was \$69.5 million out of a total program of \$6.2 billion.

Cash Management

Cash receipts for FY 04/05 were forecasted to be \$5.5 billion. Actual receipts were \$5.3 billion, a variance of -3.9%. Cash disbursements were forecasted at approximately \$5.0 billion with actual disbursements being \$5.1 billion, a variance of 2.8%.

Both were within the 5% tolerance.

The lowest end of month cash balance during FY 04/05 was \$384.9 million which is 5.9% of the total outstanding obligations of \$5.3 billion.

Minority Business Enterprise Program

The Minority Business Enterprise program performance measure was also revised this year. Instead of just tracking the growth of MBE expenditures each year, the Commission is now tracking expenditures as a percentage of the total program.

This method will mitigate fluctuations in the total program which in some years, using the previous measure, could have resulted in a decrease in MBE expenditures. The new objective is being developed, but the results show a positive movement.

Management of Toll Facility Operational Costs

Management of toll facility operational costs, measures the average amount of each toll transaction collected from all toll facilities operated by the Turnpike that is dedicated to covering operational costs. The objective is to keep operational costs below 16 cents per transaction.

In FY 04/05, the Department's cost to operate all Turnpike Enterprise toll facilities was 14.9 cents per transaction.

Toll Revenue Variance

Toll revenue variance, reports the revenue variance expressed as a percentage of indicated revenue for all toll facilities operated by the Turnpike Enterprise.

In other words, it measures actual revenue against the revenue that was expected to be collected based on vehicle counts.

Last fiscal year, the average revenue variance was 3.4%. Stated another way: the collection efficiency rate was 96.6%.

SunPass Participation

The Turnpike restated its SunPass participation objective after meeting its initial goal of 50% participation by December of 2004. The goal now is to reach at least a 75% participation rate by FY 07/08.

The participation rate in FY 04/05 rose to 51.1%. Based on the historical trend, SunPass participation should easily surpass the 75% goal by FY 07/08.

Conclusion

Although on the surface it may look as though the Department took a step backwards this year, it has more to do with meeting the tougher goals established by the Performance Measures Working Group than anything else.

Agency Response

Secretary Denver Stutler gave the following report:

- I would like to first respond to the 2004/05 Performance and Production Review presented today by stating that the Department has room to improve and the plan is to improve.
- Two big issues the Department is focusing its efforts on now are: 1) growth management bill implementation, and 2) the federal reauthorization bill. There is

not enough money to solve all of Florida's transportation problems, but the Department can make a meaningful contribution to the State's infrastructure. The Legislature has made a significant transportation investment through the growth management bill. At a very high level, the federal highway bill added a little over \$900 million of additional funds over what the Department had forecast. The bill contained significant provisions for tolling. It is a congestion mitigation tool that Congress has embraced. The bill also includes provisions that strengthen financial accountability. This is another area where Florida has been a national leader. The bill contains favorable transit and environmental provisions, increased spending for planning, and a new program called safe routes – a new program to help improve safety for children walking to and from schools.

- The Department is looking at how Florida proposes to spend the federal money. Every effort is being made to keep the Work Program whole. The safety and bridge programs are areas that are being evaluated.
- The Department will be asking the Legislature next year to increase the Turnpike Bond Cap. Other issues that may warrant legislative focus are: Eminent Domain, (something the Department is going to want to protect); protecting the trust fund and being able to manage cash flow. With the repeal of the High Speed Rail amendment, the Department has been working on its vision plan for intercity rail. The Department will be coming back before the Commission with a report in the near future. The Department will also brief the Transportation Commission on the 2025 Florida Transportation Plan at the end of the calendar year.

Each District Secretary and the Executive Director of the Turnpike Enterprise took a few minutes to report on the challenges and successes experienced over the past year in their perspective districts.

PUBLIC COMMENTS

There were no public comments.

The meeting adjourned at 10:20 a.m.

MINUTES APPROVED _____ AS READ _____ AS AMENDED

THIS 7th DAY OF DECEMBER 2005

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.