



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

1. Call to Order


2. Committee Minutes

-  Minutes of the September 11, 2015 Oversight Committee Pg 2

3. Committee Agenda


A. Oversight Committee Agenda

-  Mobile Ticketing Unsolicited Proposal Update Pg 9

-Attachments 

B. Oversight Committee Agenda

-  Satellite Facilities Unsolicited Proposal Update Pg 23

-Attachments 

4. Committee Information Items

A. Oversight Committee Information

-  Finance and Audit Committee Report Pg 35

-Attachments 

B. Oversight Committee Information

-  Risk Management Committee Meeting Pg 44

-Attachments 

Section 286.0105, Florida Statutes states that if a person decides to appeal any decision made by a board, agency, or commission with respect to any matter considered at a meeting or hearing, he will need a record of the proceedings, and that, for such purposes, he may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based.

In accordance with the Americans With Disabilities Act of 1990, persons needing a special accommodation at this meeting because of a disability or physical impairment should contact Benjamin Gonzalez at 455 N. Garland Ave, Orlando, FL 32801 (407) 254-6038, not later than three business days prior to the meeting. If hearing impaired, contact LYNX at (407) 423-0787(TDD).

LYNX
Central Florida Regional Transportation Authority
Oversight Committee Meeting Minutes

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

DATE: **September 11, 2015**

TIME: **10:00 a.m.**

Members in Attendance:

Osceola County Commissioner, Viviana Janer, Chair
Orange County, Assistant County Administrator, Jim Harrison, Vice Chairman
FDOT District 5 Secretary, Noranne Downs
City of Orlando, Transportation Project Manager, Claudia Korobkoff

Members Absent:

Seminole County Commissioner, Carlton Henley

1. Call to Order

The Chair, Commissioner Viviana Janer, called the meeting to order at 10:02 a.m.

2. Approval of Minutes

The Chair asked the Committee if there were any additions or deletions to the July 23, 2015 Minutes as presented.

Motion was made and seconded to approve the Minutes of the July 23, 2015 Oversight Committee meeting. The motion passed unanimously.

3. Oversight Agenda Items

A. Overview of FY2015 Amended Operating and Capital Budgets

The Chair recognized Blanche Sherman, LYNX' Director of Finance, to make the presentation.

On March 26, 2015, LYNX staff presented the FY2015 Amended Operating and Capital Budgets in the amount of \$126,576,707 and \$89,429,628, respectively for Board approval. Since approval of the FY2015 Amended Operating and Capital Budgets, LYNX has brought several items to the Board requesting approval and corresponding amendment to the operating and capital budgets.

➤ **The Operating budget amendment includes the following:**

- **Professional Fees - Workers' Compensation** – At the March 26, 2015 Board Meeting, the Board approved an amendment to Contract #13-A62 with CorVel Corporation to extend the scope of services for Third Party Administration services to include general liability and to extend the contract term to July 31, 2016. LYNX staff amended the FY2015 Amended Operating Budget by \$65,000 to cover the additional services and contract extension.
- **Purchased Transportation** - At the March 26, 2015 Board Meeting, the Board approved an increase of \$451,473 to the MV Transportation Contract #12-C02 for additional fixed capital costs associated with the increase in peak vehicles required to meet service demand and for the repair of 24 Mobile Data Terminals (MDTs) and installation kits. This contract contains service assumptions based on paratransit service demand established in prior years. Actual paratransit service demand has been greater than anticipated for each of the contract years resulting in an increase in contractor vehicles required to meet the service.
- **US 192 BRT** - At the July 23, 2015 Board Meeting, the Board approved an increase of \$105,000 in the contract for General Transportation Planning and Consulting Services for additional financial and phasing analysis for the US 192 BRT.
- **Salaries, Wages and Fringe** – \$25,646 for State of Florida Financial Services Assessments are being reclassified from Professional Fees – Workers' Compensation to Workers' Compensation Insurance.
- **Reclassification/Transfers** – The net impact is \$156,599. This is due to federal funding for the tires and tubes being understated and engines and transmissions being overstated. In addition, expenses for legal, Veterans Transportation and Community Living Initiative, and landscaping are being reclassified.

➤ **The Capital budget amendment includes the following:**

- Reclassification of Real Time Information from Passenger Amenities to Technology - \$3,300,000
- Reclassification of Support Vehicles from Support Equipment to Vehicles - \$100,646

- Reclassification of Kissimmee Intermodal Facility Purchase Order balance from Facilities to Passenger Amenities - \$1,192

Based on the Board's previous approval of these items and the reductions and reclassification for accurate budgetary management there is a need to amend the FY2015 Operating and Capital Budgets in the amount of \$778,072 and \$0, respectively. Approval of this amendment will formally amend the FY2015 Amended Operating and Capital Budgets to accurately reflect approved revenues and expenses. The Amended FY2015 Operating and Capital Budgets will be in the amount of \$127,354,779 and \$89,429,628 respectively.

The Chair recognized, Chris McCullion, Chairman of the Finance and Audit Committee.

Mr. McCullion noted that the Finance and Audit Committee reviewed the amendments and recommends the Oversight Committee approval.

Without objection, the Committee's recommendation to the Board will be to approve the FY2015 Amended Operating and Capital Budgets.

B. Overview of FY2016 Operating and Capital Budgets

The Chair recognized Blanche Sherman, LYNX' Director of Finance, to make the presentation.

The key assumptions used by the LYNX budget team in preparation of the FY2016 Operating Budget were presented at the January 28, 2015 Oversight Committee meeting and the Preliminary Operating Budget was presented at the March 26, 2015 Board meeting. The FY2016 Preliminary Capital Budget assumptions were presented at the July 23, 2015 Oversight Committee meeting. The Preliminary FY2016 Operating Budget totaled \$126,493,478 and the Preliminary Capital Budget totaled \$93,730,654. The FY2016 Operating Budget has been presented to the funding partners.

Since the presentations of the preliminary budgets, LYNX staff continued communications with the funding partners and review of operating and capital needs for FY2016 to provide the best estimate of budgetary needs.

Today, LYNX staff is recommending the FY2016 Proposed Operating and Capital Budgets in the amount of \$127,045,444 and \$94,543,799, respectively.

