Tampa-Hillsborough County Expressway Authority
Minutes of the May 4, 2026, Budget Workshop
1104 E. Twiggs Street
Tampa, FL 33602

The Tampa-Hillsborough County Expressway Authority held a public meeting at 1:30 p.m. on May 4, 2026, at THEA Headquarters, 1104 E. Twiggs Street in Tampa Florida. The following were present:

BOARD:

Vincent Cassidy, Chairman
Bennett Barrow, Vice Chairman
Cody Powell, Secretary
Justin Hall, Member

STAFF:

Greg Slater
Amy Lettelleir
Tim Garrett
Jeff Seward
Raul Rosario
Greg Deese
Bob Frey
Shari Callahan
Charlene Varian
Chaketa Mister
Emma Antolinez
Brian Ramirez
Brian McElroy
Elizabeth Gray
Anna Quinones
Szabina Szenassy
Toni Atkinson
Frederick Pekala
Krishna Rentala

OTHERS:

Sally Dee, Playbook
Len Becker, HNTB
Stanley Hinde, KCI Technologies
Mary Brooks, Quest
John Generalli, Wells Fargo
Julie Santamaria, PFM

The meeting began at 1:30 pm.

Mr. Slater outlined a decade-long vision for the system, emphasizing investment in capacity, technology, community focus, and organizational health. The aim is to redefine the urban expressway experience to be premium, reliable, and integrated with its surroundings by:

- **Focusing on capacity and growth:** Investments will address regional growth, travel changes, and system capacity needs, including projects like South Selmon Capacity, Whiting Street, and the 301 Extension.

- **Integrating next-generation technology:** The system will become smart, adaptable, and integrated through technology enhancements such as RTCS, OBOS, and the Downtown Brain Project for system-wide AI management and incident response.
- **Focusing on the community and the customer:** Efforts include aesthetic improvements and community space integration, for example, the signature bridge on the Hillsborough River, Aesthetic Guidelines, Underpass Improvements, and our vision for the real estate assets.
- **Ensuring the long-term health of the system and the organization:** The asset management program, structural health monitoring, stormwater resiliency, and maintaining financial health with efficient operations and organizational structure.

Mr. Slater turned the meeting over to Mr. Seward after thanking him and the entire team for their work on the budget, adding that this year's budget will show some growth from last year, but a net decrease overall, with a projected increase in revenue, a fully funded work program, a budgeted line item for our MacDill Reward Program, and continued healthy financial metrics as we ramp up construction.

Mr. Seward began by reviewing the work program, noting that projects are divided into three distinct categories – Capacity/Enhancement, Preservation (aka Restoration and Rehabilitation), and Programmatic.

He provided a snapshot of the FY2027-FY2032 Capital Work Program totaling $767.8M, of which 82.7% is allocated to Enhancements/Capacity, 15.5% to Preservation, and the remaining 1.8% Programmatic. For FY2027, that translates to a total of $161.5M, with 90.9% Enhancements/Capacity, 7% Preservation, and 2.1% Programmatic.

Next, Mr. Seward highlighted some of the FY2027 projects in each category, and department directors provided a quick overview of those highlighted projects. Those projects included:

Enhancement/Capacity Projects
South Selmon Capacity Project
RTCS/OBOS
Whiting Street Improvements
THEA Headquarters Safety Project
12th Street Park

Restoration & Rehabilitation
Sign Replacement: Jefferson through Brandon Parkway

Programmatic Projects
Asset Management Development

On the Whiting Street Project, Chairman Cassidy asked the cost of the whole project. Mr. Deese noted $40M. Mr. Slater pointed out that during our asset maintenance inspections, a direct outfall to the Garrison Channel was discovered. As a result, we can handle a large part of the drainage needed on this project.

Mr. Seward then reviewed the Operating Budget, noting that along with supporting the $161M capital program, it is also prioritizing asset maintenance, community needs, and the Authority's long-term financial health. He then reviewed the following components of the budget:

Revenue
Revenue projections include a total net revenue growth of 2.31% as follows: a total net toll revenue growth of 3.55%, which includes the MacDill Reward Program budgeted as a revenue reduction of $1M.

