




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

1. Call to Order

2. Committee Minutes

-  Finance & Audit Committee Minutes Pg 3

3. Committee Agenda

A. Finance & Audit Committee Agenda

-  Overview of the FY2017 Preliminary Capital Budget Pg 15

-Attachments



B. Finance & Audit Committee Agenda

-  Update on Comprehensive Fare Review Pg 24

-Attachments




C. Finance & Audit Committee Agenda

-  Discussion of Use of LYNX Reserves Pg 167

-Attachments



D. Finance & Audit Committee Agenda

-  FY2016 Federal Transit Administration Triennial Review Report Pg 173

-Attachments




E. Finance & Audit Committee Agenda

-  FY2015 Florida Transportation Commission (FTC) Annual Oversight Report Pg 181

-Attachments



F. Finance & Audit Committee Agenda

-  Discussion regarding Authorization to Negotiate and Executive a Purchase Contract with NoPetro to Purchase the Property Adjacent to NoPetro's Compressed Natural Gas (CNG) Facility and the LYNX Maintenance Facility Pg 208

4. Committee Information Items

A. Finance & Audit Committee Information



Monthly Financial Reports - April 30, 2016

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-Attachments



B. Finance & Audit Committee Information



Monthly Financial Reports - May 31, 2016

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-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
Finance & Audit Committee Meeting Minutes

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

DATE: May 18, 2016

TIME: 09:00 AM

Members in Attendance:

Chairperson Chris McCullion, City of Orlando
Vice Chairperson Ray Walls, Orange County
Michael Kurek, Osceola County
Edward Bass, Seminole County
Lisa Buscher, FDOT

LYNX Staff in Attendance:

Edward Johnson, Chief Executive Officer
Blanche Sherman, Director of Finance
Pat Christensen, LYNX' General Counsel

Members Absent:

1. Call to Order/Introduction

Chairperson Chris McCullion called the meeting to order at 09:00 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 March 16, 2016 Finance & Audit Committee. The Motion passed unanimously.

3. Audit Agenda Items

✓ **Health Care Update**

Chris McCullion called on Blanche Sherman, Director of Finance, to provide an update on health care. Ms. Sherman stated that the Board asked in April to come back in May to give an overview and update on health care and that LYNX budgeted 17.6% based on the projections provided by the consultants at Gallagher.

Ms. Sherman then introduced Eric Scott, Area President and David Parker, Actuary with the firm of Arthur J. Gallagher & Co., to give an overview on health care and an update on the status of the self-insured plan.

Mr. Scott mentioned that the history of moving to a self-insured program was included in the narrative provided by Ms. Sherman. Mr. Scott then discussed the presentation slides which included the following:

- 2016 Proposal Comparison over 2015 Costs
This analysis summarized the initial Cigna, final Cigna, and Gallagher projection used in the decision to go from fully-insured to self-insured for FY2016. The stop loss deductible of \$250,000 and the use of 17.6% for budgeting and planning purposes were also discussed.
- Current 2016 Revenue Vs. Projected 2016 Revenue
Challenges discussed included participants' deciding on their own to go back to enrollment in the less expensive or "free" plans and with less dependent coverage resulting in an increase in projected employer costs from 82% to 85% through March 2016 with no plan design changes and a shortfall of \$350,000. Ultimately, the employees' individual decisions were based on money (premiums).
- 2016 Claims by Month
This analysis showed three months of claims including claims incurred only in 2016 and paid in 2016 (immature) and claims incurred in 2015 or 2016 and paid in 2016 (mature). The deductible effect for the last few months of the year was discussed and inclusion of the Cigna run out (payments of 2015 claims) in the projections. Also discussed were the months of February and March being challenging months for claims.
- 2016 Calendar Year End Projection
This analysis showed calendar year end projections using a run rate based on the first three months of the year for immature and mature claims plus fixed costs offset by LYNX employer and employee contributions with both immature and mature claims resulting in a shortfall.
- 2016 Fiscal Year End Projection
This analysis showed fiscal year end projections using a nine (9) month average resulting in a shortfall of approximately \$1 million for mature claims. Topics discussed included cash flow through the end of the fiscal year, the fund balance which is currently \$1.6 million, and having two months in reserves that can be used for any shortfall for FY2016.
- 2017 Initial Projection
This was the projection given in January based upon the past 24 months of claim data resulting in a projection of an increase in costs of 12.7% in 2017.
- 2017 Revised Projection
This analysis showed the revised projection based on two additional months of claims from 2016 resulting in an increase in projected costs to 21.4% for 2017. The analysis used a blended weighting of two years of data factoring in a claims trend number which included the two high months of February and March and the premium difference that LYNX did not get from employees migrating to less expensive plans.

Ray Walls commented that the increase was not unlike the numbers Orange County is seeing for their self-insured plan with some really good years at the beginning but now seeing 15-18% increases every year for the last two or three years. Mr. Walls also stated that Orange County no longer has any 100% employer paid plans.

Ms. Sherman mentioned that there are some conceptual changes in plan designs that have not been discussed with Mr. Johnson. Mr. Scott discussed the impact of the collective bargaining agreements in considering plan design changes and premium contributions.

Edward Johnson, Chief Executive Officer, commented on needing to know what to do to push the costs in the right direction and looking at what is driving the health care utilization understanding if it is employees or their dependents. Mr. Johnson mentioned the transit environment being prone to diabetes, heart disease, high cholesterol which puts a lot of strain on a health care plan and what is being seen around the country is the Federal government paying more attention to the safety of passengers and equipment and putting on stronger regulations for safety sensitive positions like vehicle operators and mechanics. Mr. Johnson spoke about keeping targeting what is driving LYNX cost, what problems LYNX employees are experiencing, and keeping employees healthy.

A group discussion followed which included these topics:

- MARTA plan is self-insured but the plan is totally different and based on the early seventies
- Employee costs in comparison to peers to determine if a plan is expensive or not
- Looking at a reasonable level of employer contribution on an employee per month cost to gauge with surrounding employers and other partners in LYNX' own region
- Vehicle operators have a sedentary life style with different dynamics that impact health including a lot of hypertension requiring rest room breaks which is a challenge for the bus operators
- Health insurance as part of the compensation package
- Plan direction perspective and what can be done with enhancements that do not need to be bargained- carrot versus stick, pushing people gently then more firmly through incentives
- Analogy of risky drivers paying more for insurance which does not happen in health insurance plans for riskier employees
- Various programs/incentives were mentioned including:
 - YMCA diabetes program- relatively small expense
 - Health risk assessment and other incentives that could be tied to health savings account (HSA)
 - Pharmacy program- CVS and Walgreens are the most expensive and the most convenient versus using Publix and Walmart which could have the impact of a 15% savings
 - Mail-in prescriptions having a positive impact on the budget
 - Mental health programs- stigma associated with participating / a significant amount of activities among claims is being driven by stress

- Free standing Employee Assistance Program (EAP) - want to enhance/manage mental health usage
- Diabetes program plan utilization has not gone up over the years but costs of this and other programs is higher - hard to get people into these programs and keep them in the programs (Orange County)
- Florida Hospital program which costs multiples more than other hospitals
- Having a dozen employees making up the bulk of the costs with illnesses like cancer which are not preventable
- Bringing health related activities on-site to get more participation which could slow down some of the later health problems
- Tying a tobacco use incentive and wellness component to the HSA with tightening of the band each year has had a big impact on the budget (Seminole County)
- Hiring of a wellness coordinator (LYNX)

Ms. Sherman stated that they would be updating the Oversight Committee and receiving direction from the Chief Executive Officer and continuing to look at the cost drivers.

Mr. McCullion and Mr. Scott discussed if there were any shock (large) claims that drove the increase (none but would be pulled out because of the stop/loss coverage), what was the aggregate stop loss (125% of expected claims capped at \$2.5 million) and that both 2017 projections were based on a mature number. Mr. McCullion stated that the bottom line was an increase of 20-21% and asked about implementation of any plan changes. Ms. Sherman responded that any plan changes would be introduced in October for implementation in January 2017.

