

CUTR Advisory Board Meeting
 Tuesday May 12, 2015
 1:30-4:30 CUTR Boardroom
 Agenda

1. Committee of the whole: *“Form a committee to maintain relations with critical stakeholders and to enhance relations with select entities within the State of Florida.”*
 (Ysela Llort, Chair)

- a. Identification of Critical Stakeholders

FDOT	Florida Trucking Association
Florida DEO	MPOAC
Florida DEP	Florida Ports Council
Transportation Commission	TEAMFL
Florida Airports Council	Florida Public Transportation Assn.
Florida League of Cities	Individual Transit Agencies
Floridians for Better Transportation	Individual MPOs
Florida Assn. Counties	Florida Energy Office

- b. Action Plan for each Stakeholder (or groups of stakeholders)
 - i. Prioritize
 - ii. Lead contact from Board
 - iii. How (letter, face to face meetings, presentations)

2. CUTR Advisory Board Meeting

- a. Approval of Minutes from February 6, 2015 Strategic Planning Retreat
 - b. Update on CUTR activities (critical issues/awards)
 - c. Update on CUTR Director Search
 - d. Update on CUTR Strategic Plan development
 - e. Strategic Plan Committee Updates/vote on action items, acceptance of minutes
 - i. Governance Committee (Thornton Williams, Chair)
 - ii. Federal Relations (Jon Martz, Chair), presented by Steve Reich
 - f. Nomination and selection of CUTR Transportation Achievement Award Honoree
 - g. Transportation Achievement Awards Event Dates and Venue
 - h. Next meeting
 - i. Other action items

CUTR Advisory Board Meeting and Strategic Workshop
February 6, 2015
USF Alumni Center

In attendance:

Members: Chair Kimberlee DeBosier, Vice Chair Thornton Williams, Rich Biter, S. Katherine Frazier, James Hargrett, Jr., Sonny Holtzman, Ram Kancharla, Ysela Llort, Jon Martz, Bob O'Malley, Ana Richmond, Chris Stahl, Chris Wiglesworth Guests: Ed Coven (FDOT), Bob Romig (FTC), Ming Gao (FDOT District 7), Jose Zayas-Castro (COE) Faculty and Staff: Dennis Hinebaugh, Michael Audino, Phi Winters, Rob Gregg, Martin Catala, Joel Volinski, Lisa Staes, Pei-Sung Lin, Steve Polzin, Kristine Williams, Steve Reich, Jan Davis, Ken Short

Meeting was called to order by Chair DeBosier at 8:14 am. *Member Llort moved to approve minutes from the last Advisory Board meeting. The motion was seconded by Member Martz, and approved by unanimous vote.*

Interim Executive Director Hinebaugh presented proposed non-substantive changes to the CUTR By-laws necessary to make language in the by-laws reflect current practices. *Member O'Malley moved to approve revision of the By-laws. The motion was seconded by Member Martz, and approved by unanimous vote.* (Attachment A)

Member Hargrett moved to re-elect the current slate of CUTR Advisory Board officers. Member Llort seconded the motion, which was approved by unanimous vote.

Chair DeBosier introduced Michael Audino, a CUTR faculty member and the facilitator of the board's activities for the retreat. Mr. Audino delineated his role as facilitator and reviewed participant rules of engagement: actively participate, listen generously, acknowledge and appreciate each other, and have fun. The retreat is designed to educate and inform, establish a continuous improvement dialogue to learn from each other, and achieve agreement to take the necessary steps forward that are identified today. All members agreed to participate.

Mr. Audino indicated that some education about CUTR mechanics was necessary, and asked Steve Reich and Steve Polzin to provide an overview of the CUTR business model and operating environment. Mr. Polzin reported that CUTR was established in 1988 by the Florida legislature to assemble expertise to help address complex transportation policy questions and issues. The state backed up the statutory commitment with a resource commitment (critical description on Page 18 of Attachment B). An advisory board was established to oversee the initiative of the center. The center was not faculty and letterhead, but rather a multidisciplinary team focused on transportation, not just engineering. Funding in varying amounts was provided to the center for 12 years. The program was highly successful, produced high-profile projects for the Florida Transportation Commission, the Florida legislature, and community leaders. In the late 1990s state support diminished, and the work program was funded almost exclusively from client/sponsor grants. As the state funding resource waned, the role and relevance of

the CUTR advisory board weakened, and the lack of funding stability slowly over time, fundamentally changed the culture of CUTR, potentially undermining its role as an objective and unbiased source of information. Member Hargrett indicated that the \$1.5 million annual state allocation to CUTR was stopped after some argued that it was a diversion of dollars from the transportation trust fund. It was assumed that equivalent replacement funding would come from education, but it never became a reality. After 26 years, CUTR is now at a critical point in its evolution and shaping mission.