➤ Key Budget Assumptions - Overall

- FY2016 Funding based on LYNX adopted Funding Model
- Maximize current service levels through efficiencies
- Apply additional Flex (NeighborLink) services, where appropriate

➤ **Key Budget Assumptions – Revenue**

- Maintain current Preventative Maintenance Funding Level
- Maximize use of Anticipated Advertising Revenue
- Potential Royalties from third party usage of Compressed Natural Gas (CNG)

➤ **Key Budget Assumptions – Expenses**

- Continuation of Fuel Hedging Program, as appropriate
- Impacts of conversion to Compressed natural Gas (CNG)
- Continued application of reductions based on LYNX ownership of paratransit vehicles
- Continuation of Bio-diesel Program, as appropriate
- Evaluate LYNX’ current Health Insurance Program for consideration of becoming self insured
- Osceola County Service Improvements (Link 10 & Link 26)

➤ **Pending Items**

- Implementation of Funding Partner approved COA Recommendations
- Impacts of SunRail Phase 2 expansion

➤ **FY2016 Operating Budget Overview**

	FY2015 <u>Amended</u>	FY2016 <u>Proposed</u>	<u>% of Change</u>
Operating Revenue	\$127,354,779	\$127,045,444	-0.2%
Operating Expenses	<u>127,354,779</u>	<u>127,045,444</u>	<u>-0.2%</u>
Operating Income/(Deficit)	-	-	N/A

➤ **Key Capital Budget Assumptions**

- Enhance LYNX facilities
- Construction Modification to CNG Bus Facility
- Advanced Fare Collection – Mobile Ticketing
- Fleet to support all service modes
- Continue LYMMO expansion activities
- Passenger Amenities Program improvements
- Continuation of security and surveillance
- Advance communications and technological capabilities

➤ **FY2016 Capital Budget Overview**

	FY2015 <u>Amended</u>	FY2016 <u>Proposed</u>	<u>% of Change</u>
Capital Contributions	\$89,429,628	\$94,543,799	5.7%
Capital Expenditures	<u>89,429,628</u>	<u>94,543,799</u>	<u>5.7%</u>
Capital Gains/(Losses)	-	-	N/A

The Chair recognized, Chris McCullion, Chairman of the Finance and Audit Committee.

Mr. McCullion noted that the Finance and Audit Committee reviewed the GY2016 Operating and Capital Budgets and recommends the Oversight Committee approval.

Without objection, the Committee’s recommendation to the Board will be to approve the FY2016 Operating and Capital Budgets.

C. Overview of Conversion of the Cigna Health Care Plan from Fully-Insured to Self-Insured

The Chair recognized Blanche Sherman, LYNX’ Director of Finance, to make the presentation.

LYNX’ health insurance expenses have been fluctuating over the past five years, leading to health insurance plan changes, rate increase, and staff review of potential options that could assist with stabilizing cost while providing adequate levels of coverage for staff.

As monitoring of health insurance trends and development of the FY2016 budget continued LYNX staff worked with their Broker and discussed options with the Finance and Audit Committee including transitioning from a fully-insured plan to a self-insured plan. Initial health insurance projections during FY2016 Preliminary Budget development from Cigna, the current LYNX provider, indicated a 26% increase. A secondary proposal from Cigna included a potential 33.14% increase for the existing plan and rates for self insurance, along with preliminary proposals from 3 additional companies SunLife, AIG, and Voya for self-insurance.

Discussions with potential providers continued leading to August 2015 proposals for health insurance coverage being submitted by Cigna, SunLife, and AIG; including an updated proposal for a best and final offer for the current LYNX plan with Cigna that represents an increase in rates of 24.53% over the current FY2015 rates.

Based on the offers received, LYNX staff believes that the most viable option for health insurance coverage for FY2016 would be the Gallagher projection for Cigna self-insured 12-36, which represents a decrease over the FY2016 Proposed Operating Budget of \$440,180. LYNX staff believes modifying the health insurance to self-

insured will provide long-term financial benefits and would also allow for plan stability over continuing with a fully-insured plan. LYNX staff included \$8,540,470 for healthcare expenses, not including the health savings account, in the FY2016 Proposed Operating Budget.

Discussion ensued regarding the overall cost to LYNX, effects on LYNX employees, no change to plan design, and the benefits of LYNX Wellness Program.

Ms. Sherman stated that LYNX staff is proposing with the concurrence of LYNX' Finance and Audit Committee that migrating to the Cigna 12-36 Self-insured Health Plan Option based on the Gallagher projection for the FY2016 budget year is the best option for healthcare coverage.

Without objection, the Committee's recommendation to the Board will be to approve the conversion of the Cigna Health Care Plan from Fully-Insured to Self-Insured.

4. Committee Information Items

A. Finance and Audit Committee Report

The Chairman recognized Chris McCullion, Chairman of the Finance and Audit Committee, to make the presentation.

Mr. McCullion provided that the Committee met and discussed items: 1) FY2015 Amended Operating and Capital Budgets, 2) FY2016 Operating and Capital Budgets, and 3) Conversion of the Cigna Health Care Plan from Fully-Insured to Self-Insured.

Mr. McCullion noted the Committee's appreciation of LYNX staff for providing the necessary information to review and make competent recommendations.

B. Risk Management Committee Report

The Chairman recognized John Petrelli, Chairman of the Risk Management Committee, to make the presentation.

Mr. Petrelli provided that the Committee met on August 19, 2015. LYNX staff provided a presentation on the insurance trust which is a part of the liability program administered by the Risk Management Department. Staff also provided a presentation on the National Transit Database reporting requirements. The Committee reviewed LYNX' Hurricane Emergency Action Plan. The Committee suggested that LYNX Risk Management staff visit with each of the funding partners Risk Management departments specifically to review work flow and each Risk Management information systems. LYNX is currently utilizing a software program that is no longer supported by the manufacturer.

Mr. Petrelli noted that the Committee will meet again on October 7, 2015. The Committee anticipates a presentation by Gallagher on the Property & Liability Program and their recommendations.

5. Review of Board Package

The Chairman recognized Susan Black, Interim-Chief Executive Officer, to provide an overview of items that will come before the Board.

Ms. Black stated that staff is recommending a Blue Sheet Consent Agenda Item replacing Item #5.C.iv, Authorization to Exercise the First Option Year of State Lobbying Services Contracts #13-C14(A), #13-C14(B), #13-C14(C), and #13-C14(D) to correct a scrivener's error. The background information contained in the original item indicates the Contract will expire on September 30, 2016. The Blue Sheet item corrects the expiration of the Contract as February 24, 2017.

The meeting adjourned at 10:40 a.m.

Oversight Committee Agenda Item #3.A.