Information was requested by Edward Bass and Ray Walls concerning the plan design and the split between the contributions for the Union and administrative employees. Ms. Sherman stated that she would have Mr. Scott send out the design plan and information on the split to the Committee members.

Mr. Scott spoke about continuing to change the plan was just shifting costs and changing the discussion to a wellness culture over time was what was needed not just because of the money but to feel better.

Mr. Walls and Mr. McCullion spoke about looking at plan design changes and increases in premiums to be able to say we have looked at everything when coming back to the funding partners.

Mr. McCullion asked if there were any questions. Mr. McCullion commented on the helpfulness of this discussion. Mr. Johnson stated that this discussion will help point LYNX in the right direction for labor negotiations.

✓ Overview of Paratransit Trip Increase

Chris McCullion called on Blanche Sherman to present the overview of the paratransit trip increase. Ms. Sherman stated that during the April meeting the Committee asked for an explanation of why Americans with Disabilities (ADA) trips are increasing. Ms. Sherman commented that the main reasons for ADA trip increases are increases in employment and school activities and for Transportation Disadvantaged (TD), increases in dialysis treatment, work, and school purposes. Ms. Sherman then introduced Tangee Mobley, Director of Transportation and Maintenance, and Tim May, Manager of Paratransit, to provide an overview of paratransit trends and trips and an explanation of how the program works.

Prior to going over the presentation, Ms. Mobley commented briefly on the helpfulness and impact of the Wellness Coordinator who is making the programs more social, building relationships and making them more interesting.

Ms. Mobley spoke about LYNX no longer providing Medicaid trips since March 2015 and no longer having access to the Medicaid database. Ms. Mobley mentioned that the decrease in fixed route ridership does not parallel the ADA and TD ridership which has been increasing.

Ms. Mobley commented on steps taken during the process of Medicaid being eliminated to stop Medicaid dumping (former Medicaid customers circumventing the system and continuing to use LYNX paratransit service for Medicaid compensable trips) which included the use of technology from LYNX' old database to determine a Medicaid customer and to check duplication of SSN and telephone numbers, referral of callers that request Medicaid trips only to the program, posting the information in all paratransit vehicles, and placing a recording on the phone system.

Mr. Walls and Mr. McCullion asked for a better understanding of what paratransit is other than required trips to medical care appointments.

Ms. Mobley provided a description of paratransit trips as follows:

ADA trips- automatically qualifies quadriplegics, paraplegics, the blind, those 80 years of age, those with cognitive issues or physical disabilities that make them unable to make it to a bus stop for travel anywhere they need to go and for any reason with no prioritization of the trips (Federally mandated program)

TD trips- very similar to ADA plus has an income cap if below the poverty level of \$16,000 with trips being prioritized (State subsidized program)

Mr. May provided a description of TD trips being prioritized as follows:

- Life sustaining- i.e. dialysis, chemotherapy, hyperbaric treatments
- Regular doctor/medical visits
- Nutritional

- School and employment
- Personal and recreational

Mr. May commented that the TD funding is distributed daily and LYNX has not been in a position to have to cap any trips and has been able to provide any requested trips to anywhere they want to go. If that were to happen, then the trips would be prioritized as discussed.

Mr. Johnson provided an overview of the program describing the how and why. To receive Federal dollars, transit agencies are required to provide paratransit complementary services to people who are not able to access a fixed route stop within $\frac{3}{4}$ of a mile. LYNX provides ADA services over the entire service area expanding LYNX' exposure beyond the Federal requirements and the state of Florida then allows for TD programs to provide more access to people that need transportation taking into consideration the rider's physical ability to get to a fixed route site.

Mr. McCullion asked about the different levels of qualification.

Mr. Johnson spoke about the riders being sent through a program to determine if they are able to navigate through the fixed route system as most people would prefer door to door service than having to walk to a stop and this is not a taxi cab service.

Mr. Walls and Mr. Johnson spoke about LYNX going beyond the Federal ADA requirements and the designation for LYNX to be the Community Transportation Coordinator (CTC) for TD services in order to receive State funds.

Mr. Johnson commented on why LYNX wants to do this rather than MetroPlan as it gives LYNX more ridership and shared trips. Mr. Johnson also mentioned that riders would still come to LYNX as the recognized brand even if LYNX did not have the CTC designation. Ms. Sherman commented on the cost effectiveness of having more people on these trips.

Mr. May then discussed customer calls, the application process and the requirement of a medical verification. Staff reviews all applications and verifies medical information. If there are still questions, the applicant is put through a functional assessment for walking, counting change, and other cognitive tests. A recommendation is made and an eligible staff member makes a determination based on the assessment.

Mr. May spoke about the different types of ADA eligibility including the following:

- Unconditional- anywhere within the system for any purpose
- Conditional- i.e. out in the sun, no curb cuts or sidewalk with a wheelchair
- Transitional- i.e. cast on leg, temporary until condition improves

Mr. May stated that there are ten (10) people on LYNX staff and a private contractor who provides the service on the street. Eligibility is managed by LYNX employees.

Ms. Mobley spoke about ridership trends being up 5% for ADA and 13.5% for TD based on the 2014 ridership numbers.

Ms. Mobley then discussed ADA and TD ridership drivers. The main drivers for ADA ridership are increases over the past two years in employment trips with major employers in the area having incentives to hire the disabled and school trips to colleges, universities and career centers. The main driver for TD ridership are dialysis centers which have increased 15% over the past 18 months due to an aging population and new dialysis centers opening bringing the total to 28 centers.

Mr. Johnson spoke about reaching out to the Department of Health for projections looking forward, having meetings with local hospitals to better understand their needs, and understanding decisions of community based health care facilities.

Mr. Walls asked about verification of income. Mr. May responded that low income was a qualifier for TD and that income was self-reported on the application. Mr. May also mentioned that LYNX is not allowed to ask for pay stubs.

Mr. Johnson and Mr. May discussed the money received from the State which is approximately \$1000 per weekday and averages \$33 per trip. Mr. May also stated that discounts of 50% are offered on fixed route passes.

Ms. Mobley spoke about an increase of 14% in actual trips and discussed a summary of the service as a whole with an aging population driving the need for services. Ms. Mobley also presented current cost containment efforts which include:

- NeighborLink services
- No more than one percent (1%) of the total contractor invoice may be taxi charges
- Reduced fare program for the elderly and disabled
- Complementary fixed route/NeighborLink/SunRail travel training
- Enforced conditional ADA eligibility
- Ensuring former Medicaid clients are not trip dumping
- Customers are referred to an actual physical assessment to determine their capabilities to access the fixed route system
- LYNX requires recertification every 2 years compared to other agencies with 3-5 years recertification requirements

Ms. Mobley then presented future cost containment efforts which include:

- Additional NeighborLink routes
- Explore Uber or Lyft partnering options
- Reduce the ADA service area to federally mandated requirements
- Discontinue LYNX' role as the CTC and provide federally mandated ADA trips only

Mr. Johnson commented that this program is not the easiest to manage but these are the most vulnerable people within our community and this is the right thing to do. Mr. Johnson spoke about meeting Federal funds requirements and improving their quality of life but also making

sure LYNX is not delivering service to people who are not eligible to participate. Mr. Johnson spoke about focusing on transforming LYNX from just being the transit system to being mobility managers with blended, not separate, call centers and operating as one system in a well-coordinated environment.

Mr. McCullion commented on this information being very helpful and thanked staff for their time. He then asked if there were any questions.

Ms. Santiago commented about local coordination on the issue of ride dumping for other transit agencies and the issues they are having. Mr. May responded that LYNX no longer have database access to the Medicaid database and verification takes longer but his staff is in contact daily with the representatives of Medicaid and have established a good relationship with Medicaid staff so getting information is less of a problem. Ms. Santiago commented on getting all the other transit agencies to do the same thing.

✓ **Update on LYNX Reserves**

Chris McCullion called on Blanche Sherman to present an update on LYNX reserves. Ms. Sherman stated that update being provided is consistent with the reserve policy.