Chairman Cassidy asked about the rationale for this accounting approach. Mr. Garrett explained that, in part, it is associated with the way the revenue will be recognized. We get most of our revenue from Florida Turnpike Enterprise (FTE) – transactions go through them and they send the revenue back to us. We will apply the discount program, subsequently, the discounts are credited to the customer accounts and subtracted from the revenue that is returned to us. Ms. Lettelleir concurred and noted this is also how the state program was run.

Chairman Cassidy asked for clarification as to why we are accounting for a contra income as opposed to an expense. Mr. Garrett explained that it shows up as a reduction in revenue that is received from FTE.

Mr. Barrow suggested clarifying this in an important footnote. Chairman Cassidy asked if the CPAs are ok with this method. Mr. Seward responded in the affirmative, noting it was at their recommendation.

Mr. Slater asked Mr. Rosario for the number military members have signed up for the program so far. Mr. Rosario confirmed that 1200 have signed up and are validated.

Mr. Seward continued with the items resulting in the 2.31% revenue growth, including: miscellaneous revenue, with a reduction of 36.94%. This is largely due to several of THEA's revenue generating parking lots closing during the construction of the South Selmon Capacity Project; and we are anticipating a reduction of 6.67% for investment earnings primarily because we will be drawing down cash reserves for the South Selmon Capacity Project, but also market volatility.

Mr. Powell asked how much THEA is drawing down for SSCP. Mr. Seward noted $100M.

Mr. Seward continued with Traffic and Revenue (T&R), noting an estimated increase of 1.4M (1.7%) in toll transactions from FY26 estimates. Based on year-to-date toll revenue and the T&R update, THEA remains well positioned to meet FY2026 Toll Revenue projections.

Chairman Cassidy recalled the agency picking up a fair number of tolls when we did the Selmon West extension from the contractor riding the road to deliver the project and asked if we expected the same thing on this project. Mr. Deese anticipated that we could see some of that for the South Selmon project.

Personnel Expenditures
Mr. Seward pointed to a net expenditure increase of 11.45% over FY2026. This includes a 3% COLA, a 5% estimated increase in health care benefits, and two new full-time employees. This budget represents 33 full-time employees and 2 interns.

Chairman Cassidy asked about the $3.7M spend in the ten months ending in April in contrast to the proposed FY2027 $7.5. Mr. Seward explained that THEA is adding two new full-time employees to support Operations and Maintenance and to support the ITS expansion project and delivery.

Mr. Deese provided information on the two positions, noting Operations is adding another field position for ITS – a technician for maintenance purposes to perform certain tasks in-house at a cost savings. The second position is for a dedicated design project manager to oversee the 12 projects coming down the pike in FY2027. Again, this would result in a cost savings for THEA.

Chairman Cassidy asked about the five open jobs. Mr. Seward noted that THEA is in the process of hiring two right now, a third will be posted within the month.

The Chairman asked for clarification on whether these three positions plus the two just mentioned are the five. Mr. Seward responded the two are in addition. Mr. Cassidy continued, noting THEA is adding seven jobs, five open and two new at a cost of $3M. Mr. Seward explained that this number will be refined to reflect the actual hiring of those positions. The budget represents 33 full-time employees and 2 interns.

Mr. Seward moved on to the expenses noting a payroll contingency budgeted but not spend in FY2026 due to vacant positions; however, in FY2027, the expectation is to have all 33 full-time employees filled with no budget for temporary staffing in FY2027.

Next, Mr. Seward reviewed the departmental budgets beginning with Toll Operations:

- **Toll Operations** will see a net expenditure decrease of 33.16% over FY2026. The key drivers include a reduction in FTE expenses due to a change in how FTE calculates processing fees. Mr. Garrett provided an explanation of the change in FTE's formula for calculating fees. THEA has fewer transactions per mile, resulting in a reduced fee.

  Chairman Cassidy asked if this is a THEA forecast or if the Turnpike informed us. Mr. Garrett confirmed that FTE walked THEA through the new formula and gave us the number.

  Mr. Seward continued with the Toll Operations budget, noting a reduction in toll consulting support and reduced image review expenses; an increase based on the extension of the image review software contract; and a net increase for maintenance of the portable gantry and toll system incidentals. Mr. Rosario elaborated on this increase, pointing out the two new portable gantries that will need maintenance. These are not part of the normal maintenance contract, as they are for revenue assurance purposes should we experience any disruptions.

