



Office of Policy and Budgetary Affairs

MEMORANDUM

TO: Honorable Raquel A. Regalado
Commissioner, District 7

DATE: July 8, 2022

FROM: Jennifer Moon, Chief
Office of Policy and Budgetary Affairs

SUBJECT: South Florida Regional
Transportation Authority
Review

The attached review of the South Florida Regional Transportation Authority (SFRTA's) management of the Tri-Rail service has been prepared in response to your February 8, 2022 request to the Office of Policy and Budgetary Affairs and the Commission Auditor (Attachment 1). OPBA staff and I met with Executive Director Steven Abrams and staff of the SFRTA to discuss issues facing Tri-Rail operations, policies under consideration, the historical context of the Miami Central Station service concerns and other topics. We appreciate the cooperation of the SFRTA staff, who provided numerous documents and answered any questions we asked. A draft of our report was shared with Executive Director Abrams and his response was sent on July 1, 2022 (Attachment 2). As noted in his response, "the views herein are solely those of the Executive Director, Steven L. Abrams, and though provided in his official capacity, do not necessarily reflect those of other SFRTA staff or the Governing Board." Therefore, the attached report has been finalized. The Commission Auditor's Office continues to work on the financial analysis and will be submitting a draft for your review separately.

My staff and I hope that this analysis will be of value to you in your role as Chairwoman of the SFRTA and to SFRTA staff as the authority transitions to a new administration. As always, we are available should you and SFRTA staff have additional questions or require additional information.

c: Honorable Vice Chairman Oliver G. Gilbert III,
and Members, Board of County Commissioners
Honorable Daniella Levine Cava, Mayor
Geri Bonzon-Keenan, County Attorney
Gerald Sanchez, First Assistant County Attorney
Jess McCarty, Executive Assistant County Attorney
Yinka Majekodunmi, Commission Auditor
Steven Abrams, Executive Director, SFRTA
Teresa Moore, General Counsel, SFRTA
Diane Hernandez Del Calvo, Deputy Executive Director, SFRTA

Management Review of the South Florida Regional Transportation Authority and Tri-Rail Service
Office of Policy and Budgetary Affairs
Board of County Commissioners
July 2022

Executive Summary

In February 2022, after a number of issues concerning the implementation of Tri-Rail service to the Miami Central Station had come to light, Commissioner and South Florida Regional Transportation Authority (SFRTA) Board Member Raquel Regalado requested a financial and management analysis be performed by the Office of the Commission Auditor and the Office of Policy and Budgetary Affairs (OPBA).

OPBA found that, although there are funding limitations that should be addressed, SFRTA staff has the tools needed to effectively manage the Tri-Rail system. We recommend, however, implementing more focused and inclusive strategic planning, developing a resource allocation plan with linkages to the strategic plan, engaging a human resources professional to review positions and organization, and establishing a communications plan to ensure important information is disseminated appropriately. A brief history of the Tri-Rail service and information regarding our recommendations follow. Because of the limitation on funding available, it is even more important that managerial best practices are enforced so that limited resources are employed effectively. It is also worth considering whether the Tri-Rail service as currently implemented is the most efficient and effective way to move people in South Florida.

Background

Tri-Rail service was authorized in 1989 by the Florida Legislature, the same year that the Florida Department of Transportation (FDOT) purchased the track from the CSX Corporation. Service was started at a cost of \$75 million per year as an alternative to driving on Interstate 95 (I-95) during a five-year construction and expansion phase in the three highest-populated counties in the state: Miami-Dade, Broward and Palm Beach counties. The [I-95 Corridor Mobility](#) and [95 Express](#) plans, along with other capital improvement programs sponsored by FDOT, have invested several billion dollars to enhance capacity and improve mobility in South Florida since then.

Commuter rail services were originally the responsibility of the Tri-County Commuter Rail Authority. Since 2003, the [South Florida Regional Transportation Authority](#) (SFRTA), based in Pompano Beach, has managed the contracts to operate the Tri-Rail system. In 2019, the last year not impacted by the pandemic, ridership on the system was the highest since its creation at just under 4.5 million riders¹. Assuming each of those riders represents a separate trip, this is between 2 percent and 3 percent of the average number of trips on I-95 in the three counties², not including Florida's Turnpike and Interstate 75 to the west.