Ms. Sherman then discussed the following table which summarizes the LYNX reserves:

LYNX Reserves	Minimum	Maximum
Operations	\$ 14,000,000	\$ 28,000,000
Contingency -5%	6,352,272	6,352,272
Capital Bus Lease	1,568,777	1,568,777
Articulated Buses	1,263,966	1,263,966
Replacement Buses	791,694	791,694
CNG Facility Improvements	2,705,733	2,705,733
Debt Service	797,282	797,282
Self-Insurance Programs	8,015,971	8,015,971
Fuel Stabilization	1,000,000	1,000,000
Subtotal	\$36,495,695	\$50,495,695
FY2015 \$2 Capital Funding	(2,098,684)	(2,098,684)
FY2016 \$2 Capital Funding	(2,118,590)	(2,118,590)
FY2017 \$2 Capital Funding	(2,112,896)	(2,112,896)
Self-Insurance (Long-term)	(2,676,165)	(2,676,165)
FY2016 Settlement Payout Budget	(1,200,000)	(1,200,000)
SIB Loan – Federally Funded	(797,282)	(797,282)
Reserve Fund Requirement	\$ 25,492,078	\$ 39,492,078
Unrestricted – Net Position	(43,190,768)	(43,190,768)
Net Pension Asset	6,283,485	6,283,485
(Excess) Shortfall Cash Reserves	\$ (11,415,205)	\$ 2,584,795

The total impact is **\$36,495,695 minimum and \$50,495,695 maximum**, of which approximately **\$43,190,768** in unrestricted net assets.

Ms. Sherman briefly discussed some of the items as follows:

The reserves for Operations are showing a reduction consistent with cash outlays.

The Capital Bus Lease is for the CNG buses and there are articulated buses coming in October secured through a new discretionary grant (Ladders of Opportunity) which requires a 15 % match. Anything left over from the \$2 capital is used for replacement buses.

The CNG facility improvement reserve is due to not getting concurrence from the FTA on using the South Street sales funds. A recommendation to use \$2 capital funds will be presented in more detail later.

Debt Service refers to the last payment of the SIB loan.

Self-Insurance programs reserves include the required surplus for going concern purpose and a two month reserve for medical claims which may be higher than expected based on recent projections. Mr. Bass asked if this includes the IBNR (Incurred but Not Reported). Ms. Sherman responded that the IBNR was included.

Ms. Sherman then discussed how the reserves are funded and the reserve balances as follows:

Capital reserves are funded through \$2 capital and the long term self-insured projections are taken out. The funding in the FY2016 budget that is already funded on the self-insured is backed out, as well, to eliminate double counting. The SIB loan is federally funded.

Reserve balances are between the minimum and maximum at \$11 million over the minimum excluding the net pension asset and \$2.6 million short of the maximum. The reserve are almost fully funded which is the plan. The net position is as of FY2015 spending with the contingency based on the FY2016 current budget.

Ms. Sherman mentioned that there could be additional monies to fully fund the maximum reserve level if things continue as they are for FY2016.

A group discussion followed which covered the following topics:

- Determining the level of reserves for the agency- what is necessary
- Concern over the large increase to the funding partners proposed for FY2017 funding
- With the agency funded close to the maximum, what the target level of reserves should be when the funding partners are struggling to fund the obligations
- In accordance with the Reserve Policy, the target is to start at the minimum and be comfortable at the maximum
- Best practices for reserves at different organizations
- Target set as a percentage of budget (7-8%) (Orange County has no official reserve policy)

- Comments were received from the funding partners at the time the Reserve Policy was adopted and a comparison matrix was developed
- Maximum reserves are set to cover the operating budget for two months
- Range of 15-25% and tend to hover closer to the maximum, right now are closer to the minimum (City of Orlando)
- Needs of the funding partners for a smaller funding increase with room to smooth that out without LYNX being put in a position of being close to the minimum reserves

The group then discussed the next steps which included:

- Re-running the funding model applying a one-time use of reserves (\$2-\$3 million) for smoothing to see the impact on the level of increases to funding partners
- Briefing the full Board in the next couple of weeks that Congress is in the process of passing funding resolutions for the next fiscal year which is not going smoothly and there may be a shutdown in October requiring reserves to be used for operations
- Committee members going back to explain the high level of LYNX reserves to funding partners
- Looking at what if scenarios for smoothing in order to reduce increases to funding partners

Ms. Sherman mentioned that there was a tendency in the past to use reserves which led to the establishment of a Reserve Policy to build reserves to meet operating needs.

Additional comments from the group included:

- ✓ Helping the group understand the different operating needs between the funding partners and LYNX
 - ✓ Having a six (6) month reserve at MARTA which has a lot of debt service and reliance on sales tax
 - ✓ Doing multi-year forecasting
 - ✓ Reduced ridership which increases funding needs will be an issue for next year
 - ✓ Dealing with higher increases for funding partners now or later
 - ✓ No dedicated funding for LYNX
 - ✓ Continuing to review the budget and look for possible expenditure reductions
 - ✓ Looking at the equity between subsidies and fares through a fare equity study
 - ✓ Although there are savings on fuel, decreased revenue in fares shifts costs to the funding partners
 - ✓ Farebox recovery and looking at a fare equivalency to compare 2009 fares to today
 - ✓ LYNX costs going up faster than CPI
- ✓ **Use of \$2 Capital Contributions for Compressed Natural Gas (CNG) Facility Improvements**

Chris McCullion called on Blanche Sherman to discuss the use of \$2 capital contributions for the CNG facility improvements. Ms. Sherman commented on this as being a new item and

that she will be providing more information on the financing. Ms. Sherman then introduced Walt Bussells, Chief Financial Officer, with NoPetro.

Mr. Bussells commented that NoPetro supports this and stated that this provides immediate cost savings. Mr. Bussells then discussed the capital improvements funding through typical funding sources where NoPetro would fund the improvements and then be reimbursed by LYNX. This was discussed last December when the FTA prevented the use of cash in the bank to pay for the investment.

Mr. Bussells discussed completing the final punch list next week with HDR. NoPetro has lined up typical funding for private capital funding with the best terms being 5.5% plus 375 basis points. NoPetro is obligated to begin billing \$25,000 per month starting in two weeks to recover the cost of capital and will do so based on the contract but would like to be out of the financing. There would be a savings of \$800,000-\$900,000 just in the cost of capital should the use of \$2 capital be approved.

Ms. Sherman and Mr. Bussells commented on the complexity and expense of negotiating a tri-party agreement for the bank financing that any lender. The use of \$2 capital contributions avoids the cost and time of negotiating a tri-party agreement.

Ms. Sherman spoke about the potential mortgage on LYNX property that is not allowed, but may be required to secure the financing. Mr. Bussells commented that the contract was for a period of twenty (20) years during which time there would be mortgage interest.

Mr. McCullion stated that the debt rate plus 375 basis points was firm at this point and was reasonable funding. Mr. McCullion commented on considering the following in determining if makes sense to use the \$2 capital:

- 1) Cost of capital to borrow from NoPetro and pay the adder
- 2) Opportunity cost of \$2 capital
- 3) Benefit of keeping the money in the bank and investing it at 50-100 basis points versus saving 6.5%

Ms. Sherman commented on the need to eliminate the debt exposure associated with the capital improvements, that is not a refinancing or lease as per LYNX' Charter, which does not allow LYNX to incur debt.

Mr. McCullion mentioned a comment from Commissioner Henley made at the Oversight Committee meeting that the \$2 capital was not necessarily a guaranteed revenue stream by the funding partners. Ms. Sherman stated that even though LYNX has formally adopted the funding model that includes the \$2 capital, LYNX is working on a one-time master agreement that indicates that this is the methodology. Ms. Sherman commented that LYNX went back on the funding model in 2007 then, with the economy down, LYNX went off the model and was using reserves and shifting from federal to capital to operating dollars.

Mr. McCullion stated that this was a one-time use and that the Oversight Committee is okay with the concept. Mr. Walls commented that it makes sense for the one time use as long as LYNX is not giving up anything critical. Ms. Sherman commented that the reduction of the adder will be considered at in the 2016 and 2017 budget. Mr. McCullion stated that 6-7% reduction in cash balances was manageable.