To: LYNX Board of Directors

From: Blanche Sherman
DIRECTOR OF FINANCE
LEONARD ANTMANN
(Technical Contact)

Phone: 407.841.2279 ext: 6100

Item Name: Mobile Ticketing Unsolicited Proposal Update

Date: 11/12/2015

BACKGROUND:

LYNX received an Unsolicited Proposal from Accenture to implement a “Mobile Payment Solution”. LYNX is considering the use of mobile payments to enhance LYNX’ customer experience in today’s fast moving, digital world, reduce the cost of fare operations and deliver long term value.

On May 13, 2015, Shyam Dunna, Principal with nMomentum Corporation and LYNX staff provided a brief overview of Automated Fare Collection Systems and Mobile Payment Systems for discussion with the Oversight Committee members.

OVERVIEW:

LYNX staff reviewed the proposal and has determined that it is a viable option that could be worthwhile and essential to LYNX’ mission responsibilities. LYNX will continue to work with the Florida Department of Transportation (FDOT) and Xerox to implement the “Automated Fare Collection System” which is a Smartcard based fare collection system.

It is anticipated that mobile payments meet customer demands for easy-to-use transit and represent a sound investment when integrated with existing fare systems allowing customers to purchase fare products and stored value that can be validated hands-free upon boarding, or loaded onto existing system fare cards.

The use of mobile payments can turn the customer’s mobile device into both a ticket and a ticket vending machine supplementing existing payment streams and reduce the use of the costlier channels in LYNX’ fare system. Through the use of mobile payments, LYNX may be in position to uniquely provide the vision and roadmap for LYNX to incrementally evolve a mobile fare solution to use technology that will synthesize and personalize trip planning, fare purchases, rider alerts, station amenities, and more.

LYNX Board Agenda

The cost savings and benefits from having a mobile payment solution can be leveraged to enable a coherent, universally accessible system for the Central Florida Region and the diversity of its riders.

Mr. Dunna, will provide a brief overview of mobile payment systems at the November 12, 2015 Oversight Committee meeting.

CONCLUSION:

Upon concurrence of the Finance & Audit Committee and the Oversight Committee, LYNX staff will begin the advertising process acknowledging the receipt of the proposal and solicitation for any additional proposals or comments from interested parties.

Mobile Payment Systems

Presented

by Shyam K. Dunna

Principal, nMomentum Corporation

November 12, 2015



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5. Project Components
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9. Q & A

Mobile Payment Systems



- Mobile Payment Systems (MPS) and Benefits presented to the LYNX Board on May 13, 2015
- Latest in Fare Payment Technologies
- Enhanced Customer Service Benefits
- Reduced Costs for Authority
- Additional Sources of Revenue
- Easier to use
- Provides for flexible payment options
- Eliminates need for POS and retailer locations
- Very popular among riders



People are increasingly using their phone to pay



MPS History and Progress



- LYNX received an Unsolicited Proposal from Accenture to implement an MPS solution
- LYNX reviewed and found it to be a very viable option
- LYNX is in the process of drafting an Advertisement to seek additional Unsolicited Proposals following the guidelines of Administrative Rule 4.18
- Every incoming proposal then considered an unsolicited proposal under the guidelines
- After that, the normal procurement rules and procedures apply

MPS Advertisement Highlights

- Mobile Payments App
- Customer Website with Self-Service Options
- MPS Back-Office
- Customer Loyalty Programs/Advertising & Couponing
- Supports all transfer combinations
- Support LYNX and Regional Partners
- Secure Validation to Reduce Fraud
- Supports numerous fare payment methods
- Vendor hosted, managed and maintained solution
- **Revenue Sharing Approach**

Project/Procurement Approach



- **Functional based requirements with innovative technologies and concepts**
- **Performance based final procurement**
- **Two (2) step procurement process**
 - Step 1 – Unsolicited Pilot / proof of concept: employees and riding public
 - Step 2 – Final award / full implementation
- **“Account based” regional fare collection system**
 - None to very little integration with existing AFC system
- **Migrate towards one single integrated app**
 - Mobile payments, real time trip planning, Alerts, Safety App etc.

Project Components



- **Customer**
 - Purchase and validate tickets using smart devices (phones and tablets)
- **Cutting edge technologies**
 - QR/Bar Codes, NFC, RFID long range and Bluetooth
- **System components:**
 1. New LYNX mobile app installed in customer owned smart devices
 2. Integration with on-board smart device validators on the fixed route and paratransit vehicles. Integration with on-board Mobile Data Terminals.
 3. Customer website with self-service options
 4. Customer service tools
 5. Regional multimodal account based Back-office and clearinghouse

MPS Pilot Process



- Pilot Participants Selection and Coordination
- Pilot Phases
 - **Phase 1** - Employee Pilot
 - **Phase 2** - Paratransit Pilot
 - **Phase 3** - Customer Pilot
 - **Phase 4** - Electronic Validation Pilot
- Source Evaluation Committee to Review/Analyze/Rank Results
- Final Contract Award for full implementation

Estimated Timelines



- Vendor Industry Day December 7, 2015
- Advertisement Issued December 16, 2015
- Advertisement Responses Due January 29, 2016
- Proposal Evaluations 2/1/16 - 2/26/16
- MPS Pilot Contracts Issued March 11, 2016
- Pilot System Design/Configuration 3/28/16 - 5/16/16
- Employee Pilot – Visual Validation 5/9/16 - 5/20/16
- Paratransit Pilot – Visual Validation 5/23/16 - 5/27/16
- Customer Pilot – Visual Validation 5/30/16 - 6/10/16

Estimated Timeline Highlights



- Full Pilot Configuration/Installation 6/18/16 - 7/1/16
- Full Pilot with Electronic Validation 7/4/16 - 7/15/16
- SEC Review/Analyze/Rank 7/18/16 - 7/22/16
- BAFO Process 8/1/16 - 8/12/16
- Final Contract Award Sept. 19, 2016
- Full Bus/Paratransit Installation 9/5/16 - 10/21/16
- Full System Testing 10/24/16 - 11/4/16
- Final Production – In Service Nov. 21, 2016
- Final Acceptance Dec. 16, 2016

Thank You



Questions



Oversight Committee Agenda Item #3.B.

