

LYNX Audit C mmittee Agenda

Central Florida Regional Transportation Authority

455 N. Garland Ave.

2nd Floor Board Room

Orlando, FL 32801


Board Date: 2/26/2009

Time: 9:30 AM




As a courtesy to others, please silence all electronic devices during the meeting.

1. Call to Order

2. Approval of Minutes

-  Minutes from the December 11, 2008 Audit Committee Meeting Pg 2

3. Audit Agenda Items

- A.  Overview of the Administrative Retirement Plan with The Hartford Group Pg 7
- B.  Actuary Presentation Pg 8
- C.  Briefing on the Osceola County Funding Agreement Pg 9

4. Review of Board Package: 2/26/2009

- A. Review and discussion of Consent Agenda Items
- B. Review and discussion of Action Agenda Items

5. Information Items

(For Review Purposes Only - No action required)

- I.  LYNX 12-Month Rolling Calendar Pg 10

LYNX
Central Florida Regional Transportation Authority
Audit Committee Meeting Minutes

PLACE: LYNX Central Station
455 N. Garland Avenue
Board Room, 2nd Floor
Orlando, FL 32801

DATE: December 11, 2008

TIME: 9:40 a.m.

Members in Attendance:

Seminole County Commissioner, Carlton Henley, Chair
Osceola County Commissioner, Brandon Arrington
Orange County, Jim Harrison, Director of Growth Management
City of Orlando, Roger Neiswender, Director of Transportation

Members Absent: FDOT District 5 Secretary, Noranne Downs, Secretary

1. Call to Order

The Chairman, Commissioner Carlton Henley, called the meeting to order at 9:40 a.m.

2. Approval of Minutes

Motion was made and seconded to approve the Minutes of the October 23, 2008 Audit Committee meeting. The motion passed unanimously.

3. Audit Agenda Items

A. Review of Proposed Changes to Administrative Rule #4 – Procurement and Contract Administration and Administrative Rule #5 – Code of Ethics

The Chairman recognized Bert Francis, Chief Financial Officer, and Pat Christiansen, LYNX General Counsel, for presentation.

Bert Francis discussed proposed changes to Administrative Rule #4 and #5 which are a result of a recent Federal Transit Administration (FTA) follow-up Procurement Review. In their review of LYNX' Administrative Rule #4, Procurement and Contract Administration, the FTA recommended an addition to procedures for protest of awards by the Authority, subsection 4.14.6, that provides for the FTA to be notified of any protests related to procurements involving Federal funds and shall keep the FTA informed of the status of any such protests.

In the FTA's review of LYNX' Administrative Rule #5, Code of Ethics, the FTA recommended an addition to Award and Administration of Contracts, subsection 5.1.14, that provides that no immediate family member, partner, or organization that employs a participant in the selection, award, or administration of a contract supported by FTA funds.

Pat Christiansen discussed proposed changes to Administrative Rule #4, Procurement and Contract Administration, which would allow the Chairman of the Board of Directors to authorize the Chief Executive Officer (CEO) to enter into certain agreements that require action prior to the Board of Directors next official meeting. These agreements will be limited to issues that would have a business of financial prudence that would otherwise limit the agency's participation.

Staff is proposing adding subsection 4.4.12, Short-Term Bus Service Agreements, to allow the Chief Executive Officer (CEO) to be authorized to enter into an agreement to provide bus services to a third party without first obtaining the approval of the Governing Board provided that: the agreement is entered into before the next regularly scheduled meeting of the Governing Board; the Authority will receive its standard hourly rate for bus services it charges to third parties; the term of the agreement does not exceed six months; and the dollar value of the agreement does not exceed \$500,000 unless the Chairman has first consented, in which case there would be no dollar limitation.

Staff is proposing adding subsection 4.4.13, Financially Exigent Agreement, to allow the Chief Executive Officer (CEO) to be authorized to enter into an agreement or renew an existing agreement, without first obtaining the approval of the Governing Board if: the financially exigent situation will be created as a result of waiting for the next regularly scheduled meeting of the Governing Board to approve the agreement or approve the renewal of the existing agreement; and either the dollar value of the agreement or the renewal is less than \$150,000 or if the dollar value of the agreement is \$150,000 or more, then the Chairman of the Governing Board first consents to the entry into the agreement or the renewal of the existing agreement.