Mr. McCullion asked if there were other questions from the Committee members. Mr. McCullion then asked for a motion to approve the requested action which is to use the \$2 capital to pay off the facility improvements.

Motion was made and seconded to approve the requested action to use the \$2 capital. The Motion passed unanimously.

Mr. Bussells briefly discussed third party sales and royalties which are building. NoPetro is already doing 10,000 gallons to third parties and about to sign a national contract to fuel a fleet of eighteen wheelers.

✓ **Other Business**

Chris McCullion asked if there was anything else. Ms. Sherman mentioned that the draft financial statements were included for the Committee's review.

The meeting was adjourned at 11:07 AM.

Finance & Audit Committee Agenda Item # 3. A

To: LYNX Finance & Audit Committee

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

Phone: 407.841.2279 ext: 6100

Item Name: Overview of the FY2017 Preliminary Capital Budget

Date: 7/20/2016

BACKGROUND:

At the April 14, 2016 Board meeting, staff presented the FY2016 Amended Capital Budget in the total amount of \$91,734,305. Since then, staff discussed capital priorities for FY2017 and the corresponding funding sources available. The FY2017 Preliminary Capital Budget has been developed for Board review and input.

LYNX staff will present the FY2017 Capital Budget in the amount of \$76,578,005.

The FY2017 Operating and Capital Budgets, will be presented to the Board of Directors for final consideration and approval at the September 22, 2016 Board meeting.

OVERVIEW:

The proposed Capital Budget for FY2017 is \$76,578,005, which is a decrease of \$15,156,300 or approximately 16.5% less than the FY2016 Amended Capital Budget. The decrease in the capital budget from the FY2016 Amended Capital Budget results from a decrease in Paratransit vehicle replacements, Parramore BRT and the completion of construction modifications to the CNG bus facility.

The capital budget is funded from a combination of federal, state and local sources, and includes items such as the planned purchase of replacement buses and vans, bus shelters, and the use of technology to assist in service delivery and improvements. The majority of the capital budget, 94.43% is funded through federal grants, 0.99% is funded through state grants, and the remaining 4.58% through local funds. The local contribution from the funding partners covers the capital bus lease, paratransit vehicles and LYMMO BRT expansion projects. In addition, funding through LYNX negotiated agreements will contribute to passenger shelter costs.

Specifically, this budget includes funds from the following areas:

LYNX Board Agenda

Federal	\$72,312,064
State	759,433
Local	3,506,508
Total	<u>\$76,578,005</u>

The table below identifies capital expenditures by program:

Capital Program		FY2017 Requests
1)	Vehicles	\$ 47,702,022
2)	Bus Rapid Transit (BRT) Construction	4,089,870
3)	Facilities	2,312,242
4)	Passenger Amenities / Related Enhancements	12,376,722
5)	Technology Improvements	5,103,855
6)	Security Enhancements	793,200
7)	Support Equipment	4,200,094
	Total	<u>\$76,578,005</u>

Notes:

- 1) Vehicles include expansion and replacement vehicles for fixed-route, vanpool, and paratransit services and support vehicles.
- 2) BRT includes the Orange and Lime LYMMO line capital activities, as well as, the FlexBus project.
- 3) Facilities include funds for LCS, LOC, Osceola, and LB McLeod improvements.
- 4) Passenger amenities include shelters, transfer centers, solar power, benches, and trash receptacles.
- 5) Technology includes items to improve communication and information delivery such as network improvements, servers, software upgrades and real time information.
- 6) Security includes equipment to enhance security and surveillance.
- 7) Support equipment includes items such as mobile ticketing, fare payment on board validators, health and wellness equipment, shop tools, furniture, and radios.

FY2017 Overview of Preliminary Capital Budget

**Presented to the
LYNX Finance & Audit Committee**

July 20, 2016

Key Capital Budget Assumptions

- Enhance LYNX facilities
- 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

FY2017 Preliminary Capital Budget



Overview

	FY2016	FY2017	
	Amended	Preliminary	% Change
Capital Contributions	\$ 91,734,305	\$ 76,578,005	-16.52%
Capital Expenditures	91,734,305	76,578,005	-16.52%
Capital Gains/(Losses)	\$ -	\$ -	N/A

FY2017 Preliminary Capital Budget by Category



	Amended FY2016	Preliminary FY2017	Variance
BRT Projects	\$ 13,083,894	\$ 4,089,870	\$ (8,994,024)
Facility Improvements	5,622,656	2,312,242	(3,310,414)
Passenger Amenities	9,777,044	12,376,722	2,599,678
Security Equipment	591,600	793,200	201,600
Support Equipment	4,761,187	4,200,094	(561,093)
Technology	5,542,331	5,103,855	(438,476)
Support Vehicles	641,130	564,003	(77,127)
Revenue Vehicles	51,714,463	47,138,019	(4,576,444)
	\$ 91,734,305	\$ 76,578,005	\$ (15,156,300)

FY2017 Preliminary Capital Budget Contributions



<u>Capital Contributions</u>	<u>FY2017 Proposed Budget</u>	<u>FY2016 Amended Budget</u>	<u>Dollar Amount Change</u>
Federal Contributions	\$ 72,312,064	\$ 84,762,480	\$ (12,450,416)
State Contributions	759,433	429,256	330,177
Local Contributions	3,506,508	6,342,569	(2,836,061)
Reserves	-	200,000	(200,000)
	<u>\$ 76,578,005</u>	<u>\$ 91,734,305</u>	<u>\$ (15,156,300)</u>

FY2017 Preliminary Capital Budget

Local Contributions



Description	FY2017 Preliminary Budget Amount	Source
LYMMO- Parramore	1,046,793	City of Orlando, Orlando Utilities Commission, Other Utilities
Capital Bus Lease	898,151	Local \$2 Capital
Articulated CNG Buses	1,263,967	Local \$2 Capital
Paratransit Vehicles	47,597	Local \$2 Capital
Passenger Amenities	250,000	Orange County
Total	\$ 3,506,508	

***This amount has already been paid by the City of Orlando.**

FY2017 Budget Calendar



Final Board Action

September 22

Budget Year 16 – 17 Commences

October 1

Finance & Audit Committee Agenda Item # 3. B

To: LYNX Finance & Audit Committee

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

Phone: 407.841.2279 ext: 6100

Item Name: Update on Comprehensive Fare Review

Date: 7/20/2016

ACTION REQUESTED:

LYNX staff is requesting the Finance & Audit Committee recommendation for approval to move forward with public workshop activities regarding recommended fare structure.

BACKGROUND:

At the March 24, 2016 Finance & Audit Committee Meeting, LYNX staff requested recommendation for the approval to move forward with a comprehensive review of LYNX fare policy and structure and related analyses. The Finance & Audit Committee approved the request followed by the Oversight Committee at their April 14, 2016 meeting.

LYNX' last fare increase was completed in January 2009 raising the base fare from \$1.75 to \$2.00, with an additional modification to the fare policy to reduce fare options approved by the Board in 2011. The last modification to the fare structure was completed in December 2013 to include the SunRail fares. Since these actions, LYNX has maintained ridership and fare revenue at rates that did not produce budgetary concerns. Recently, LYNX' ridership decline resulting in declining fare revenues has necessitated the review of the fare structure.

OVERVIEW:

A purchase order was issued in May 2016 to commence work on the comprehensive fare evaluation and a presentation on the status of the work effort to date will be provided by the consultant. Identified below are the items that will be covered during the presentation.

- Overview of the fare evaluation objectives
- Review of trends impacting fare revenue
- Florida systems fare structure
- Fare structure alternatives
- Revenue yield summary

LYNX Board Agenda

- Pass benefit levels
- LYMMO case studies and recommendation
- Initial public input
- Recommended fare structure
- Next steps

Following the presentation, the Finance & Audit Committee will discuss if a fare structure modification is warranted and if LYNX staff should request approval for public hearings to gather input on the recommended fare structure from the Oversight Committee and the Board of Directors at their respective July 2016 meetings. A report detailing the information presented will be also be provided.