To: LYNX Board of Directors

From: Blanche Sherman
DIRECTOR OF FINANCE
Tangee Mobley
(Technical Contact)

Phone: 407.841.2279 ext: 6100

Item Name: Satellite Facilities Unsolicited Proposal Update

Date: 11/12/2015

BACKGROUND:

In May 2015, LYNX received an Unsolicited Proposal (UP) from Iskalo WD, Orlando LLC (“Developer”) for the development of two (2) bus maintenance facilities to be completed pursuant to a public private partnership arrangement. The bus facilities are proposed to be located in Osceola and Seminole counties. Both facilities are proposed to be developed on sites that are strategically located within the Southern and Northern service areas to allow LYNX to more efficiently serve its ridership and to significantly reduce operating costs by eliminating “dead-head” hours compared to present operations.

OVERVIEW:

LYNX engaged Stifel, Nicolaus & Company, Incorporated (“Stifel”) to conduct a preliminary financing assessment of the unsolicited proposal submitted by the Developer. In preparation of the preliminary assessment, Stifel worked closely with LYNX’ staff and General Counsel for data collection and legal review of LYNX’ legal structure.

Each of the two (2) proposed facilities is preliminarily designed to accommodate 175 vehicles, including 40’ buses, articulated buses and paratransit vehicles. The Seminole facility would encompass approximately 11.4 acres with a total project cost estimated at \$59,377,000. The Osceola facility would be built on approximately 13.5 acres with an estimated total project cost of \$66,260,000. The proposed combined total cost of constructing the two facilities is \$125,637,000. The Developer estimates that the design and construction will take roughly two years.

Stifel has modeled, for illustrative purposes, the potential annual payments required from LYNX for various project costs financed over various terms. At this time, we have not taken account of the affordability of this project. This analysis can be expanded to account for potential operational cost reductions, project scalability, outside funding opportunities and the willingness

of LYNX’ funding partners to adjust their current funding level for LYNX as a re-investment in LYNX.

LYNX may be able to re-allocate certain Federal Transit Administration (“FTA”) capital dollars to finance the proposed maintenance facilities. However, such re-allocation would likely require adjustments to LYNX’ capital program as the actual amount of money received from the FTA is not anticipated to increase in the near term. The impact on LYNX’ operations and budget from projects that would be delayed or eliminated would have to be accounted for should LYNX choose to use FTA funds.

The table provided below illustrates, under current market conditions, LYNX’ estimated annual payments for a project of a given size amortized over 20, 25 or 30 years. For example, a \$60,000,000 project financed over 30 years would cost LYNX approximately \$4.25 million per year.

Annual Lease / Debt Service Matrix			
Project Fund	Amortization Period		
	20-Year	25-Year	30-Year
\$10,000,000	\$896,603	\$780,985	\$709,254
\$20,000,000	\$1,793,487	\$1,561,505	\$1,418,025
\$30,000,000	\$2,689,647	\$2,342,240	\$2,126,767
\$40,000,000	\$3,585,962	\$3,122,883	\$2,835,860
\$50,000,000	\$4,482,564	\$3,903,668	\$3,544,720
\$60,000,000	\$5,378,917	\$4,684,010	\$4,253,292
\$70,000,000	\$6,275,090	\$5,464,469	\$4,962,436
\$80,000,000	\$7,171,455	\$6,245,337	\$5,671,195
\$90,000,000	\$8,068,212	\$7,025,816	\$6,380,254
\$100,000,000	\$8,964,615	\$7,806,673	\$7,088,792
\$110,000,000	\$9,860,865	\$8,589,750	\$7,797,390
\$120,000,000	\$10,757,519	\$9,367,551	\$8,506,712
\$125,637,000	\$11,262,532	\$9,807,505	\$8,906,318

- 1) Assumes a level debt service structure with an interest rate of 5.00%
- 2) Assumes a fully funded Debt Service Reserve Fund (DSRF)
- 3) Assumes total cost of issuance of 1% of par amount

Unlike with the affordability factor, where there are many variables and choices available to LYNX, “legality” or legal constraints are more easily identified. LYNX’ General Counsel delivered a memorandum to LYNX on September 4, 2015 that details LYNX’ limited borrowing powers pursuant to Chapter 343, Florida Statutes. LYNX’ ability to incur debt is limited to \$10 million per calendar year and given the language in the statute, further clarification is required in determining whether or not this limitation allows for the debt issuance of new projects or is limited to refinancing only. For projects above the \$10 million limit, LYNX can either apply for authorization to issue revenue bonds through the State Division of Bond Finance payable from

LYNX' existing revenue sources or enter into a lease purchase agreement that is "subject to annual appropriation" by LYNX.

In addition to identifying a revenue source to secure debt service payments, the Division of Bond Finance will conduct its own analysis to determine the feasibility of issuing such bonds under the strict guidelines set by the State Board of Administration. Among other things, these guidelines will require that the bonds be rated at least as investment grade.

As an alternative to issuing revenue bonds via the Division of Bond Finance, LYNX is permitted by its Board of Director's approval to enter into lease purchase financings as long as any lease is structured in accordance with State law. The most notable characteristics of lease purchase financings are that any lease must be "subject to annual appropriation" and that any remedies of the lessor be effectively limited to repossessing the financed asset. If LYNX fails to appropriate annually, the lessor can take ownership of the maintenance facilities with little to no recourse due from LYNX. Theoretically, the lessor would release or liquidate the facilities. It should be noted that given the subject to annual appropriation clause and the limited purpose of the proposed facilities, the Developer may face challenges in finding a way to securitize LYNX' lease payments at a reasonable interest rate.

Margaret Lezcano, Managing Director with Stifel will be presenting an overview of the preliminary financial assessment at the November 12, 2015 Oversight Committee meeting.

NEXT STEPS:

The next step for LYNX' finance team is to determine whether the proposed new facilities are affordable at the proposer's current estimated project cost of \$125.6 million, including the direct and/or indirect cost of financing the project. If not, consider whether the project can be decreased to a size that makes the project affordable based on LYNX' anticipated funding levels.

The Developer has indicated that it may have the ability to secure other forms of a tax exempt supplemental financing on LYNX' behalf to lower LYNX' cost of borrowing. This is an avenue to explore to the extent such financing tools are allowable within LYNX' legal construct and, just as importantly, a repayment source(s) is/are identified by LYNX.

Furthermore, LYNX' General Counsel has discussed the possibility of approaching the Florida Legislature for clarification or amendment request with respect to its debt limitations pursuant to Chapter 343, Florida Statutes. Such a clarification/amendment could make it possible for LYNX to pursue additional financing options.

OVERALL:

On November 4, 2015, LYNX staff met with the Finance & Audit Committee to discuss the UP. In summary, the discussions revolved around the affordability of the project, cost/benefit allocation of the proposed satellite facilities among the funding partners, the priorities of LYNX, and future funding commitments from the benefiting funding partners.