As a result of the recent Florida Transportation Commission's annual review, staff is proposing the addition of Form 8B, Memorandum of Voting Conflict for County, Municipal, and other Local Public Officers

Without objection, the Audit Committee agreed to recommend approval to the Board of Directors.

B. Overview of FY2009 Amended Capital Budget

The Chairman recognized Bert Francis, Chief Financial Officer, for presentation.

On October 23, 2008, staff presented the amended Capital Budget for FY2009 in the amount of \$29,427,445. Further revisions are required to reflect the additional \$2,000,000 in Federal preventative maintenance funding and adjustments related to

carryover expenses. The amended Capital Budget will be in the amount of \$27,173,872.

Without objection, the Audit Committee agreed to recommend approval to the Board of Directors.

C. Review of Electrical & Mechanical Improvements to the LYNX Operations Center (LOC)

The Chairman recognized Bert Francis, Chief Financial Officer, for presentation.

LYNX received a certificate of occupancy for Building "A" at the LYNX Operations Center (LOC) in August, 2007. Although the building was substantially complete at that time, there were several outstanding construction and design issues that needed to be corrected. These consisted of both electrical and mechanical improvements.

Because of the degree of difficulty in resolving construction issues under the original construction contract, LYNX avoided issuing change orders to the construction contractor, Collage, to correct design problems. Grant funds to support the required design changes were allocated and the work delayed until the construction contract was closed out.

In the original design, there were no provisions made for electrical power to operate the automotive lifts which are used to repair support vehicles and there are no electric panels located in this area. Requirements to support the Electronics Shop activities were not included. The electrical panels were located in the center of the building and the individual branch circuits were run from that point. The compressed air is supplied from a single air compressor located in the center of the building. The building's carbon monoxide ventilation system and the vehicle exhaust ventilation system were installed as designed by the construction contractor; however, the systems' designs were incomplete and presently non-functional. The radiant heat system is neither effective nor efficient. The Material Control Division computers are connected utilizing extensions cords and there is no ability to recharge the electric forklift.

Staff is proposing authorization to issue an IFB to identify and correct the original design deficiencies.

Without objection, the Audit Committee agreed to recommend approval to the Board of Directors.

4. Review of Board Package

The Chairman recognized Linda Watson, Chief Executive Officer, to provide an overview of items that will come before the Board.

Consent Agenda:

1. Item 6.B.i. Staff will request authorization to award a five year bus supplier contract to Gillig, LLC for heavy duty transit buses for the State of Florida. LYNX has served as

the lead procurement agency for a consortium of twenty-seven transit property members of the Florida Public Transportation Association (FPTA). Under the contract, participating transit agencies must pay a transaction fee of \$500 per bus, not to exceed \$10,000 per contract year. As the lead agency, LYNX is exempt from paying the transaction fee. Additionally, the FPTA will reimburse LYNX for the amount of time spent by staff to develop issue and award the contract.