LYNX FARE EVALUATION

June 2016

Draft Report

Draft

Prepared for



Prepared by



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Section 1: Introduction

The Central Florida Regional Transportation Authority, doing business as LYNX, is the public transportation provider for Orange, Seminole, and Osceola counties. LYNX has completed this fare structure and policy review to identify appropriate fare levels per mode that would support necessary fare revenue levels.

LYNX's last actual fare increase occurred in January 2009 that included increasing the base fare from \$1.75 to \$2.00, with an increase in discount fares and pass prices, accordingly. Since that time, LYNX has been able to maintain the fares and increase ridership levels, which resulted in reasonable levels of fare revenue. In 2011, LYNX modified the fare structure to remove unused passes, but maintained fare levels. In December 2013, LYNX modified the fare structure to include SunRail. Due to a recent decline in ridership, fare revenues are also declining, thereby helping to necessitate the review of the fare structure and policy.

Background

In the past seven years, LYNX has seen bus fare revenue growth that peaked in FY2013 consistent with the highest fiscal year of ridership over the same time period. The decline in ridership and fare revenue has led to this review of the fixed-route and NeighborLink systems. LYNX offers an array of bus service as described further below.

- 72 fixed-route bus lines referred to as links and comprised of the following:
 - 57 regular fixed-route bus lines;
 - One express bus service operated by Mears Transportation;
 - Seven routes providing limited trips to Disney properties;
 - Three routes sponsored by the University of Central Florida Student Government Association providing service between the university and LYNX Central Station (LCS) and in proximity to the campus; and,
 - Four FastLinks offering limited-stop higher frequency fixed-route bus service.
- LYMMO a downtown bus rapid transit (BRT) service including four route alignments:
 - Orange;
 - Lime;
 - Grapefruit; and,
 - Orange North-quadrant.
- Thirteen NeighborLinks that operate as a hybrid service providing both fixed-route and demand response service within a limited radius.

In addition, LYNX offers demand-response paratransit service under the Americans with Disabilities Act (ADA) and Transportation Disadvantaged (TD) programs. The ADA fare in accordance with federal

regulations cannot exceed twice the fixed-route bus fare. The TD bus fares do not have a maximum cap, but must be approved by the Transportation Disadvantaged Local Coordinating Board.

Project Objectives

Building on the success of previous fare adjustments implemented by LYNX in March 1997, January 1999, January 2003, March 2005, January 2008, and January 2009, LYNX is seeking to update its fare structure in January 2017. In addition to reviewing the fare, since it will be eight years since the previous adjustment, this analysis was also completed as a result of declining ridership that has resulted in declining fare revenue. To properly gauge the price sensitivity of LYNX customers to proposed fare increases, a fare elasticity was developed and is explained in greater detail in Section 5 of this report. Potential fare structure scenarios were developed using the elasticity to determine the best option for adjusting the fare and increasing the passenger fare revenues that would help pay for the system. LYNX would like to achieve greater fare revenue with a minimal impact to customers and without any significant ridership impacts.

To comply with LYNX' adopted Title VI Program this report also includes results of a passenger survey and an analysis of the recommended fare change on both low-income and minority populations as identified by the Civil Rights Act of 1964 and Environmental Justice Executive Order 12898 to determine if a disparate impact or disproportionate burden would result from implementing the proposed fare change.

The remainder of this report includes an assessment of the anticipated effects of fare changes, an evaluation of pass usage trends, and an evaluation of proposed fare structure alternatives.

Section 2. Previous and Existing Fare Collection Systems



Section 2: Previous and Existing Fare Collection Systems

Fare Structure History

Table 1 summarizes the various LYNX fare structures since 1996. Fare structure updates were instituted in March 1997, January 1999, January 2003, March 2005, January 2008, and January 2009. Daily passes were instituted in January 2003, and the fare for transfers was also eliminated at that time.

Table 1: LYNX Fare Structure History

	Update Date	Cash	Daily Pass	7-Day Pass	30-Day Pass	Transfers
Adult	Pre-1997	\$0.75	N/A	\$7.00	\$30.00	\$0.10
	March 1997	\$0.85	N/A	\$7.00	\$30.00	\$0.10
	January 1999	\$1.00	N/A	\$10.00	\$35.00	\$0.10
	January 2003	\$1.25	\$3.00	\$10.00	\$36.00	Free
	March 2005	\$1.50	\$3.50	\$12.00	\$38.00	Free
	January 2008	\$1.75	\$4.00	\$14.00	\$44.00	Free
	January 2009	\$2.00	\$4.50	\$16.00	\$50.00	Free
	Update Date	Cash	Daily Pass	7-Day Pass	30-Day Pass	Transfers
Discount	Pre-1997	\$0.25	N/A	N/A	\$12.00	\$0.10
	March 1997	\$0.25	N/A	N/A	\$12.00	\$0.10
	January 1999	\$0.25	N/A	N/A	\$12.00	\$0.10
	January 2003	\$0.50	\$1.50	\$5.00	\$15.00	FREE
	March 2005	\$0.75	\$1.75	\$6.00	\$18.00	FREE
	January 2008	\$0.85	\$2.00	\$7.00	\$22.00	FREE
	January 2009	\$1.00	\$2.25	\$8.00	\$25.00	Free

Existing Fare Structure

LYNX' fare structure consists of several fare media for various services. Fixed-route bus and NeighborLink service is available to all residents and visitors for a base fare of \$2.00 per one-way trip. Transfers for all fixed-route and NeighborLink services are free of charge, and are limited to 90 minutes after paying the single-ride fare. Passengers must request a transfer from the bus operator when

boarding. Transfers are not valid for trips on the same Link, from fixed-route to express, or for round-trip purposes; however, passengers on the express service may transfer to the fixed-route service for no charge. Transfers are valid for use on the SunRail system in accordance with the existing transfer policy. Exact fare is required to ride the bus, as bus operators cannot make change. Children age 6 and under may ride free when accompanied by an adult (full fare or non-Youth discount fare). No more than three children may ride free per adult. Children age 6 and under must pay \$1.00 when not accompanied by an adult.

In addition to the fixed-route system, LYNX offers ACCESS LYNX, a shared-ride, door-to-door transportation service for people who are unable to use the fixed-route service based on criteria established for the ADA and TD programs. ACCESS LYNX patrons must fill out an application and be certified by LYNX as eligible to utilize this service.

ACCESS LYNX ADA fares are \$4.00 per one-way trip, for trips with origins and destinations within ¾-mile of a Link, and \$7.00 per one-way trip where the origin and destinations are not within ¾-mile of a Link. ACCESS LYNX TD fares are \$2.50 for trips less than five miles, \$3.50 for trips under 10 miles, and \$4.50 for trips 10 miles and greater.

The services available through LYNX are discussed below.

- Fixed-Route Standard Service:** This service is the standard fixed-route service, with most Links providing this type of service. Table 2 provides the current fare structure for the fixed-route service.

Table 2: Fixed-Route Standard Service Fares

Fare Type	Fare
Single Ride	\$2.00
Transfer	Free
Daily Pass	\$4.50
7-Day Pass	\$16.00
30-Day Pass	\$50.00

- Fixed-Route Express Service:** This service, also called XpressLink, includes the XpressLink 208 from the Downtown Kissimmee Intermodal Station to the Sand Lake SunRail Station. Three inbound and outbound trips are provided on weekday mornings and afternoons. The current fare for Xpress service is provided in Table 3.

Table 3: Fixed-Route Express Service Fares

Fare Type	Fare
Single Ride	\$3.50
Daily Pass	\$6.50
7-Day Pass	\$23.00
30-Day Pass	\$70.00

- NeighborLink:** This is a call-first bus service, in which the bus will pick up passengers and drop them off anywhere within the NeighborLink service area and the service also meets at fixed-points based on a schedule. All service requests must be made two hours prior to the intended departure time. The existing NeighborLink service areas are located in Poinciana, Southwest Poinciana, Intercession City – Campbell City, Ocoee, Winter Garden, Pine Hills, Bithlo, Oviedo, Buena Ventura Lakes, North Kissimmee, Williamsburg, Goldsboro, and Maitland. The current fare for the NeighborLink service is provided in Table 4.