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At this point, given the existing funding levels available to LYNX, the proposed UP would require deferring LYNX' existing capital needs, including needed bus replacement. In order to move forward, LYNX staff and funding partners should meet to discuss and evaluate the future needs pertaining to service expansion and the related capital requirements and funding commitments.



PRESENTATION TO OVERSIGHT COMMITTEE
**PRELIMINARY REVIEW OF UNSOLICITED PROPOSAL
FOR MAINTENANCE FACILITIES**

OVERVIEW: UNSOLICITED PROPOSAL

- Lynx received an unsolicited proposal (“UP”) in May 2015 from Iskalo Orlando, LLC (“Proposer”)
- UP is for the development of two bus maintenance facilities, one in Osceola and one in Seminole
- Each Facility would have the capacity to accommodate up to 100 40 foot buses, 25 articulated buses and 50 paratransit vehicles (175 VEHICLES)
- Proposer estimates that each project would produce an annual operating cost reduction to LYNX of \$2 million or more from “dead head” miles, or non-revenue drive time
- The total cost of the facilities is estimated at \$125.7 million
 - Osceola facility: \$66.3 million
 - Seminole facility : \$59.4 million
- The completed facilities would be delivered to LYNX in 29 months with interim milestones
- The UP identifies the following benefits to LYNX approving the project:
 - Ability to fast-track construction
 - Cost reductions from more efficient routing
 - Improved customer service

PRELIMINARY FINANCING ASSESSMENT

- Stifel's preliminary analysis reviewed the UP
 - Reviewed UP based upon scope of work defined by LYNX CFO
 - Met with Proposer to ask for clarifications
 - Met with LYNX General Counsel to review appropriate legal framework
 - Modeled basic financing assumptions to develop preliminary debt service matrix
- A separate group has been tasked by LYNX interim CEO to review the operations and engineering aspects of the UP

AFFORDABILITY: REVIEW PROCESS

- Stifel has modeled, for illustrative purposes, an average annual payment stream due from LYNX to finance the project

- The analysis can be expanded to account for:
 - Operational cost reductions
 - Project scalability
 - Outside funding opportunities
 - Willingness of LYNX funding partners to adjust their current funding level for LYNX

- LYNX may be able to reallocate certain FTA capital dollars to Project with adjustments to its CIP
 - Any proposed delay or elimination of other capital projects would have to be considered
 - Currently, increases in the FTA funding are not anticipated

AFFORDABILITY: SAMPLE ANNUAL PAYMENTS DUE FROM LYNX

- Sample annual payments due from LYNX for various project costs over various terms:
- For example, a \$50 million project funded over 30 years would result in \$3.5 million of annual debt service

Annual Lease / Debt Service Matrix			
Project Fund	Amortization Period		
	20-Year	25-Year	30-Year
\$10,000,000	\$896,603	\$780,985	\$709,254
\$20,000,000	\$1,793,487	\$1,561,505	\$1,418,025
\$30,000,000	\$2,689,647	\$2,342,240	\$2,126,767
\$40,000,000	\$3,585,962	\$3,122,883	\$2,835,860
\$50,000,000	\$4,482,564	\$3,903,668	\$3,544,720
\$60,000,000	\$5,378,917	\$4,684,010	\$4,253,292
\$70,000,000	\$6,275,090	\$5,464,469	\$4,962,436
\$80,000,000	\$7,171,455	\$6,245,337	\$5,671,195
\$90,000,000	\$8,068,212	\$7,025,816	\$6,380,254
\$100,000,000	\$8,964,615	\$7,806,673	\$7,088,792
\$110,000,000	\$9,860,865	\$8,589,750	\$7,797,390
\$120,000,000	\$10,757,519	\$9,367,551	\$8,506,712
\$125,637,000	\$11,262,532	\$9,807,505	\$8,906,318

1) Assumes a level debt service structure with an interest rate of 5.00%

2) Assumes a fully funded debt service reserve fund

3) Assumes total cost of issuance of 1% of loan amount

LEGALITY: REVIEW PROCESS

- LYNX General Counsel has previously detailed LYNX limited borrowing powers under Chapter 343, F.S.
- Based on current interpretations, LYNX ability to incur debt is limited to \$10 million per calendar year for refunding purposes
- LYNX may be able to issue Revenue Bonds with State approval or enter into a lease-purchase agreement. The latter must be subject to annual appropriation by LYNX.
- The UP includes the concept that the Proposer may be able to finance the project for LYNX and propose a solution that would minimize LYNX legal constraints

NEXT STEPS

- Based on the information presented, staff seeks the guidance and direction from the Finance and Audit Committee as well as the Oversight Committee on the financial feasibility and essentiality of the projects
- If this effort is deemed to be worthwhile, the next steps would be as follows:
 - Determine if the proposed facilities are affordable at current estimated cost of \$125.7 million plus the direct or indirect costs of financing
 - Explore Proposer's indication that it may be able to secure other forms of tax-exempt supplemental financing on behalf of LYNX
 - Discuss with LYNX General Counsel the possibility of approaching the Legislature for clarification or amendment request with respect to LYNX debt limitations
 - Extend this analysis to take account of additional scenarios and model a tailored plan of finance if LYNX decides to move forward with the UP

DISCLAIMER

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Oversight Committee Information Item #4.A.

To: LYNX Board of Directors

From: **Blanche Sherman**
DIRECTOR OF FINANCE
Julie Caple
(Technical Contact)

Phone: 407.841.2279 ext: 6100

Item Name: Finance and Audit Committee Report

Date: 11/12/2015

A meeting of the Finance and Audit Committee was held on November 4, 2015. The Agenda Items covered were:

- Mobile Ticketing Unsolicited Proposal Update
- Satellite Facilities Unsolicited Proposal Update
- Wellness Update

Minutes from the previous meeting held on Wednesday, September 3, 2015 are attached.

Holding meetings on the Wednesdays before the LYNX Board of Directors meetings was discussed. Actual dates and times are to be confirmed.

LYNX
Central Florida Regional Transportation Authority
Finance & Audit Committee Meeting Minutes

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

DATE: September 3, 2015
TIME: 10:03 AM

Members in Attendance:

Chairperson Chris McCullion, City of Orlando
Vice Chairperson Ray Walls, Orange County
Zoraida Cruz, Seminole County
Jo Santiago, FDOT

LYNX Staff in Attendance:

Susan Black, Interim Chief Executive Officer
Blanche Sherman, Director of Finance
Pat Christiansen, LYNX' General Counsel

Members Absent:

Edward Bass, Seminole County

1. Call to Order/Introduction

Chairperson Chris McCullion called the meeting to order at 10:03 AM.