- **Operations & Maintenance** will see a net expenditure increase of 6.77% over FY2026 as follows: a slight decrease due to the capitalization of roadway enhancements performed by our asset maintenance contractor; a decrease based on a reduction in support for landscape/hardscape due to the impact of the South Selmon Capacity Project on the Greenway; and a net increase due to increases in scope and frequency of ITS device maintenance. Mr. Deese provided additional detail, noting that THEA is bringing more ITS equipment online and seeing higher maintenance costs. We also identified the need to keep an inventory of spare parts so we can respond more quickly to outages, etc. The rest of the increase has to do with how we are analyzing our system. We have implemented a system for work program support that is more in line with how FDOT operates. We are justifying CIP costs based on scoping for the entire program, long-range estimates for the entire program, and developing and maintaining a master schedule for every project we have for the next five to six years. The other aspect is the implementation of crash analysis services which result in a safer system.

- **Information Technology & Security** will see a net expenditure increase of 12.71% from FY2026. First, an increase in software licensing. Ms. Callahan explained that this increase is due to the mandatory expansion of VMware enterprise support for toll operations. Mr. Slater added it is an industry issue.

  Ms. Callahan noted a reduction in telephone and communications costs due to the redundant internet connections we have in place; a reduction in cybersecurity management costs by shifting from one-time remediation to standard recurring audits, monitoring, and program support; a reduction in disaster recover costs due to transitioning to the DR capital project, and includes the lease we have in place for the space at the data centers, as well as any business continuity activities needed. Mr. Slater added that some of this increase covers a one-time expense is not a baseline for next year. Ms. Callahan concurred.

  Chairman Cassidy questioned why Lakeland was chosen as a recovery site. Ms. Callahan said the decision was based on a cost analysis of data centers that we would be able to get to if needed – something close but more inland. The Chairman asked if staff would have to physically be at the recovery location. Ms. Callahan explained that it would not be necessary, it would be fully remote.

  Secretary Hall asked about the size of the space. Ms. Callahan noted that for the Admin Network we have ¾ of a rack and for the Operations Network we will need about the same amount of space.

  Ms. Callahan moved on to a reduction in Finance IT support due to minimizing need for outside support; an increase in IT help desk services moving from three days a week to five days a week onsite; reduction in network engineering operating costs as this has been moved into projects; an increase in internal facility ITS maintenance; and the addition of continuity of operations expenses for cyber security remediation.

- **Planning and Innovation** will see a 35.92% increase. The sole reason for this increase is from the inclusion of the software subscription to the Regional Integrated Transportation Information System (RITIS) being moved from the capital budget to the planning budget. There is also an increase in modeling scenario testing for complementing the Operations Department's Asset Management Program; a reduction based on the elimination of consultant work on strategic planning/key performance indicator activating by bringing the work in-house; and a reduction in data collection costs. Mr. Frey added that, as we move into performance planning, we are targeting where the high-growth/high-activities areas are to determine changing conditions and switching to a three-year cycle of data collection for a more efficient process. Mr. Slater added that as we get into heavy construction, RITIS will be used as a tool to tell us exactly what is happening with traffic. Mr. Seward added that we can evaluate each year to determine the value – we are not locked in. Mr. Slater noted that one of the things we learned from the data is that 30% of the traffic that comes off the REL goes across the Gandy bridge. The Chairman asked which gantry tags the vehicles. Mr. Slater explained that it is not a gantry, it is INRIX data - which is anonymized cell phone data. Secretary Hall added that FDOT is building its own mobility platform using INRIX data – it is the new standard, and the cost is in line with what they spend.

- **Communications** will increase by 26.32%. This includes an increase for the one-time cost for a new website design and development costs; a decrease in communication services attributable to continued efficiencies in the production of communication materials, as well as a scaled reduction in costs associated with the SunPass Campaign; a decrease in printed collateral and promotional expenses driven by the expanded capital program.

  Chairman Cassidy asked about the variance in what was budgeted for FY2026 and what was spent. After some discussion, the Chairman clarified his comment – noting that the optics of budgeting and not spending can be viewed as an inability to execute.