SFRTA has a *Vision* of "Providing greater mobility in South Florida, thereby improving the economic viability and the quality of the community, region and state."³ Pursuant to Florida Statutes, SFRTA was "created and established... to own, operate, maintain, and manage a transit system in the tri-county area

¹ South Florida Regional Transportation Authority Comprehensive Annual Financial Report – [FYs 2019 and 2020](#)

² Florida Department of Transportation Source Book - [Vehicle Miles Traveled](#)

³ South Florida Regional Transportation Authority – [Overview of SFRTA](#)

of Broward, Miami-Dade, and Palm Beach Counties.”⁴ However, because statutorily determined subsidies from FDOT and the participating counties and farebox revenues have not increased in many years, SFRTA is threatened with insolvency prior to the end of the current service agreement with FDOT in 2027.

In 2015, an effort to link the existing Tri-Rail system to the Brightline train service and Miami-Dade County’s public transit system, as well as the City of Miami’s trolley system and micro-mobility options at the planned *MiamiCentral* Station, was initiated. The resources to construct the Tri-Rail platforms were provided by both public (Miami-Dade County, City of Miami, the Omni Community Redevelopment Area (CRA), the Southeast Overtown Park West CRA and the Downtown Development Authority (DDA)) and private (Florida East Coast Industries (FECI)) entities. The Citizens’ Independent Transportation Trust (CITT), as well as the Miami-Dade Board of County Commissioners (BCC), the City of Miami Commission, and the CRA and DDA boards each authorized funding for the station. The project has been beset by delays and service that was planned to begin in 2017 and is now estimated to be implemented in 2023.

Issues that resulted in the construction and service delays began to appear as early as 2017. While Brightline service began in 2018, due to design flaws, construction issues and equipment problems, Tri-Rail service to *MiamiCentral* Station has still not started. A failure to properly communicate these setbacks to the SFRTA Board, as well as the CITT, BCC, City and CRA and DDA boards resulted in the February 8, 2022 request from Raquel Regalado, County Commissioner and SFRTA Board Member, to the Office of the Commission Auditor (OCA) and the Office of Policy and Budgetary Affairs (OPBA) to perform a review of the SFRTA budget and financials and make recommendations to address issues raised by the various funding partners and allow for improvements in management under a new Executive Director. This document is the work product of OPBA.

From a management perspective, SFRTA staff have or have access to the tools required for the effective operation of everyday operations and maintenance of Tri-Rail and the expansion opportunities presented to the organization. However, for various reasons, these tools have not been utilized effectively, and the Governing Board and the public have been left with the impression of a management failure and a recruitment of a new Executive Director. Improvements in strategic planning; resource allocation; recruitment, retention and succession planning; and internal and external communications should be implemented by the next Executive Director.

Before looking at the results of our review, it bears commenting that the reason the organization was created in the first place may no longer exist. An analysis of the effectiveness of the function in general – not just the management of the function – should be undertaken and a determination if this is the best use of limited transportation money. Tri-Rail service may be replaced by investment in a less expensive existing mode, eliminating the need for costly, unfunded asset maintenance and replacement. Such an investigation would be timely as current contracts and agreements expire in 2027.

Strategic Planning

Strategic planning is an important element of an organization's management process as it defines the intended course of the organization and is therefore useful in making decisions about the allocation of resources. Strategic planning is a common practice at all levels of government in the United States and elsewhere. The allocation of resources does not just refer to the budgeting process but extends to the

⁴ Florida Statutes, Chapter 343 [Regional Transportation](#)

daily decision making regarding where an organization's resources and efforts are directed. It can be part of the broader practice of strategic management that links planning with implementation and may also extend to control mechanisms for tracking the implementation of the strategy. Employing strategic planning leads to positive results in outcomes (efficiency and effectiveness), organizational culture (participation and learning), and a broader range of public values, such as transparency or equity. Successful strategic planning results from – and results in – more effective leadership, improved organizational capacity and expanded resources and stakeholder participation. Strategic Management utilizes the strategic planning cycle – plan, measure, monitor, repeat – to lead an organization to improve performance and achieve purpose.