2. Approval of Prior Meeting Minutes

Chris McCullion asked for approval of the prior meeting minutes. **Motion** was made and seconded to approve the Minutes of the July 15, 2015 Finance & Audit Committee. The Motion passed unanimously.

3. Audit Agenda Items

✓ **Amendment to LYNX' FY2015 Operating & Capital Budgets**

Chris McCullion called on Blanche Sherman, Director of Finance, to discuss the first agenda item. Ms. Sherman provided a brief overview of the FY2015 amended operating budget which is increasing from \$126.6M to \$127.4M. Ms. Sherman discussed the increases and reclassifications of expenses previously approved at the March and July Board of Directors meetings as summarized below:

	FY2015 Amended Budget as of March 2015	Professional Fees - Workers' Compensation	Purchased Transportation - MV	US 192 BRT	Salaries, Wages & Fringe	Reclassifications / Transfers	FY2015 Amended Budget as of September 2015
Revenue							
Fund Balance	\$ 1,665,286		\$ -	\$ -	\$ -	\$ -	\$ 1,665,286
LYNX-Generated Revenue	38,446,206		-	-	-	-	38,446,206
Federal Revenue	15,875,297		196,535	105,000	-	336,537	16,513,369
State Revenue	13,263,175		-	-	-	140,000	13,403,175
Local Revenue	57,326,743	65,000	254,938	-	-	(319,938)	57,326,743
Total Revenue	\$ 126,576,707	\$ 65,000	\$ 451,473	\$ 105,000	\$ -	\$ 156,599	\$ 127,354,779
Expense							
Salaries/Wages/Fringes	\$ 70,796,959		\$ -	\$ -	\$ 25,646	\$ -	\$ 70,822,605
Other Services	11,138,951	65,000	-	105,000	(25,646)	156,599	11,439,904
Fuel	16,108,610		-	-	-	-	16,108,610
Materials & Supplies	7,411,652		-	-	-	-	7,411,652
Utilities	1,439,337		-	-	-	-	1,439,337
Casualty & Liability	1,399,850		-	-	-	-	1,399,850
Taxes & Tags	409,841		-	-	-	-	409,841
Purchased Transportation	16,929,333		451,473	-	-	-	17,380,806
Miscellaneous	676,674		-	-	-	-	676,674
Interest & Leases	265,500		-	-	-	-	265,500
Total Operating Expenses	\$ 126,576,707	\$ 65,000	\$ 451,473	\$ 105,000	\$ -	\$ 156,599	\$ 127,354,779

Ms. Sherman also discussed the impact of the changes on the operating revenues as follows:

FY2015 Amended Operating Budget

Operating Revenues	FY2015 Amended Budget as of March 2015	Revisions	FY2015 Amended Budget as of September 2015
Fund Balance	\$ 1,665,286	\$ -	\$ 1,665,286
LYNX-Generated Revenue	38,446,206	-	38,446,206
Federal Revenue	15,875,297	638,072	16,513,369
State Revenue	13,263,175	140,000	13,403,175
Local Revenue	57,326,743	-	57,326,743
Total Revenue	\$ 126,576,707	\$ 778,072	\$ 127,354,779

Ms. Sherman then discussed minor changes (reclassifications) to the FY2015 amended capital budget as listed below:

Capital Expenditures	FY2015 Amended as of March 2015	Reclassifications			FY2015 Amended as of September 2015
		Real Time Information	Kissimmee Intermodal	Vehicles	
Revenue Vehicles	\$ 49,153,072	\$ -	\$ -	\$ 100,646	\$ 49,253,718
BRT	15,674,570	-	-	-	15,674,570
Facilities	2,922,475	-	(1,192)	-	2,921,283
Passenger Amenities	12,987,746	(3,300,000)	1,192	-	9,688,938
Technology	3,823,241	3,300,000	-	-	7,123,241
Security	1,010,244	-	-	-	1,010,244
Support Equipment	2,054,205	-	-	(100,646)	1,953,559
ARRA	1,804,075	-	-	-	1,804,075
Total	\$ 89,429,628	\$ -	\$ -	\$ -	\$ 89,429,628

- Reclassification of Real Time Information from Passenger Amenities to Technology
- Reclassification of Service Vehicles from Support Equipment to Vehicles
- Reclassification of Kissimmee Intermodal Purchase Order balance from Facilities to Passenger Amenities

Chris McCullion asked if there were any questions. There being none, Mr. McCullion asked for a motion to approve the recommended adjustments to the FY2015 budget. **Motion** was made and seconded to approve the recommended adjustments to the FY2015 budget. The Motion passed unanimously.

✓ **Overview of FY2016 Proposed Operating & Capital Budgets**

Chris McCullion called on Blanche Sherman, Director of Finance, to discuss the second agenda item. Ms. Sherman mentioned that the preliminary FY2016 operating budget was presented to the Board of Directors in March 2015. Ms. Sherman discussed the FY2016 key budget assumptions as follows:

Overall:

- FY2016 Funding based on LYNX adopted Funding Model
- Maximize current service levels through efficiencies
- Apply additional Flex (NeighborLink) services, where appropriate

Revenue:

- Maintain current Preventative Maintenance Funding Level
- Maximize use of Anticipated Advertising Revenue
- Potential Royalties from third party usage of Compressed Natural Gas (CNG)

Expenses:

- Continuation of Fuel Hedging Program, as appropriate
- Impacts of conversion to Compressed Natural Gas (CNG)
- Continued application of reductions based on LYNX ownership of paratransit vehicles
- Continuation of Bio-diesel Program, as appropriate
- Evaluate LYNX' current Health Insurance Program for consideration of becoming self-insured

- Osceola County Service Improvements (Link 10 & Link 26)

Pending Items:

- Implementation of Funding Partner approved COA Recommendations
- Impacts of SunRail Phase 2 expansion

Ms. Sherman briefly discussed the overall decrease of (0.2%) in the FY2016 proposed operating budget to the FY2015 amended operating budget as follows:

