

FLORIDA TRANSPORTATION COMMISSION

MINUTES OF OCTOBER 2, 2008

MEETING NUMBER 168

The one hundred and sixty-eighth meeting of the Florida Transportation Commission was held Thursday, October 2, 2008 at the Florida Department of Transportation, District 7 Headquarters Auditorium, 11201 N. McKinley Drive, Tampa, Florida. Chairman Marcos Marchena called the meeting to order at 8:30 a.m.

ATTENDANCE:

Members in attendance were: Chairman Marcos Marchena, Commissioners Calloway, Lanahan, Conrecode, Criser, Pullum, Mazurkiewicz, Rose and Walton.

MINUTES:

Minutes of the May 30, 2008 Commission Meetings were approved with noted amendments.

CHAIRMAN'S REPORT

Chairman Marchena reported on the following:

- The September meeting was cancelled due to potentially dangerous hurricane conditions in the area.
- The Commission did meet briefly in August at SASHTO in Orlando, and prior to that the last meeting was in May.
- During the interim, the Commission has been working on the Safety Initiative and revising the Performance Standards for the Authorities that now come under the Commission's oversight. Both issues will be discussed later during this meeting.
- A workshop was held yesterday to consider the development of some safety recommendations on ways to decrease the number of fatalities on Florida highways. The recommendations are ambitious. The Commission has worked closely with the Department of Transportation, Florida Highway Patrol, the Departments of Highway Safety, Education, Health and the Federal Highway Administration over the past months to derive these recommendations. The Commission is trying to find a way to provide some guidance to prioritize funding that will have the most impact. Driving lane departures continue to be an issue, as does aggressive behavior. The numbers continue to be move in the right direction, and we need to continue the momentum. The Commission will take a look at this again next year.
- Since the last meeting, Chairman Marchena was asked to address the MetroPlan Orlando Annual Retreat and focused on the critical issues relating to declining transportation revenues, the need for more transportation options, particularly commuter rail, and the importance of gaining more flexibility for the state in the federal transportation bill; whether it is a reauthorization or a totally new authorization.
- Chairman Marchena participated in the CUTR Board Meeting.

- Executive Director Patrenos was invited to participate in an international panel discussion on opportunities for public-private partnerships in Florida at the 3rd North American Public Private Partnership Finance Summit in New York City. Her focus was on public policy development that supports P3 opportunities.
- Deputy Executive Director Reichert made a presentation at the TRANSPO 2008 Conference last week and gave a brief update.

LEGISLATIVE UPDATE

Chairman Marchena stated that the last legislative session was one of the roughest in memory. Declining state revenues cast a dark shadow over what had been a very long run of prosperity for the “Sunshine State”. He said the 2009 Session is going to present even further challenges. He introduced Representative Rich Glorioso who chaired the House Infrastructure Committee last year, adding that he did an admirable job of handling some very hard issues. Representative Glorioso presented an assessment of the legislative outlook for 2009.

TRANSPORTATION AUTHORITY OVERSIGHT MEASURES AND OBJECTIVES

Commissioner Criser reviewed the summary of recommended changes to the transportation authority performance measures that were discussed at the October 1 workshop. As discussed, there will be a change to the measure on compliance with bond covenants. The Florida Transportation Commission is adding a measure for meeting the debt service coverage per bond documents. The Commission will retain the coverage requirements based on "net revenues" but will add a mandate for meeting the requirements of bond documents. The Commission's measure is more stringent and is calculated consistently across authorities. This gives a good picture of how leveraged the authorities are. The new measure, compliance with bond covenant requirements, reflects whether the authorities are making financing decisions based on bond provisions. Since each authority's bond documents have different means of calculating coverage ratios, the measures need to reflect that the authorities are meeting those bond requirements. This will also highlight those authorities that are not meeting bond requirements, such as the Garcon Point Bridge. Other toll authority measures offered by the committee were accepted without discussion.