Table 4: NeighborLink Fares

Fare Type	Fare
Single Ride	\$2.00
Transfer to Fixed-Route	Free

- Youth Fares:** Youth discounts are reduced fares that apply to riders between the ages of 7 and 18. The youth fare is extended to anyone age 19 or older, who can prove that they are still in high school. Discounts apply all year for single-ride fares, all-day, 7-day, and 30-day passes. Table 5 displays the fare structure for the Youth discounts.

Table 5: Youth Discount Fares

Fare Type	Fare
Youth Single Ride	\$1.00
Transfer	Free
All-Day Pass	\$2.25
7-Day Pass	\$8.00
30-Day Pass	\$25.00
Express Single Ride Fare	\$1.75
Express All-Day Pass	\$3.25
7-Day Express Pass	\$11.50
30-Day Express Pass	\$35.00

*Discount Pass prices are applicable only to those who qualify under the Youth and AdvantAge Discount policy.

- AdvantAge:** The AdvantAge Pass Program is a series of discounted fares for passengers over the age of 65 or with medical disabilities. AdvantAge discount fares are provided in Table 6. In addition, Income Qualified (IQ) fares are also available to qualified low-income residents at the same fare levels as AdvantAge discount fares.

Table 6: AdvantAge Discount Fares

Fare Type	Fare
AdvantAge Single Ride	\$1.00
Transfer	Free
Advantage All-Day Pass	\$2.25
Advantage 7-Day Pass	\$8.00
Advantage 30-Day Pass	\$25.00
Advantage Express Single Ride Fare	\$1.75
Advantage Express All-Day Pass	\$3.25
7-Day Discount Pass	\$11.50
30-Day Discount Pass	\$35.00

LYNX' fare structure includes the SunRail fares listed in Table 7 and a flat 10 percent stored value discount.

Table 7: SunRail Fares

Fare Type	Fare by Zones Traveled			
	1	2	3	4
One Way	\$2.00	\$3.00	\$4.00	\$5.00
Reduced One Way	\$1.00	\$1.50	\$2.00	\$2.50
Round Trip	\$3.75	\$5.50	\$7.50	\$9.50
Reduced Round Trip	\$1.75	\$2.75	\$3.75	\$4.75
Weekly	\$17.00	\$25.00	\$34.00	\$42.50
Reduced Weekly	\$8.50	\$12.50	\$17.00	\$21.25
Monthly	\$56.00	\$84.00	\$112.00	\$140.00
Reduced Monthly	\$28.00	\$42.00	\$56.00	\$70.00
Annual	\$560.00	\$840.00	\$1,120.00	\$1,400.00
Reduced Annual	\$280.00	\$420.00	\$560.00	\$700.00
Transfer Upgrade	\$0.00	\$1.00	\$2.00	\$3.00
Reduced Transfer Upgrade	\$0.00	\$0.50	\$1.00	\$1.50

Section 3. Fare Policy Structure Assessment



Section 3: Fare Policy Structure Assessment

LYNX Ridership Trend Assessment

Figure 1 provides the trend in total fixed-route ridership for LYNX from fiscal year (FY) 2008 through projected FY 2016. Figure 2 presents the ridership trend by month from June 2008 to July 2009.

- Ridership decreased by 11 percent from January 2008 to January 2009, following the implementation of the last fare increase.
- In FY 2010, ridership began to increase and continued until 2013, an overall increase from 2009 of 24 percent. Ridership began to decrease again in FY 2013 and is projected to continue the downward trend through FY 2016. As a result, passenger fare revenue has seen a similar trend.

Figure 1: Ridership Trend

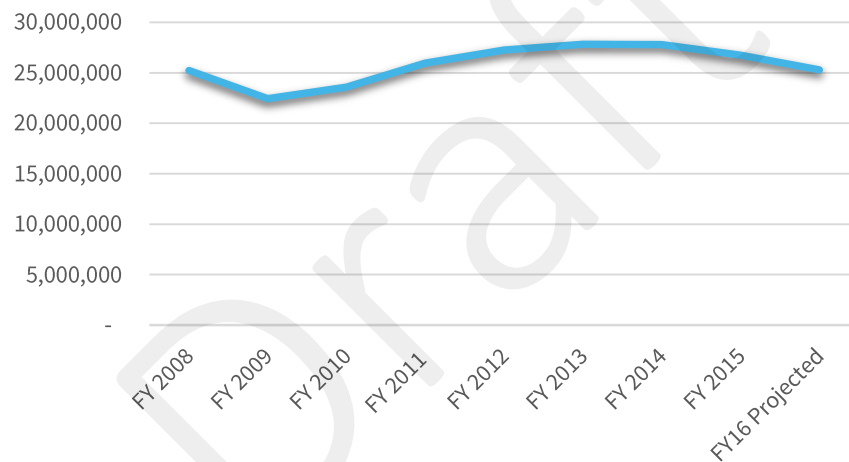


Figure 2: Ridership Trend (June 2008 – July 2009)

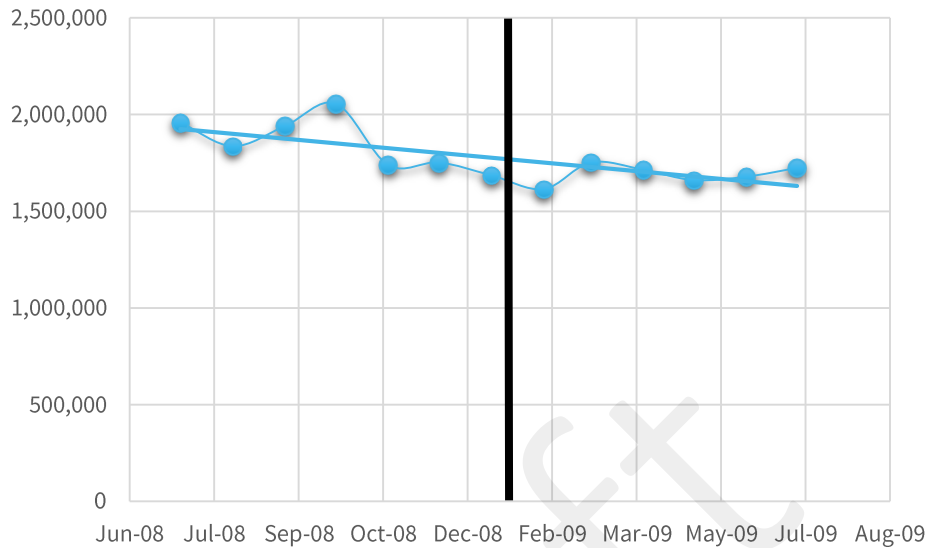


Figure 3 provides the trend in bus passenger fare revenue for LYNX from 2008 to 2015, with the passenger fare revenue projected for FY 2016 utilizing the first seven months actuals. Figure 4 presents the passenger fare revenue trend by month from June 2008 to July 2009.

- Fare revenue increased following the fare increase in January 2009, with an increase of almost 4 percent from 2009 to 2010.
- Fare revenue continued to increase from 2009 to 2013 from \$20,278,340 to \$27,798,037, an overall increase of 37 percent.
- Fare revenue began to decrease in 2014 and decreased approximately three percent from 2014 to 2015. Based on the projections for 2016, it is anticipated that revenue will continue the declining trend, with an overall decrease of approximately 10 percent from 2014 to 2016.