	FY2015 Amended Budget	FY2016 Proposed Budget	Dollar Change Amount	% Change
Operating Expenses				
Salaries/Wages/Fringes	\$ 70,822,605	\$ 73,270,554	\$ 2,447,949	3.5%
Other Services	11,439,904	10,861,200	(578,704)	-5.1%
Fuel	16,108,610	13,569,071	(2,539,539)	-15.8%
Materials & Supplies	7,411,652	8,284,043	872,391	11.8%
Utilities	1,439,337	1,454,571	15,234	1.1%
Casualty & Liability	1,399,850	1,524,850	125,000	8.9%
Taxes & Tags	409,841	434,605	24,764	6.0%
Purchased Transportation	17,380,806	16,334,771	(1,046,035)	-6.0%
Miscellaneous	676,674	826,779	150,105	22.2%
Interest & Leases	265,500	485,000	219,500	82.7%
Total Operating Expenses	\$ 127,354,779	\$ 127,045,444	\$ (309,335)	-0.2%

Committee members discussed various increases and upcoming negotiations with the union, the change in contract services (Medicaid), and the change in fuel. Ms. Sherman spoke about additional funding from Osceola County that will be included in the FY2016 proposed budget.

Ms. Sherman then discussed the increase of 5.7% in the FY2016 proposed capital budget to the FY2015 amended operating budget as listed below:

Description	FY2015 Amended Budget	FY2016 Proposed Budget	Dollar Amount Change	% Change
ARRA	\$ 1,804,075	\$ -	\$ (1,804,075)	-100.0%
BRT	15,674,570	14,070,635	(1,603,935)	-10.2%
Facilities	2,921,283	5,776,330	2,855,047	97.7%
Passenger Amenities	9,688,938	10,064,773	375,835	3.9%
Security	1,010,244	603,995	(406,249)	-40.2%
Support Equipment	1,953,559	4,845,270	2,891,711	148.0%
Technology	7,123,241	5,578,366	(1,544,875)	-21.7%
Support Vehicles	1,139,133	702,655	(436,478)	-38.3%
Revenue Vehicles	48,114,585	52,901,775	4,787,190	9.9%
Total	\$ 89,429,628	\$ 94,543,799	\$ 5,114,171	5.7%

Ms. Sherman mentioned that the FY2016 capital budget was discussed in detail at the Finance & Audit Committee meeting in July 2015.

Ms. Sherman discussed a net change in headcount of nine (9) positions which includes eight (8) additional positions because of service improvements in Osceola County, three (3) additional Administrative positions, and a reduction of two (2) Road Ranger program positions.

Ms. Sherman then mentioned future items including public/private partnerships with two unsolicited proposals being reviewed (one for satellite facilities and one for mobile ticketing), continuing to review fixed route vehicles and continuing to seek state grant funds as needed.

Ray Walls asked about an estimate of the unassigned fund balance for next year. Ms. Sherman responded that the fund balance estimate is \$30 million.

Chris McCullion asked for a recommendation for approval of the FY2016 operating and capital budgets to the Oversight Committee. **Motion** was made and seconded to recommend the approval of the FY2016 operating and capital budgets to the Oversight Committee. The Motion passed unanimously.

✓ **Overview of Health Insurance Cost Containment Status**

Chris McCullion called on Blanche Sherman to present the third agenda item. Ms. Sherman discussed the two charts listed below showing the previous costs presented to the Finance & Audit Committee in July 2015 and a comparison of best and final offers from the providers.

The table below summarized the preliminary costs to LYNX for health insurance premiums from Cigna, the current provider, and three optional providers, AIG, SunLife, and Voya for self-insured options.

Healthcare Plan Proposal without H.S.A. Component Summary - July 2015		
Description:	Employer FY2016 Projected Cost of Plan	Difference from FY2016 Preliminary Budget Healthcare Cost
FY2016 Preliminary Budgeted (26.0% Increase) - Fully-insured	\$ 8,508,987	\$ -
Cigna Proposed Policy (33.14% Increase) - Fully-insured	\$ 8,881,356	\$ 372,369
Cigna 12-12 (16.1% Increase) - Self-insured	\$ 7,992,678	\$ (516,310)
Cigna 12-15 (25.0% Increase) - Self-insured	\$ 8,456,835	\$ (52,153)
SunLife 12-12 (16.5% Increase) - Self-insured	\$ 7,995,285	\$ (513,702)
SunLife 12-15 (26.8% Increase) - Self-insured	\$ 8,550,709	\$ 41,722
AIG 12-12 (18.8% Increase) - Self-insured	\$ 8,133,489	\$ (375,498)
AIG 12-15 (31.6% Increase) - Self-insured	\$ 8,801,041	\$ 292,054
Voya 12-12 (18% Increase) - Self-insured	\$ 8,091,767	\$ (417,220)
Voya 12-15 (34% Increase) - Self-insured	\$ 8,926,207	\$ 417,220

The table below represents the best and final offers from Cigna, the current provider, and three optional providers, AIG, SunLife, and Voya for self-insured options since the July Finance & Audit Committee meeting.

Healthcare Plan Proposal without H.S.A. Component Summary - September 2015		
Description:	Employer Cost of Plan	Difference from FY2016 Proposed Budgeted Healthcare Cost
FY16 Preliminary Budgeted (26.0% Increase) - Fully-insured	\$ 8,540,470	\$ -
Cigna Proposed Policy (24.53% Increase) - Fully-insured	\$ 8,463,438	\$ (77,031)
Cigna 12-12 (5.4% Increase) - Self-insured	\$ 7,460,981	\$ (1,079,489)
Cigna 12-36 (12.3% Increase) - Self-insured	\$ 7,822,558	\$ (717,912)
Cigna 12-36 (17.6% Increase) - Gallagher Projection Self-insured	\$ 8,100,290	\$ (440,180)
SunLife 12-12 (12.8% Increase) - Self-insured	\$ 7,848,759	\$ (691,711)
SunLife 12-15 (23.21% Increase) - Self-insured	\$ 8,394,267	\$ (146,203)
AIG 12-12 (13.9% Increase) - Self-insured	\$ 7,906,401	\$ (634,069)
AIG 12-15 (26.4% Increase) - Self-insured	\$ 8,561,431	\$ 20,961

Ms. Sherman then introduced Joshua Rubich, Area Vice President with the firm of Arthur J. Gallagher & Co., to present an overview of health insurance cost containment status.