  Mr. Slater provided the cleaning and staining of the REL as an example - THEA had that project planned out and in the budget but decided to wait to avoid disrupting too much of the system at one time. So sometimes the projects are moved into the next year because we have new information.

- **General Counsel, Human Resources & Procurement/Contracts** will increase 144.55%. This increase includes the funding for the enterprise-wide records management initiative, as well as an increase in real estate, cyber-security, and legal support services due to the anticipated support required for the real estate post-RFP process.

  Ms. Lettelleir elaborated, stating that THEA has increased the use of its fractional HR consultant. The real estate has been changed to a two-step process and that legal advice will come from an outside consultant.

  Chairman Cassidy asked about the HR/Procurement/Contract Support and Consulting Services line item noting an expenditure in FY2026, but nothing forecast for FY2027 and where those items are rolling up to. Ms. Lettelleir advised that many of those tasks were due to vacancies due to leave and temporary employment services were used to fill the gap. The rest is in the next line item – HR and Consulting Services. The last item is the Contract/Document Management line item that represents a new consistent record system, document storage, and document recovery across all departments.

- **Professional Services** with a 19.65% increase. Key drivers include an increase in an enterprise-wide, centralized, GIS program; a decrease in legislative liaison services; a decrease in investment advisory services; an increase in bridge, property, general liability, auto, property and worker's compensation rates; and the removal of the annual Traffic & Revenue expense from Planning to Finance.

- **Administrative Expenditures** with a 2.47% decrease due to reductions in the employee engagement budget, special events, and dues, fees, and subscriptions. Mr. Slater added that each year, across all our budgets, we are trying to be more precise based on actual expenditures and organizational capacity.

Finally, Mr. Seward reviewed the key takeaways, which included:

- A total net expenditure decrease of 2.44% due primarily to the reduction in Florida Turnpike Enterprise processing expenses.

Without the Florida Turnpike Enterprise reduction, expenses increased by 10.3% driven by:

- One-time costs of $923K for RITIS software reclassification, document imaging support, GIS support, and outside counsel support for real estate
- Mandated increase of $311K for health and vision insurance and insurance coverage for property, bridge, general liability, etc.
- Personnel increases of $485K (new positions, COLA, ADP)
- Information technology increases in new software licensing of $323K

In summary, the FY2027 proposed budget includes:

- A net toll revenue increase of 3.55%; total net revenue increase of 2.31%
- A total net expenditure decrease of 2.44%
- A fully funded FY2027 Capital Work Program

Chairman Cassidy pointed out that there were no events this fiscal year the required a system closure and asked about not meeting projected revenue. Mr. Seward explained that by the time we reach our year end, we believe we will meet that target.

Chairman Cassidy observed that comparing the FY26 budget to the FY27 budget and have underspent the FY26 budget. He added that he would like to see in budget updates what a forecasted budget looks like compared to the actuals.

Finally, Mr. Seward noted an estimated debt service coverage ratio of 3.07 at the end of FY2027.

The Chairman asked if there was a forecasted reduction in tolls due to the construction of the South Selmon Capacity Project. Mr. Eshelman will report on that when he presents traffic and revenue but since most of the construction will occur at night we do not anticipate a transaction reduction.

Finally, Mr. Seward announced that final adoption of the budget will be June 22, 2026.

Mr. Powell had one final question about the help desk contracted employee moving from three days to five with a cost differential of $27,000, which seems low. Ms. Callahan will double-check the number. Mr. Powell asked about the ability to add a staff position for a cost savings. Mr. Slater noted that is one of the things THEA is looking at – trying to find the right ratio of consultants to employees. It could be possible. Ms. Callahan noted that this position tends to have a lot of turn over so you end up overpaying for the position.

Chairman Cassidy asked when the Real Estate RFP will advertise. Ms. Lettelleir noted it will be out by the end of the fiscal year.

With no further business, the meeting adjourned at 3:06 p.m.

APPROVED: ______________________ ATTEST: ______________________

Chairman: Vincent J. Cassidy **Vice Chairman: Bennett Barrow**

DATED THIS 22ND DAY OF JUNE 2026.