Mr. Reich walked members through CUTR's complicated flow of funds. Research contracts in 2014 totaled \$14.5 million dollars. State appropriations through E&G (Education and General) for administrative activities totaled approximately \$688 thousand.

On the contract activity side, indirect costs (ranging from 10% for state contracts to 49.5% for federal and private projects) of approximately \$2.7 million (22%) went to USF upfront. Of that \$2.7 million, approximately \$2.2 million (80%) represented USF overhead for lights, power, and administrative services. The remaining \$540 thousand flowed to the College of Engineering, of which the College of Engineering returned to CUTR approximately \$360 thousand (67%). One half of the \$360 thousand was allocated to individual programs for conferences and equipment. The other half was allocated to the CUTR RO account to fund CUTR administration activities costs. Also on the contract activity side, direct costs, including salaries, benefits, travel, and other expense, accounted for approximately \$12.7 million (78%). The remaining 2014 budget on fixed price rollover totaled approximately \$108 thousand. One half of the \$108 thousand was allocated to individual programs for conferences and equipment. The other half was allocated to the CUTR RO account to fund CUTR administration activities costs. In terms of administration activities, which cannot be charged to projects, E&G of approximately \$688 thousand was credited to cover the administrative services budget (education, human resources, accounting, computer support, and purchasing), leaving a deficit of \$717 thousand. The CUTR RO account covered the \$717 thousand deficit of the administrative service budget, which totaled slightly more than \$1.4 million. The remaining balance of the CUTR RO account is slightly under a million dollars.

Mr. Reich provided a comparison of CUTR's expenditures in 2010 and 2014. Contract and grant expenditures grew from \$8.5 million in 2010 to \$14.8 in 2014, an increase of 74 percent. During that growth period, CUTR's operations support expenditures fell from \$1.04 million in 2010 to \$1.02 million in 2014, a reduction of two percent. Consistent with CUTR's growth in contracts and grants, USF indirect earned also grew from \$1.4 million in 2010 to \$2.4 million in 2014, an increase of 70 percent. While CUTR indirect and E&G received also increased from \$950 thousand in 2010 to \$995 thousand in 2014, the rate of the increase was five percent.

Several members asked questions about CUTR's indirect rate. CUTR's indirect rate is lower than the typical consultant's rate, but comparable to rates charged by other Florida universities. CUTR does not compete directly with the private sector in Florida, and must be directly responsible for in excess of 50 percent of contracted costs. USF and FDOT negotiate a rate (currently 10%); however, the university establishes local (26%), private (49.5%), and federal (49.5%) rates. The Dean of the College of Engineering is empathetic; however, CUTR does operate within a university system. The current split

between state and federal work is 50/50, which results in a blended indirect of 18-22 percent. The current structure provides few discretionary dollars, and makes it difficult for CUTR to build reserve funds to cover administrative activities. CUTR receives no direct funding from the MPOs.

With increasing constraints on available indirect return and E&G funds, CUTR has reached the point where operating fund balances are not sufficient to continue to supplement CUTR administrative support costs. Without a change in the business model, the CUTR operating support budget balance will reach unacceptable levels in FY 16. An even bigger challenge is sustaining a multidisciplinary concentration of expertise, ensuring its continued expertise and familiarity with emerging transportation issues, and positioning it to be an objective, independent resource. This requires a strategy for ongoing financial investment that goes beyond competing for grant-funded, short-term projects. It needs a foundation, commitments, and stakeholder interests.

Mr. Audino directed the group to a discussion of CUTR's most significant challenges. Members noted that funding and a lack of direction seemed to be common themes. Member Hargrett provided history of the details of CUTR's creation. CUTR was intended to be a state entity, not a USF entity. A board was established to oversee how money was spent. Member Hargrett was also involved in establishing Moffitt Cancer Center, who at the time was trying to recruit a world class director and could not due to university limitations. The board assumed its independence, went to the legislature, and asked for clarification of its independence. CUTR appears to be at the same juncture. It could be as easy as adding another state level position to the board. CUTR is recognized by the state as a valuable investment. The board could assume its independence and ask FDOT to go the legislature in conjunction with the board. The legislature does not know what CUTR does. To live up to the legislative intent, the legislation needs to be tweaked and request viability – independence and adequate base funding. Mr. Romig indicated that CUTR was established at USF because USF had land on which to house CUTR. CUTR is the only center established in state statute. CUTR advisory board members are appointed by the university. Member Hargrett reiterated that CUTR was established as a research resource for the legislature. Member Biter asked how CUTR compared with the Volpe Center, which operates a fee-based service, and stated that since state agencies represented on the advisory board report to the Governor, they would need the Governor's permission to lobby for CUTR. The discussion moved to the need for a permanent director to move the center forward. Mr. Hinebaugh agreed to serve as the Interim Executive Director while the university undertook the selection process for a new director. The previous selection process was long and tedious. At present, no advisory board members serve on the search committee. Members suggested asking the university to allow the advisory board to give input to the search committee, providing the search committee with details on CUTR's mission, and putting together a small group of advisory board members to develop criteria for the director. Member Martz introduced the following motion: *"In recognition of 1) the need to fulfill our legislative mission and the requirements of our by-laws, 2) the critical needs of CUTR at this "crossroads" in time, and 3) the hope and intent of facilitating and speeding the search and selection process (for the CUTR Executive Director), the Advisory Board asks USF for 1) the ability to provide the search committee a list of key characteristics, and 2) representative inclusion of the Advisory Board on the search committee."* Vice Chair Williams seconded the motion, which was passed unanimously.