Mr. Rubich presented the following healthcare information for LYNX:

- 2015 Executive Summary
- Claims Experience
 - Looking at an additional month's claim experience
- Fully Insured and Self Insured Options
 - Medical Cost Comparison
 - Stop Loss Comparison
- Proposal Comparison
 - Good options from the initial to the final
 - New quotes and new projections
 - Most viable option would be the Cigna 12-36 self -insured offer
- Observations/Next Steps
 - Plan design changes having an impact
 - LYNX continuing to perform better as the year progresses
 - Impact of the last six months of FY2014 impacting underwriting
- Considerations
 - Results of agreeing to the current fully insured renewal
 - Results of transitioning to a self-funded arrangement
- Steps to Moving to Self-Insurance
 - 112.08 Filing
 - Banking Setup
 - Claims Reconciliation
 - Health Insurance Portability and Accountability Act (HIPAA) Privacy Policy
 - Administrative Only Agreement (ASO) Contract
 - Plan Document Creation

Topics discussed by the group during the presentation included:

- Claims audit being worked on by Mr. Ron Conrad at Cherry Bekeart
- Transfer of risk
- More access to data to manage and better understand claims
- Funding adequate reserves
- Renewals driven by large claims
- Challenging claim year in 2014 and improved claims in 2015
- Deductibles in comparison to funding partners
- Re-evaluating at the lower final proposal amounts
- LYNX' potential total liability/worst case scenario
- Estimated savings
- Discussed the steps to moving to self-insured
- Impact to LYNX employees in moving to self-insured
 - No plan design changes
 - No impact to employees from a plan user standpoint
 - Less of a premium increase than fully insured renewal
- Premium stabilization
- Wellness Program benefits/ funding of the Wellness program

Susan Black, Interim Chief Executive Officer, stated that she will bring a presentation on the Wellness Program to the Finance & Audit Committee in October or November.

Chris McCullion asked if a recommendation was going to be made by Committee members to go to self-insured or remain fully insured.

After further discussion by Committee members, Mr. McCullion asked for approval of a recommendation to the Oversight Committee to move forward with self-insured funding. **Motion** was made and seconded to recommend moving to self-insured funding using the Gallagher projection. The Motion passed unanimously.

✓ **Other Business**

Chris McCullion asked if there was any other business.

Pat Christiansen, LYNX' General Counsel, gave an update about the Compressed Natural Gas (CNG) project with Nopetro. Mr. Christiansen spoke about being within days of signing the documents for Nopetro to obtain financing and about Nopetro being close to obtaining permits.

Mr. Christiansen also spoke about LYNX being close to obtaining federal funds to cover construction costs by using proceeds from the sale of South Street. Upon approval from the Federal Transit Administration (FTA), LYNX will be able to pay the construction costs up front rather than pay an adder to CNG fuel purchases.

Mr. McCullion mentioned that the Committee may want updates on this project at future meetings.

The meeting was adjourned at 11:21 AM.

Oversight Committee Information Item #4.B.

To: LYNX Board of Directors

From: David Dees
DIRECTOR OF RISK MANAGEMENT
Shannon White
(Technical Contact)

Phone: 407.841.2279 ext: 6127

Item Name: Risk Management Committee Meeting

Date: 11/12/2015

A meeting of the Risk Management Committee was held on Wednesday, October 7, 2015. The Agenda Items were the overview of the Preferred Governmental Insurance Trust and National Transit Database Reporting Requirements. The approved minutes for the August 19, 2015 Risk Management Committee meeting are attached.

LYNX Board of Directors Risk Management Committee has scheduled future meetings on the following date:

Wednesday, December 16, 2015

LYNX
Central Florida Regional Transportation Authority
Monthly Risk Management Committee Meeting Minutes

PLACE: LYNX Central Station
455 N. Garland Avenue
Room 215
Orlando, FL 32801

DATE: August 19, 2015

TIME: 10:00 a.m.

Members in Attendance:

John Petrelli, Risk Manager, Orange County

Ray Scullian, Risk Manager, City of Orlando

Denise Lipscomb, Financial Services Manager, FDOT

Reginald Davis, Senior Manager for Risk Management, Osceola County

Meloney Lung, Assistant County Manager, Seminole County

Members not in Attendance:

1. Call to Order

The Chairman, John Petrelli, called the meeting to order at 10:33 a.m.

2. Approval of Minutes

The Chairman asked the Committee if there were any additions or deletions to the June 24, 2015 Minutes as presented. David Dees explained that a supplement to the previous meeting minutes detailing the number of worker's compensation claims which were called in to question. Various attendees expressed that the number appeared to be extremely positive but unusually low. David confirmed that the number is twenty-three and would like that posted for the record. The Minutes approved unanimously by the committee.

3. Agenda Items

The Chairman asked if there were any comments or questions about previous meeting. Committee had no questions or comments.

David Dees addressed the committee and introduced some of the key members of the Risk Management team.

Susan Black addressed the committee and spoke about the recent increase in worker's compensation claims when several of the LYNX Service planners were in a LYNX van accident sustaining minor injuries.

Susan Black also shared a plan to have Jim Goldsmith, LYNX General Counsel, train staff members on laws of public records. The committee discussed some suggestions for training. Susan shared the possibility of adding a staff position that would solely focus on Public Records. The Chairman suggested that Susan reach out to Ann Marie Varga in Orange County who is in charge of that department. Susan informed the Committee that the Board of Director's September meeting will be moved to September 11th at 11A.M.

Ray Scullian wanted to know if LYNX has any excess Worker's Compensation or was that the discussion last time. Susan Black and David Dees confirmed that was the discussion because LYNX does not have any excess Worker's Compensation. David Dees will try to have a complete report of the cost of the excess Worker's Compensation for the next Committee meeting.

David Dees addressed the committee, he assured the committee that he was tracking the Tropical Storm Danny and he was working on communicating with all of the departments the standard emergency response timeline.

David Dees discussed Preferred Governmental Insurance Trust (PGIT), he brought a handout for the committee. David did an introduction and overview of PGIT.

David Dees discussed driver's license status checks and the search for a new automated system that will meet all of the requirements. Current technology allows for a weekly scan of driver's records as opposed to the current process that reflects a driver's status for a specific date(s) during the year.

Lorna Hall, Safety and Security Officer for LYNX, addressed the committee. Lorna presented the Committee with the National Transit Database Reporting Requirements presentation. Discussion ensued.

David Dees addressed the committee and discussed the need to enhance our Risk Management data records system. Discussion included the potential of Risk Management becoming a paperless department in a pilot program for LYNX. Discussion ensued. David also discussed the Public Records guidelines for Bus Videos.

The Chairman thanked the staff and adjourned the meeting.

Meeting adjourned at 11:13 a.m.