Public-sector strategic planning is not a single thing, but many things, and can be conceptualized in a variety of ways. The SFRTA submits a Transit Development Plan (TDP) and the required updates in compliance with Rule 14-73.001, Public Transit, Florida Administrative Code (the TDP Rule). TDPs are required for State of Florida Public Transit Block Grant recipients. It is a planning and operational guidance document with a 10-year planning horizon. The TDP Annual Progress Report (APR) documents major work for the year reported, assesses progress relative to SFRTA's goals and objectives, and updates the Ten-Year Capital Plan.

Public sector strategic planning should have the following features:

- Outlines organizational purposes and goals, including attention to situational requirements (e.g., political, legal, administrative, ethical and environmental requirements)
- Begins with broad goals and later moving to a more selective action through objective and key performance indicators (KPIs)
- Reflects the dynamics of the overall system being planned for, considering how it functions—or ideally should function, including the interrelationships among other services
- Includes stakeholders, typically multiple levels of government and multiple sectors should be involved in the process of public-sector strategy formulation and implementation
- Identifies strengths, weaknesses, opportunities and threats, as well as competitive and collaborative advantages
- Focuses on potential futures and then making decisions in light of their future consequences
- Emphasizes methods for implementation; strategy that cannot be operationalized effectively is hardly strategic
- A clear realization that strategies are both deliberately set in advance and emergent in practice

The TDP includes many of these elements. Public involvement is required, and the plan calls for a situational analysis. SFRTA has identified a vision statement, a mission statement and goals with corresponding objectives. There is an implementation program and a review of alternative courses of action, as well as a review for concurrence with other relevant plans (the Florida Transportation plan, local Metropolitan Planning Organizations and local transportation plans). The TDP is a voluminous document. SFRTA follows the clearly rigorous process for development of the TDP.

The process for developing the TDP means that SFRTA has already done most of the work involved in developing a strategic plan for use in managing the organization. As noted above, a critical element of a strategic plan is the development of specific objectives for each goal and key performance indicators that will tell administrators and stakeholders whether the goals have been met. While goals and more specific

objectives have been identified, they are not tied to achievement of specific projects or anticipated performance metrics. Many of the objectives are simply to “improve” or meet the goal established by an outside entity such as the Federal Transportation Administration, Federal Trade Commission or FDOT, which the organization may not have the ability to impact. The goals identified are also all related to operations; there are no functional support or management related goals. There is also no context provided to indicate whether trends are positive or negative. Historical information regarding a number of efficiency and effectiveness measures is provided, but no indication of anticipated future results. “General Performance Indicators” from other peer organizations are provided, but again without context. Projects and activities that may affect the performance as measured by these indicators is not discussed, nor is the relative control that SFRTA has on the indicators being measured.

Another element of successful strategic planning processes is an emphasis on methods for implementation so that the strategy may be operationalized. SFRTA’s TDP includes a section entitled “Ten-Year Implementation Program.” As described in the TDP Rule, the TDP “shall identify policies and strategies for achieving the provider’s goals and objectives and present a ten-year program for their implementation. The ten-year program shall include: maps indicating areas to be served and the type and level of service to be provided, a monitoring program to track performance measures, a ten-year financial plan listing operating and capital expenses, a capital acquisition or construction schedule, and anticipated revenues by source. The implementation program shall include a detailed list of projects or services needed to meet the goals and objectives in the TDP, including projects for which funding may not have been identified.”⁵ For this section, a list of projects, total funding and anticipated implementation year are provided, but the projects are not linked to particular goals or critical milestones that would allow for regular monitoring of achievements of the various goals is not provided.