There were also changes to some of the objectives for transit to update them to be consistent with what is reported to the Federal Transit Administration (FTA). The Florida Transportation Commission is changing the safety measure from “major incidents” to just “safety incidents” to be consistent with FTA. This applies to LYNX. For Tri-Rail, the FTC has updated that safety measure to be “10% above the previous 5 year average”.

Lastly, there was discussion regarding adjusting costs for fuel increases. Discussion centered on how fuel is an inherent cost of doing business, but there are many variables that would have to be adjusted, such as increase in ridership, that offset increased fuel costs. Also, the Commission would like to see how the agencies are responding to these increased costs by cutting other costs, increasing ridership, switching to alternative fuels, etc. There will be no adjusting out fuel costs in the measures at this time, however, staff will add narrative to the report that explains how fuel costs or other costs are influencing the performance of the agencies.

Commissioner Criser thanked the authorities for their input into the discussion that culminated in these changes. This was a very cooperative process and the authorities spoke with expertise and passion about their operations and conducting business for the benefit of their customers, while also being aware of the Commission's performance criteria.

Commissioner Lanahan mentioned that Jacksonville Transportation Authority is going to propose legislation this next session to be placed under the Commission's oversight responsibility.

AGENCY REPORT

Secretary Stephanie Kopelousos gave an update on the Department activities and reported on the following:

FDOT new appointments include:

- Ron Russo is the new Inspector General
- Brian Blanchard is the Chief Engineer
- David Sadler is the Director of Construction
- Paul Wai is the Director of Highway Operations for Turnpike Enterprise
- Mark Beall is the Director of Business Development and Concessions Management

Secretary Kopelousos discussed the Governor's "Accelerate Florida" projects initiative. The Governor challenged the Department to find ways to advance projects and to streamline the processes. This will create jobs.

Secretary Kopelousos also discussed the recent hurricanes and the lessons learned from them.

FDOT FISCAL YEAR 2007/2008 PERFORMANCE AND PRODUCTION REVIEW

David Tassinari presented the 17th Annual Performance and Production Review of the Department of Transportation which covered the 2007/2008 Fiscal Year. The Department met 15 of 21 primary performance measures. The Department met many of the production measures related to delivering the projects in the work program and concluded that the State Highway System is well maintained and a majority of the bridges are rated excellent or good.

There were some areas in which the Department did not meet performance. In the area of "completing construction projects within the original time and cost," the Department fell slightly short of meeting those more stringent objectives. The Department barely missed meeting the goal of "80% of construction projects being completed within 20% of originally estimated time" with a score of 79.8%. The Department has made significant strides in this area. Neither did the Department meet the goal of "90% of construction contracts being completed within 10% of originally estimated cost" with a score of 84.8%. Improvements continue to be made and the Department should be recognized for its ongoing efforts.

Toll collection costs per transaction were higher than the goal due to increased costs and a decline in traffic attributed to a softening in the economy. The goal of 75% electronic toll collection by December 31, 2008 is not on target.

Other areas not met were: Cash Forecasting within 5% of estimated receipts and disbursements and public transit ridership, which did not meet the “increasing at twice the growth in population.” Although some measures were not met, the Department’s overall performance was deemed to be acceptable within the context of Department efforts to continue to strive to improve operations, find efficiencies and become more effective. The Department and District staffs were recognized for their cooperation and assistance in preparing the annual report.

Secretary Kopelousos commented on the Department’s overall performance. The Secretary complimented Commission staff on the cooperative nature in which the report was produced. The Secretary stated that the Department is focused on improving its efficiency and effectiveness in these trying economic times.

After a short break, each District Secretary and the Executive Director of the Turnpike Enterprise presented their respective District/Enterprise performance issues, reasons for not meeting certain objectives, and the challenges they faced in 2008 and opportunities for 2009.

[Please see the slide presentation for District/Enterprise results and discussion of performance available on the Transportation Commission web site at www.ftc.state.fl.us.]

Chairman Marchena adjourned the meeting at 12:30 P.M.

MINUTES APPROVED _____ AS READ _____ AS AMENDED

NOVEMBER 6, 2008

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, and Tallahassee, Florida 32399-0450. Meetings of the Florida Transportation Commission are recorded on video and audiotape.