2. Item 6.B.ii. Staff will request authorization to award a contract to Data Transfer Solutions and to Reynolds, Smith & Hills for General Consulting Services. The initial contract term shall be for three years with two, one year options subject to annual funding availability. The contracts will have an annual “not to exceed” cost of \$300,000 in the aggregate per year. The contracts will include service design staff support.
3. Item 6.C.i. Staff will request authorization to exercise the second of three one-year contract renewal options with Akerman Senterfitt to perform LYNX federal lobbying services. Akerman has been successfully representing LYNX for the last three years and has been instrumental in the procurement of discretionary Congressional appropriations (“earmarks”). LYNX has done very well in Bus and Bus Facilities earmarks. LYNX has received more than twice as much funding as any other transit system in the State and significantly more than most.
4. Item 6.C.ii. Staff will request authorization to exercise the first year option to renew the contract with EarthTech for architectural and engineering services.
5. Item 6.D.i. Staff will request authorization to purchase up to twenty-five replacement buses. LYNX will have an active fleet of 272 revenue buses effective with the December 7, 2008 service change with forty-eight of the vehicles meeting the requirements for retirement.
6. Item 6.D.ii. Staff will seek the Board’s adoption of a Resolution authorizing the appointment of Edward Johnson as management’s representative on the Union’s Pension Plan Board.
7. Item 6.D.iii. Staff will request authorization to submit three grant applications to the Florida Department of Transportation (FDOT) for Federal Transit Administration (FTA) funds attributable to rural and small urbanized areas.
8. Item 6.D.iv. Staff will request authorization to transfer a retired vanpool vehicle to the U.S. Veterans Administration. The VA moved their facility offices in Seminole County. They are no longer on a bus route and are experiencing difficulty getting their clients to the new facility.
9. Item 6.D.v. Staff will request authorization to execute a one year Joint Participation Agreement (JPA) with FDOT under its Commuter Assistance Grant Program. FDOT reimburses LYNX 50% of expenditures used to promote or implement commuter assistance programs quarterly.
10. Item 6.D.vi. Staff will request authorization to transfer ten LYMMO revenue vehicles and components to the State College of Pennsylvania (CATA). The decision to transfer the 1997 New Flyer Compressed Natural Gas (CNG) buses was based on the high operating costs, frequency of maintenance and poor performance of these buses.

Action Agenda:

1. Item 7.A. Staff will request authorization to enter into the FY2008-2009 Service Funding Agreement with Orange County. LYNX is approaching a financial emergency

and the approval of this contract is needed. Operating reserves are at \$2,000,000. It is our understanding that this agreement has been placed on the Orange County Board of County Commissioners Agenda for December 16, 2008. The current contract combines three agreements 1) local financial assistance; 2) support of the "CLUB" program; and 3) language outlining the requirements for LYNX' bus shelter program. This is the first year the County requested combining all three of these services into one contract. Subsequently, LYNX and the County agreed that it would be in the best interest of both parties to establish separate agreements as was previously the case.

2. We are adding two items to the Board Agenda. When the Agenda was first prepared, two of the Board members were not yet appointed. Now that all members have been appointed, the additional Agenda items added are:
 - a) Item 7.B. Staff will request the Board appointment of a LYNX representative to the MetroPlan Orlando Board.
 - b) Item 7.C. Board of Directors' Officer nominations and elections

Worksession Agenda:

1. Item 8.A. Staff will provide an update on the City of Orlando Shelter Program
2. Item 8.B. Staff will provide an update on the efforts of the group that this Board asked to be created consisting of finance professionals from the various regional funding partners to assess the effectiveness of the LYNX Regional Funding Model and to address other key financial issues such as a proposed level of reserves.

5. Information Items

Information Items are for review purposes only. No action is required.

Meeting adjourned at 10:18 a.m.

Audit Committee Agenda Item #3.A

To: LYNX Board of Directors

From: Edward Johnson
Chief Administrative Office
Bert Francis
(Technical Contact)
Brian Anderson
(Technical Contact)

Phone: 407.841.2279 ext: 6058

Item Name: Overview of the Administrative Retirement Plan with The Hartford Group

Date: 2/26/2009

Mr. Burgess Chambers of Burgess Chambers and Associates (BCA) will provide LYNX Board of Directors with an update on the transfer of the LYNX Administrative Retirement Plan from Nationwide to The Hartford Group and performance of the plan. BCA serves as the Plan's investment monitor to review the Plan funds to ensure the funds are performing at the benchmark level and to actively manage the lifestyle portfolios.

Audit Committee Agenda Item #3.B

To: LYNX Board of Directors

From: Bert Francis
CHIEF FINANCIAL OFFICER

Blanche Sherman
(Technical Contact)

Phone: 407.841.2279 ext: 6047

Item Name: Actuary Presentation

Date: 2/26/2009

Bert Francis, LYNX Chief Financial Officer, will present the projections prepared by the firm of Gabriel, Roeder, Smith & Company and will give an update on the actuarial valuation report as of October 1, 2007. This relates to the annual employer contribution rate determined for the plan year ending September 30, 2008, as well as, the projected contribution rate for FY2009. The presentation will also discuss the impact of the financial markets and how they may affect the valuation for the plan year ending September 30, 2009 which could ultimately affect the projected contribution rate for FY2010.