Development of a business plan or annual implementation plan for each department of the SFRTA organization would improve the accountability by allowing for progress to be monitored. The required steps to be taken to complete the project – from the original procurement and necessary contracting to final implementation – should be included in the business plans of each department. Quarterly or more frequent reporting, if appropriate, should be implemented for management to monitor the achievement of critical goals and objectives. These reports should include not only efficiency and effectiveness statistics, but also projects to be completed tied to specific goals. Utilizing the traditional balanced scorecard methodology, these reports should include goals, objectives and measures in from four perspectives: business processes, customer, financial and organizational capacity. The information reported through regular monitoring can be used to inform the annual budgeting process, as well as provide data for grant applications, measure employee and vendor performance and future updates of the strategic planning documents.

⁵ Florida Administrative Code, [Public Transportation](#)

Recommendation #1

It is recommended that the SFRTA Executive Team initiate a process to develop a Strategic Plan specifically for the operations, maintenance and support of the Tri-Rail system, with business plans for each department outlining its role in achieving the identified goals and objectives. This Strategic Plan should align with the TDP but include measurable objectives with performance targets for objectives directly under the control of the SFRTA. Performance targets should be set through a collaborative process of stakeholders, including passengers, vendors and the SFRTA Board members. Individual business plans for each department indicating its role in achieving the goals and objectives should be developed with the individual scorecards. A quarterly report with information regarding the most critical goals and objectives should be made available to the SFRTA Governing Board and the public.

Resource Allocation and Monitoring

The allocation of resources on an annual basis necessary to meet the goals and objectives of an organization's strategic plan is also called a budget. SFRTA's budget process methodology recognizes the critical linkages between the strategic plan and the allocation of resources: not just funding, but also people and equipment. As outlined by SFRTA staff, "development of a balanced budget is a political and managerial process that also has financial and technical dimensions." Once a strategic plan for the SFRTA organization is established with objectives, key performance indicators and anticipated results, the annual budget should be aligned to the plan.

The annual budget is also the financial plan for the organization. Both an operating budget (supporting the day-to-day activities of the organization) and the capital budget (supporting the major construction projects and equipment acquisition) should be developed, with input from stakeholders, vendors, SFRTA Board and employees who are most knowledgeable about resource needs. The budget documents should tell the story of the organization for the upcoming fiscal year, both what elements of the strategic plan are funded and, sometimes, what elements are not because of revenue limitations or other constraints. It is important that multi-year information is provided for both the operating and capital budgets so that the SFRTA Board and other stakeholders may understand the longer-term impacts of decisions that are made throughout the year. Changes in the environment in which the organization operates should be explained to the extent those changes affect the longer-term forecasts.

The annual budget reflects changes that have occurred in the revenues collected and delivery of service, both because of decisions made by SFRTA and changes in the environment. The reasons for such changes should be outlined in the narrative sections of the document. Movement of positions and expenses from one department to another are not consistently explained. Additionally, the impact of reductions of positions and expenses are also not described.

The budget also provides an opportunity for the SFRTA Administration to report on the actual performance of the organization from year to year. Monitoring the actual performance as compared to the anticipated performance helps inform the staff and Governing Board regarding resource allocations decisions. It provides a "heads up" when critical issues are looming. Further, the annual budget provides an opportunity for the SFRTA Administration and Board to communicate unfunded needs of the organization and how additional funding could improve the level of service.

Recommendation #2

The SFRTA annual budget should reflect what is described in the budget process methodology. Linkages between the organizational strategic plan and the operating and capital budget should be illustrated with narrative and information regarding intended performance results. It is important for the SFRTA Board and stakeholders to know what they are “buying” with the budget. Longer-term forecast information, which is available elsewhere, should be included in the budget document so that the future impact of policy actions taken now can be explained. Attention should be paid to linking restricted revenues to their allowable expenses. Explanations regarding changes in expense line-items would be helpful. The capital budget should also include some narrative explaining the sources of funding, how the projects link to the strategic plan and the status of the projects.

Sections in both the operating and capital budgets outlining the unfunded needs of the organization are a critical part of the annual budget story. What parts of the strategic plan that has been adopted by the SFRTA Board cannot be achieved because revenues are not available? Both, the capital and operating budgets should include information regarding the longer-term financial and operational outlook.

Quarterly reporting of performance, as well as annual performance achievements, should be implemented. If performance targets are set appropriately, quarterly monitoring will serve as an early warning signal should a major project be deviating from plans.