Figure 3: Passenger Fare Revenue

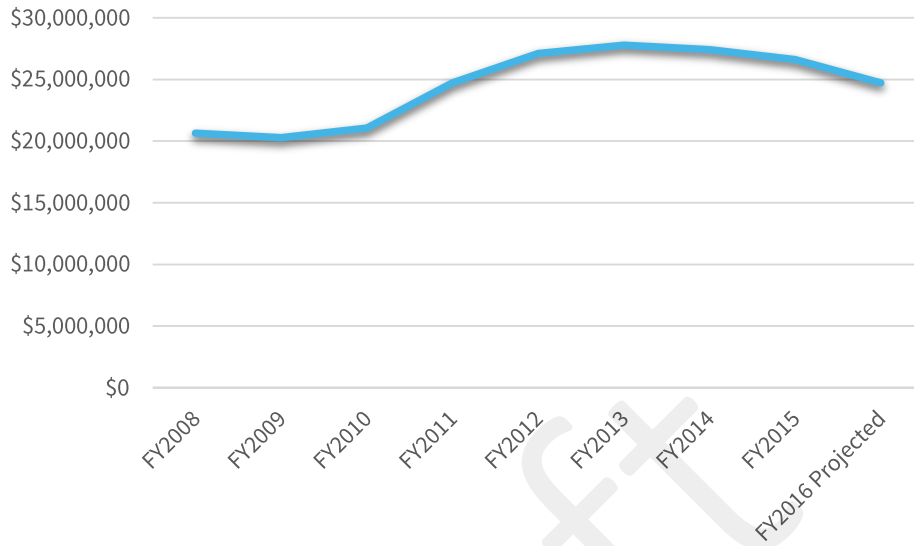


Figure 4: Passenger Fare Revenue Trend (June 2008 – July 2009)

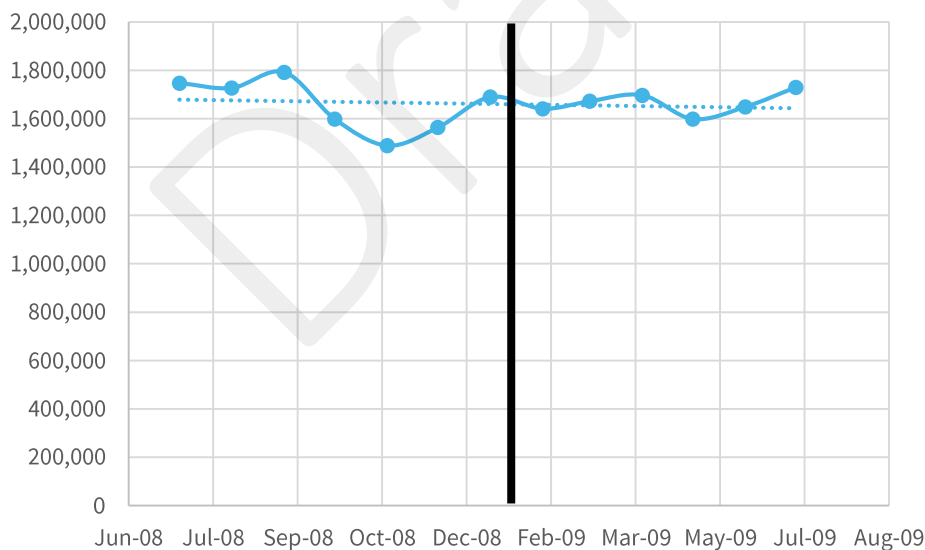


Figure 5 shows the LYNX ridership classified by specific fare media. Figure 6 presents the monthly ridership trend by fare media from June 2008 to July 2009.

- Cash and single ride “full fare” is still the most common fare medium used; its use decreased in FY 2010, from 7,811,389 in 2009 to 7,545,197 in 2010. The decrease occurred following the fare change in January 2009. While some increase occurred in the use of the cash fare media

beginning in FY 2011, the cash fare began to decrease again in FY 2014 consistent with the overall negative trend in ridership on the system, but began trend upwards in FY 2015.

- Adult 30-Day Pass usage increased after the 2009 fare increase, from 30.9 percent of ridership purchasing the pass to 31.7 percent of the ridership choosing the 30-Day pass in FY 2010. Following the peak in 30-Day pass usage, the use of this pass began trending downward beginning in FY 2012.
- Since FY 2012, the percentage of usage for the Day Pass and the 7-Day Pass has experienced only small fluctuations.

Figure 5: Ridership by Fare Medium

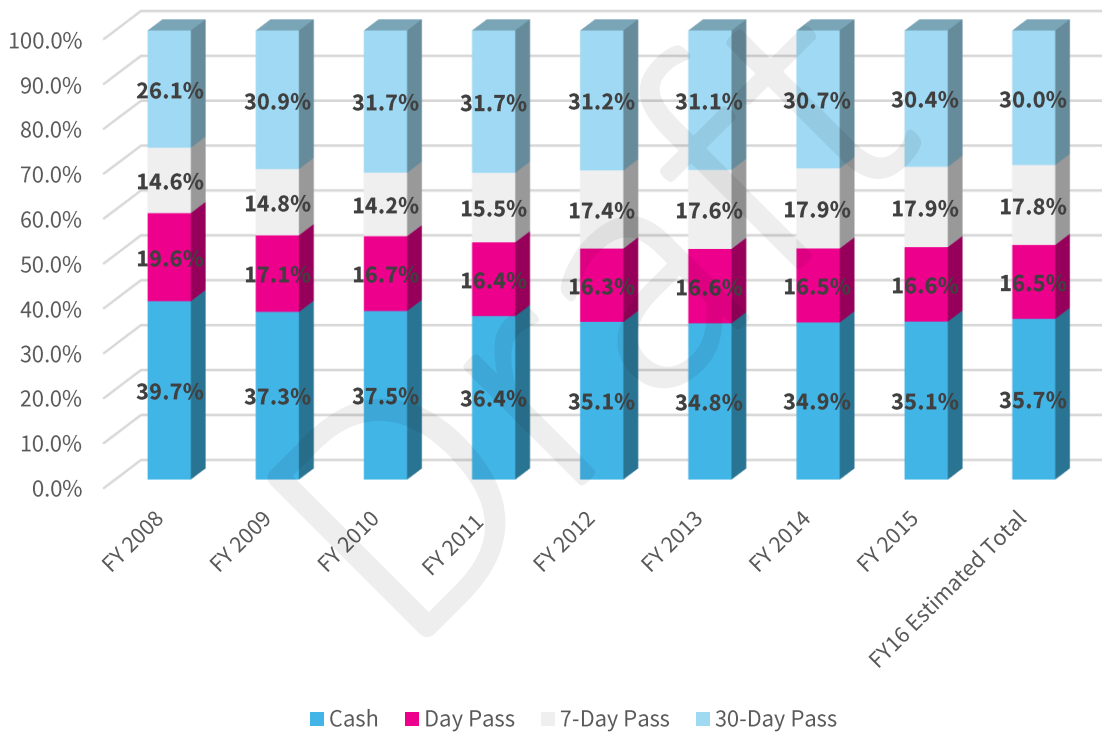


Figure 6: Ridership Trend by Fare Medium (June 2008 – July 2009)

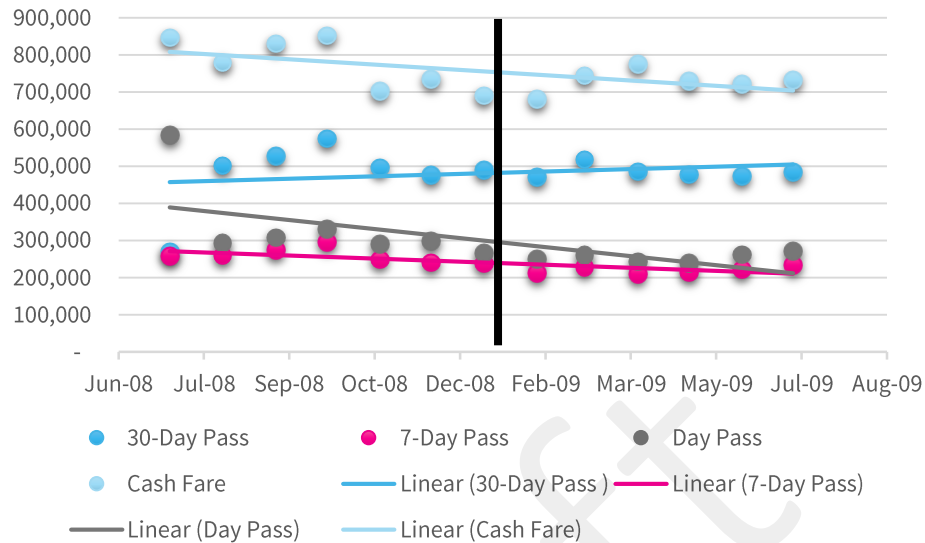


Figure 7 presents the revenue collected from each fare medium. Figure 8 shows the revenue by fare medium monthly from June 2008 to July 2009.