Audit Committee Agenda Item #3.C

To: LYNX Board of Directors

From: Bert Francis
CHIEF FINANCIAL OFFICER
Blanche Sherman
(Technical Contact)

Phone: 407.841.2279 ext: 6047

Item Name: Briefing on the Osceola County Funding Agreement

Date: 2/26/2009

Bert Francis, LYNX Chief Financial Officer, will give an update on the current status of the discussions with Osceola County staff regarding the revised FY2009 Service Funding Agreement. The update will include details of the proposed agreement.

Audit Committee Information Item #.I

To: LYNX Board of Directors

From: Bert Francis
CHIEF FINANCIAL OFFICER
Rich Bannon
(Technical Contact)

Phone: 407.841.2279 ext: 6047

Item Name: LYNX 12-Month Rolling Calendar

Date: 2/26/2009

LYNX Board of Directors 12-Month Rolling Calendar of Agenda Items February 2009

February 2009

- Authorization to issue an IFB for Ultra Low Sulfur Diesel Fuel
- Authorization to issue an IFB for Unleaded Gasoline
- Authorization to issue an RFP for the Printing and Encoding of Bus Passes
- Authorization to issue an IFB for the construction of the Osceola Square Mall Bus Pullout Facility
- Contract #05-001 Authorization to exercise the second option year with Integrated Claim Solutions, Inc. for Worker Compensation and Tort and Public Liability Third Party Administrative Services.

March 2009

- Authorization to accept year-end financial audit

April 2009

- Contract #06-014 Authorization to exercise the first option year with The J. D. Allen Group for the Employee Assistance Program.
- Contract #05-004 Authorization to exercise the second option year with Van Pool Services Incorporated (VPSI) for the Operation of the Vanpool Program
- Preliminary discussion on the development of the FY2010 Operating and Capital Budget

May 2009

- Work Session on Transit Development Plan (TDP)
- Authorization to submit FDOT Service Development Grant Application

June 2009

- Adoption of the updated Transit Development Plan (TDP)
- Authorization to execute a Transportation Disadvantaged Trip Grant Agreement

LYNX Board Audit Committee Agenda

- Authorization to execute a Rural Capital Assistance Grant Agreement
- Approve Transportation Regional Incentive Program Grant
- Contract #06-004 Authorization to exercise the first option year with B & L Investments of Orlando for the Removal of Trash at Bus Stops, Shelters and Super Stops
- Contract #06-006 Authorization to exercise the first option year with B & L Investments of Orlando for the Lawn Maintenance of Shelters and Bus Stops
- Contract #08-C04 Authorization to exercise the first option year with JEJ & Associates and Gray Robinson for State Consulting Services
- Contract #08-C06 Authorization to exercise the first option year with Gray Robinson for State Consulting Services
- Contract #05-043 Authorization to exercise the second option year with Cherry, Bekaert & Holland for Auditing Services

July 2009

- Authorization to dispose of fixed assets

August 2009

- Approval of LYNX' DBE goal
- Authorization to submit TRIP fund applications to FDOT
- Contract #06-034 Authorization to exercise the first option year with MV Transportation for Paratransit Services
- Contract #07-019 Authorization to exercise the second option year with Spencer Fabrications for the manufacturer of Passenger Shelters and Amenities.

September 2009

- Authorization to execute local funding agreements
- Annual Board of Directors' selection of officers
- Adoption of the Title VI Program
- Authorization to execute agreement between LYNX and VOTRAN for the Link 200

October 2009

- Acceptance of the Chief Executive Officer's (CEO) annual appraisal
- Contract #05-048 Authorization to the second option year with Drummond Press for the printing of LYNX System Maps
- Contract #06-001 Authorization to exercise the third option year with Ackerman Senterfitt for Federal Lobbying Consulting Services

November 2009

- No Activity

December 2009

- No Activity

January 2010

- Contract #07-001 Authorization to exercise the second option year with the Barracuda Building Corporation for the Installation of Passenger Shelters & Amenities