Recruitment, Retention and Succession Planning

The most important resource for any organization is its people. According to the FY 2021-22 Budget, 25 percent of the 120 SFRTA positions are either vacant or frozen. In that budget, three Director-level positions were eliminated, and the duties assumed by other staff, and two of the remaining Director-level positions were vacant. Also, 11 of the 14 frozen positions were clerical or support in nature. While focusing resources on direct services and keeping administrative overhead as low as possible is a tenet of efficient organizations, there is a point at which the law of diminishing returns suggests that processes slow as higher cost positions are diverted to organizational support. It seems that SFRTA may have reached this point, which would hamper their ability to affect any of the other issues identified.

In discussions with the SFRTA Executive staff, and during presentations to the Governing Board and other groups, it has been commented that SFRTA has been having issues recruiting and retaining employees. Many of the same problems that have plagued other industries in the wake of the COVID-19 pandemic – worker demands for higher salaries, remote working and flexible schedules, lack of applicants – have made it difficult for SFRTA to fill vacant positions. They have consolidated responsibilities amongst the employees who remain. That has probably had the further effect of over-working employees who must absorb more responsibilities leading to either impacted performance or further resignations. Especially with the loss of the higher-level employees, there is a lack of opportunity for succession planning.

Recommendation #3

SFRTA should engage a human resources expert to review the existing positions and perform a market analysis to determine the appropriate salary levels for the job classifications throughout the organization. Reviewing personnel policies to promote flexible hours and work locations – facilitated by the adjustments made during the pandemic – may also yield opportunities to make positions with SFRTA more desirable for potential applicants.

Communications

In its broadest definition, communicating is the means by which information is shared amongst individuals. Any organization requires effective communication practices to successfully achieve its vision. Each member of the organization needs to understand the mission and goals and the role he or she plays in achieving such. Stakeholders need to understand what is happening to conduct themselves appropriately or take the correct action. Effective communication in the public sector is especially important as transparency is expected.

Having a solid strategic communication plan helps an organization share a clearly defined message with everyone involved with that organization -- internally and externally. When asked for a communications plan, OPBA was provided with the “SFRTA Internal Communications Plan” which is actually a plan for emergency notification in case of “critical incidents and events that may cause lengthy service disruption and/or may garner media.” This plan does not include notification to members of the Governing Board. While having a plan to be able to provide information accurately and quickly in the case of an emergency is important, improving the organization’s communications strategies overall will allow for potentially fewer non-operational crises to which one must react.

Further, an Executive/Administration should not see itself as separate from its Board (be that a Board of Directors, Commissioners, Governing Board). The Board sets policies that the Executive/Administration enacts. If a Board and an Executive/Administration do not have an effective communications strategy, neither will have the information each needs to be successful. A Board gathers information largely from external parties as they have been tasked with representing the people being served, the customers, the clients. An Executive/Administration gathers information largely internal to the organization, with details about the delivery of the intended service, what works and what does not. If the Board is not fully informed by the Executive/Administration, ineffective policies may be developed. If the Executive/Administration is not fully informed by the Board, policies may not be enacted properly.

In the last several months, ineffective communication in and amongst the parties involved in SFRTA initiating service at the *MiamiCentral* Station exacerbated problems that became a crisis. Individuals in different roles within the administration did not elevate issues appropriately. Further, issues that were known to SFRTA staff were not communicated to the SFRTA Board or to the public. Although it does not appear this was done with malintent, the lack of communication meant that when issues were exposed, incomplete and inaccurate information was already disseminated, and problems were created. There were inaccurate assumptions that the SFRTA Executive leadership was unaware of major issues or that there was little effort to resolve problems. What is accurate is that there were communication breakdowns at several levels and over the course of several months.