Dr. Zayas-Castro, Assistant Dean for the College of Engineering, addressed the board. Dr. Zayas-Castro said that CUTR generates nearly half of the \$32 million College of Engineering research dollars. Both CUTR and the college are facing many challenges, and CUTR's soft funding status requires it to "fish every day." Indirect return is an issue, given the university's minimum operating cost of 24 percent. The college and CUTR need to work together to decide how we navigate.

Board members discussed several challenges faced by CUTR. Strained relationships with the university, FDOT, and other organizations negatively impact CUTR. Vice Chair Williams drew attention to a recent legislative proposal, which was distributed to the board. The proposed legislation would establish another center in Florida that essentially mirrors CUTR's current legislatively-mandated mission. Members suggested that CUTR gather more information on the proposal. Mr. Biter said he was unaware of the legislative proposal, but indicated he would try to obtain details regarding the proposal. He also requested an electronic copy of the document.

Mr. Audino directed the group to a discussion of how to improve board effectiveness. Specific recommendations offered by members include:

- Communication
- Let the board members know what they can do, focus of meetings has always been on projects
- Advocacy – public advocacy
- Strengthen relationship with university president and dean
- Marry one of CUTR's advisory board meetings into the same two-day period as TEAMFL/FTC – FTC/FBT joint meetings
- Establish subcommittees of the advisory board with specific missions – communications, finance, advocate for continued federal funding
- Participate in Florida legislative days
- Revise by-laws to allow conformance (no existing mechanism for a proxy)
- More meetings at different locations
- Market the center
- Repair strained relationships
- University relationships
- Address governance – including funding
- Legislation and timeliness of action
- Financial support from FDOT
- Proposed Center of Excellence legislation (Attachment C)
- Educate the community – be ambassadors
- Direction and long-term plan

Discussion resulted in the following motions:

Member Martz read aloud the final version of the motion: *"Form a subcommittee to maintain relations with critical stakeholders and to enhance relations with select entities within the State of Florida."* The motion was seconded and passed unanimously.

Member Martz read aloud the final version of the motion: *“Form a subcommittee to advocate for continued and expanded federal funding for urban transportation research.”* The motion was seconded by Member Hargrett and passed unanimously.

Member Martz read aloud the final version of the motion: *“Form a subcommittee of the Advisory Board purposed to: 1) Develop a legislative measure, in consultation with FDOT, to address a) governance issues, b) a supporting document, and c) a strategy for subsequently taking said measure to the legislature, and 2) Develop a strategy, in consultation with FDOT, for expanded funding for CUTR’s independent, applied urban transportation research with the goal of providing better service and continuity to satisfy the investment needs of the State of Florida via a) the legislature, b) Florida Transportation Commission, and c) FDOT.”* Vice Chair Williams seconded the motion, which was passed unanimously.

Mr. Audino reiterated the major challenges identified by the advisory board: dedicated funding, a clear direction, independence, and storytelling. Member Frazier reminded the group that the Florida Transportation Commission is structured as an advisory board, and suggested that the CUTR advisory board needs to identify how they can help CUTR.

Mr. Audino transitioned the discussion to opportunities. Chair DeBosier indicated that most opportunities identified in the presentation had been covered. Member Biter cautioned that the opportunity to increase freight focus within CUTR should be limited to urban freight. Member Martz said that he is concerned about transit from a funding perspective. Member Llorc indicated that she anticipates that the advisory board will take a much more active role in the selection of a permanent director.

Chair DeBosier indicated she will send out a request for volunteers for the newly established subcommittees, and confirmed the advisory board will hold four meetings a year, with one of the four meetings telephonic, and one of the four meetings in Tallahassee in conjunction with legislative activities. Additionally, the advisory board will also hold an annual retreat (5th meeting). Chair DeBosier expects to have an advisory board action plan with a status report at each of the advisory board meetings. The agenda of the advisory board meetings will mirror the strategic plan of the board, which is to be developed by staff for adoption by the board. Chair DeBosier indicated that all advisory board meetings as well as the meetings of the four subcommittees must operate in the Sunshine. Three days of advance notice on the USF website are required.