Effective communication strategies rely upon regularly scheduled and attended opportunities to report progress and other information, a willingness for individuals in an organization to listen and learn in a broad capacity, an environment in which individuals feel safe raising issues to discuss solutions, and a structure that holds people accountable. They also require practice so that communicating becomes a rote activity and not an extraordinary occurrence. In addition to clearly communicating the message of any organization so that members understand their responsibilities within the organization's strategy, it is important that complete information is shared. Having a strong monitoring system to determine when problems or delays arise, along with broad information channels throughout the organization so that solutions to any issues can be determined quickly is important to effectively manage. Effective communications strategies also rely upon clear guidelines regarding communication between board members and staff to ensure that complete and correct information is provided consistently to everyone.

Recommendation #4

The SFRTA Executive Director should work with the Governing Board to determine the frequency and depth of information communicated on a regular basis, both formal and informal communications. Regular reporting processes should be established, tied to the strategic monitoring functions, at all levels of the organization. These reports should be made available to the Governing Board and the general public. Protocols to ensure that all stakeholders are made aware, with as complete information as possible, should a crisis occur or an issue that requires more immediate attention. Once an issue has been identified, special efforts to communicate status should be continued until the issue is resolved. Communication should be seen as an active, deliberate responsibility at all levels of the organization.

Conclusion

In conclusion, the SFRTA Executive Director and staff have most of the tools needed to effectively manage the Tri-Rail Service. What has been lacking is the implementation of those tools to inform the decisions made by the Administration, as well as communicate to the Governing Board. Because of a number of vacancies throughout the organization, employees are forced to absorb additional duties, making it difficult to avail themselves of the tools that are in place. Properly structuring the salary schedules and implementing other policies to attract more applicants to fill critical management and support positions could help create an environment where more strategic actions are taken, better decisions are made, and communication is more effective. While funding for the Tri-Rail service has been increasingly constrained, organizations which are managed effectively are able to adjust to provide service within the resources available. Correspondingly, an effectively managed organization will likely be able to access increased funding options.



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SFRTA EXECUTIVE DIRECTOR'S RESPONSE TO MIAMI-DADE COUNTY OFFICE OF POLICY AND BUDGETARY AFFAIRS REPORT

July 1, 2022

The South Florida Regional Transportation Authority (“SFRTA”) has reviewed the draft management and budget analysis provided by the Miami-Dade County Office of Policy and Budgetary Affairs (“OPBA”) dated June 14, 2022 (“Report”). SFRTA staff welcomed the review, cooperated with County staff, and concurs with the four recommendations in the Report. In fact, SFRTA had independently reached similar conclusions and taken its own remedial steps, described below. The views herein are solely those of the Executive Director, Steven L. Abrams, and though provided in his official capacity, do not necessarily reflect those of other SFRTA staff or the Governing Board.

Introduction

While staff is in full accord with the four recommendations in the Report, it respectfully does not agree with the premise that SFRTA has the tools it needs to carry out its mission effectively, but just does not use them.¹ Indeed, SFRTA lacks the most fundamental and important tool it needs to be most effective in fulfilling its mission—adequate funding. This is not deflecting. The circumstance is acknowledged in the Report itself, which recognizes that because of static funding sources, SFRTA “is threatened with insolvency” (p.1). It is precisely because of static funding that SFRTA has fallen short in the areas identified in the Report. For example, in 2019, SFRTA had to reduce its workforce by some 25 percent to balance its budget, a matter of serious concern in the Report. The agency also had to make cuts in strategic planning efforts, also a subject of the Report. This is due not to lack of desire to pursue these objectives, but to lack of funds.

Be assured that SFRTA was already committed to making improvements to address the subjects covered in the review. After the belt-tightening in 2019 occurred, as soon as additional resources freed up—and particularly when pandemic relief funds became available—the Executive Director added back vital positions, as well as created and filled a new position of Director of Strategic Planning. In the proposed FY 2022-23 budget, which the Board adopted in May, the Executive Director added other previously deleted positions. To put a finer point on the relationship between SFRTA’s financial situation and the topics

¹ From the Report: “SFRTA staff have or have access to the tools required However, for various reasons, these tools have not been utilized effectively” (p.2). “Executive Director and staff have most of the tools needed to effectively manage the Tri-Rail Service. What has been lacking is the implementation of those tools” (p.7).

examined in the Report, when pandemic relief funds are depleted, it will be necessary to either come up with additional funding tools or revert back to austerity measures, which staff agrees hampers the agency's ability to carry out its mission, leaving the only remaining alternative service reductions.

Specific Responses to Areas of Review

1. Strategic Planning

Staff agrees with the Report's recommendation and concurs that "public-sector strategic planning . . . can be conceptualized in a variety of ways" (p.2). The Report acknowledges the various plans SFRTA has carefully developed and lauds it for following "clearly rigorous" processes (p.3). Yet we understand the Report's point that the plans in essence need to be tied together. We wish to advise that staff identified funds as part of the approved FY 22-23 budget for more comprehensive strategic planning and will draft the scope of work with the Report's comments in mind. The agency hopes to achieve the Report's envisioned product with the funding available. Of course, in the end, again with regard to tools at hand, an agency can have the most all-encompassing strategic plan in the world, but without the funds to accomplish it, it is just an exercise.

2. Resource Allocation and Monitoring

I am proud of the strides SFRTA has made to improve many facets of the agency's resource allocation and monitoring during my tenure. For the first time in the agency's history, SFRTA developed a twenty-year capital plan, which serves as a tracking tool and is updated and extended each year. Also, SFRTA submitted a first-ever ten-year operating budget to our three partner counties. Finally, the agency created a detailed twenty-year corridor capital plan for FDOT's use as the owner of the South Florida Rail Corridor. While SFRTA may not have the level of staffing or consulting assistance necessary to fully implement the recommendation of the Report in this area, we concur with it and embrace it as a goal. Finally, please note in response to comments (p.5), staff provides the Board with quarterly budget updates. The Executive Director also provides the Board with annual performance achievements in writing, brings it to Board Members' attention during their agenda briefings, and places it on the public agenda as an item for Board discussion.

3. Recruitment, Retention and Succession Planning

Staff concurs with the observations in this section of the Report. Short staffing has been the result of having to ratchet back personnel in 2019 when the agency was in fiscal crisis. Subsequently as the Report notes, when pandemic relief funds became available to allow for additional hiring, the agency experienced unfavorable industry and regional labor market conditions. However, it is important to point out that the vacancies referenced in the Report of Director-level positions did not mean that critical functions were not covered; the functions were assumed by seconded contractors. Staff agrees with the recommendation,

and in fact, had already included funding for a human resources consultant to review existing positions and perform a market analysis in the approved FY 22-23 budget. However, even in a normal market, the agency's limited funds will not necessarily allow SFRTA to implement the Report's suggestion of "structuring salary schedules" (p.7) to help accomplish other recommendations in the Report.

4. Communications

The communications critique relates primarily to the failure of the Executive Director to report to the Board earlier than he did regarding delays in the Downtown Miami Link/Miami Central Station project, particularly as a symptom of a larger communications issue.

To clarify a muddled record, I mentioned problems to the Board at the October, 2021 Board meeting, two months prior to the December, 2021 meeting where this blew up as an issue. I mention this because there was no effort to disclaim responsibility for the delays by not discussing the issues on a timelier basis, particularly since I maintain they were not of my making.² As I have stated publicly, the reason I was not forthcoming sooner was because I had ordered further testing by a structural engineer and was awaiting a final report so I could be certain of the scope of the problem and offer specific potential solutions. In hindsight, I readily admit that was not the correct approach, and so I appreciate the Report's observation that this was not due to "malintent" (p.7).

But mine is not a practice of failing to inform the Board generally or seek its input. I hold ten 30- to 60-minute individual briefings each month with Board Members—so *over 300* since I assumed my position—where I not only cover agenda items, but add updates and invite additional discussion on any subject. As a matter of routine practice, I have sent dozens of informational emails to the Board on any number of topics during my tenure, ranging from a quick sentence to lengthy memos, and always invite any questions or comments. For the first time, I developed and presented an orientation for new Board Members. By contrast, during my eight-year stint as an SFRTA Board Member, I cannot recall receiving an email from an executive director on any topic.

Nevertheless, I have been sensitive to the perception that I needed to work more closely with the Board, and so I agree with the Report's recommendation. Indeed, I devoted a section of my annual Goals and Objectives memo to the Board back in January, 2022 to outlining my steps to improve communications, which I since strived to fulfill. The section was as follows:

² Even *Miami Today*, which has been highly critical of the setbacks and delays to enter Miami Central Station to the point of calling for an engineering firm to assume the role of executive director, concluded, "Mr. Abrams didn't cause this mess." "Where's an Effective Engineer to Put Tri-Rail on Schedule?", May 31, 2022.

Improve Board Communications

Executive Director has identified an additional goal to improve communications with the Board. To that end, the following objectives are proposed:

1. Provide more regular updates to Board on pending agency matters.
2. Reach out more frequently to individual Board Members where their particular expertise or relationships may be advantageous to the agency—along the lines of previous instances wherein the Executive Director involved Chairman Valeche in the SFRTA investment policy; Commissioner Ryan in arranging meetings with the Broward County Administrator; Board Member Penin regarding advice on procurement staffing; among other examples involving past Board members.
3. Include Board Member participation with staff on existing or proposed SFRTA committees. As examples, creating a new Miami Central Station Committee and reactivating the Construction Oversight Committee, which was in place when the Operations Center was being built.

In response to a reference in this section regarding emergency communications with Board Members (p.6), note there is a published “Executive Director Checklist” that is part of the agency’s preparedness plan, which specifies that the Executive Director email or text board members, but it is not included in the “SFRTA Internal Communications Plan.” We will conform the documents to reflect our current practice. When an emergency arose this past May and Tri-Rail experienced an outage due to an AT&T circuit failure, I communicated with the Board twice, once in real time during the interruption and again at 1:30 a.m. when the issue was resolved, and also made a full report at the beginning of the next Board meeting.

Conclusion

The Executive Director was hopeful that the Report would address or at least lead to a logical conclusion that SFRTA will require additional funding to accomplish its mission. The OPBA Chief in a previous county role was exceedingly helpful in meeting with the Executive Director and Deputy Executive Director to suggest a formula to induce the counties to increase their contributions and help address the agency’s structural deficit.³ SFRTA has since met with the counties (and FDOT) to lay the groundwork to consider this approach upon depletion of the agency’s pandemic relief funds.

But, instead, the Report contends that all tools are currently available for not only the “everyday operations and maintenance of Tri-Rail,” but even “expansion opportunities presented to the organization” (p.2). Very few entities, if any, can operate at the same level, let alone expand, with a specified funding amount that has been fixed for well over a

³ Based on the ten-year budget SFRTA staff developed and submitted to the counties, referred to above in the “Resource Allocation” section. SFRTA will be continuously updating the plan.

decade—indeed embedded in a state statute—which will now erode even faster due to unabating inflation.⁴

More troubling, beyond the dearth of discussion about future funds, is an excerpt in the Report raising the specter that the County could discontinue funding altogether—for not just Tri-Rail, but commuter service entirely on the South Florida Rail Corridor. Specifically, the Report states on page 2:

[T]he reason the organization [Tri-Rail] was created in the first place may no longer exist. An analysis of the effectiveness of the function in general—not just the management of the function—should be undertaken and a determination if this is the best use of limited transportation money. Tri-Rail service may be replaced by investment in a less expensive existing mode, eliminating the need for costly, unfunded asset maintenance and replacement.

A full rebuttal to this passage is beyond the scope of this response. Suffice it to say, if as the Report correctly states (p.1), the reason behind Tri-Rail’s creation was to relieve congestion on I-95 during its expansion in 1989, I daresay there are few drivers who would pronounce that the interstate flows so freely in 2022 as to warrant the elimination of a transit mode that takes the equivalent of up to one lane of traffic off 95 each and every day.

In conclusion, and here I speak for everyone at SFRTA, we are appreciative of the efforts of the Office of Policy and Budgetary Affairs to gain a thorough understanding of the management structure and budget of our organization. SFRTA accepts the four recommendations in the Report and looks forward to continuing to work cooperatively with OPBA and the County.

⁴ For example, a major driver of the increase in SFRTA’s recently adopted FY 22-23 budget was a 112% increase in fuel costs (\$9 million).