- Despite the percentage of revenue for cash fares remaining consistent from 2009 to 2010, the revenue from full fares experienced a slight increase from \$11,492,847 in 2009 to \$11,998,569 in 2010, an increase of four percent.
- Revenue from cash fares continued to increase from 2009 to \$14,831,618 in 2013, an overall increase of 29 percent before beginning to decline consistent with ridership trends.
- Following the fare increase in 2009, the percentage of Day Pass revenue was relatively constant with only minor increases.
- The percentage of 7-Day Pass revenue has increased since FY 2011, but is expected to decrease in FY 2016 based on the projection.
- The percentage of 30-Day Pass revenue increased in FY 2011 and has remained consistent until FY 2015 when the revenue collected for that media experienced a small decline.

Figure 7: Revenue by Fare Medium

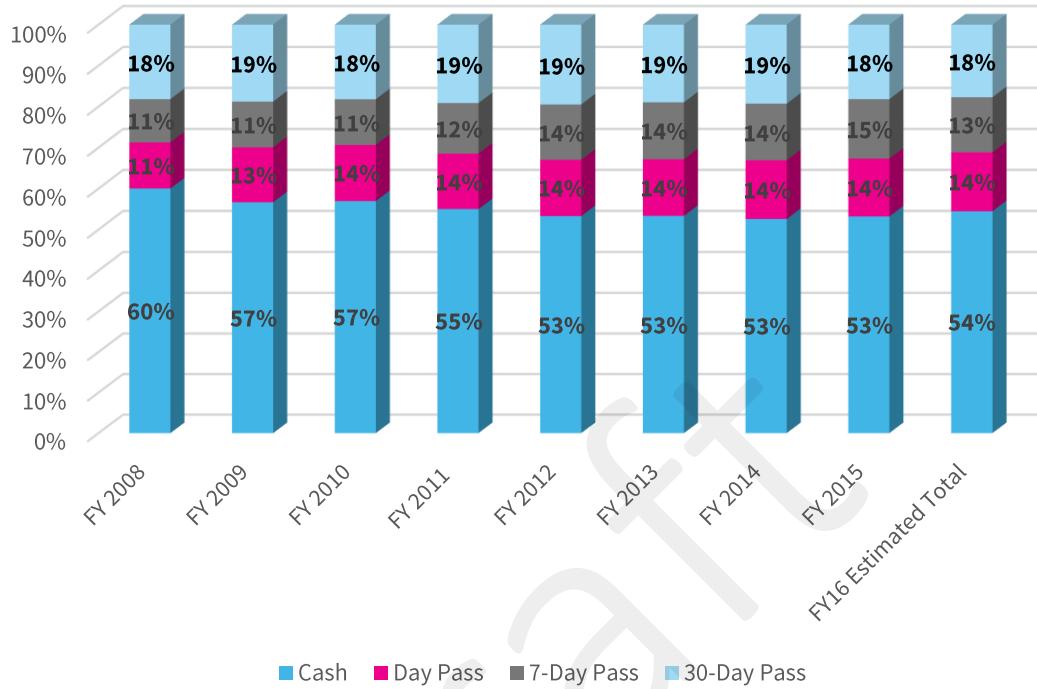


Figure 8: Revenue Trend by Fare Medium (June 2008 – July 2009)

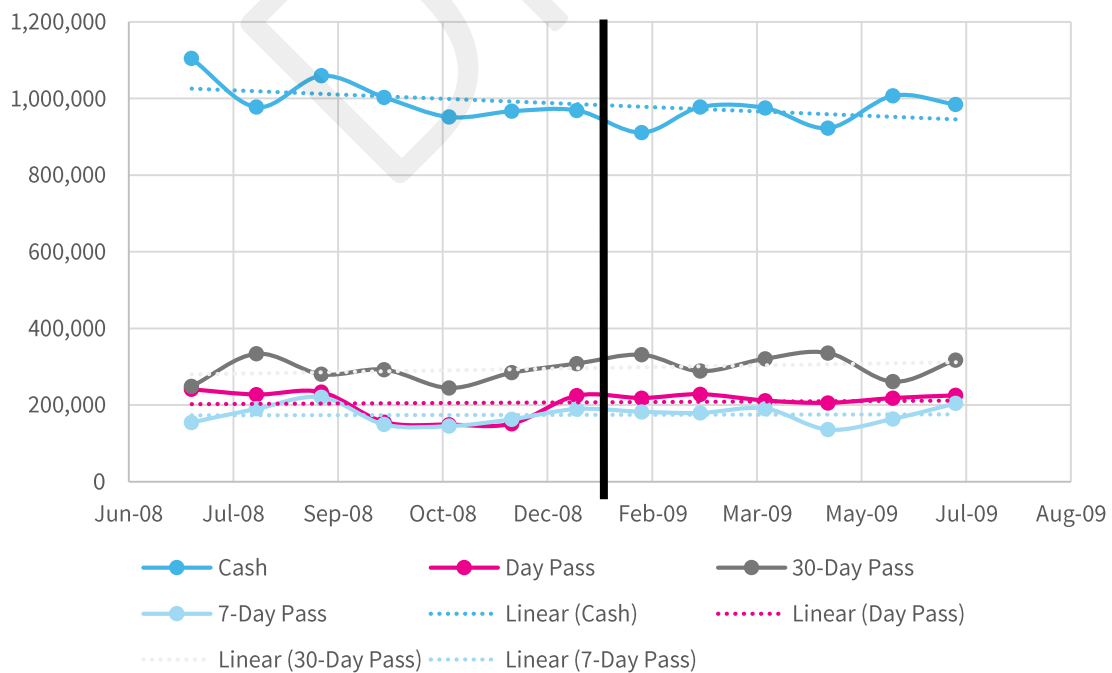
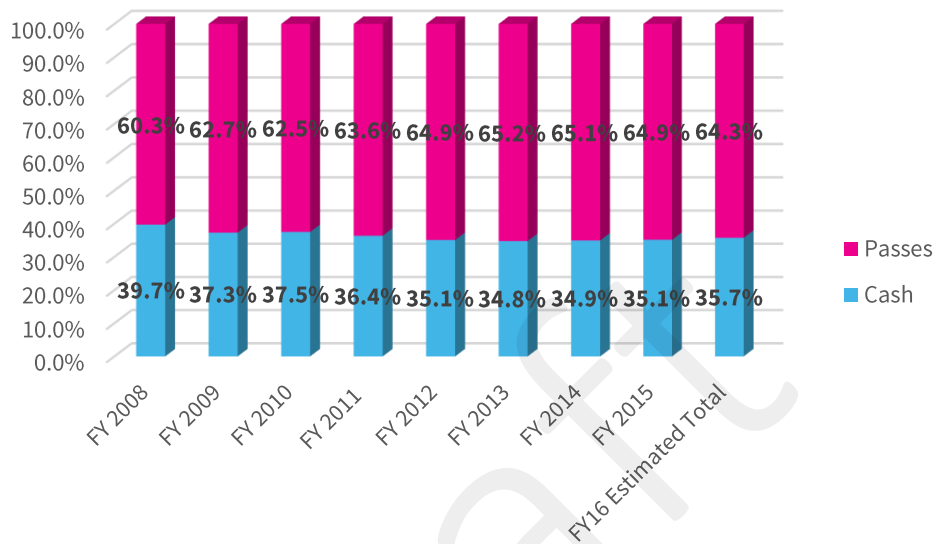


Figure 9 shows the proportion of pass trips to cash trips for 2008 through estimated projections for 2016. The table shows the fluctuations in usage following the 2009 fare increase.

Figure 9: Proportion of Pass to Cash Usage



LYNX Transfer Policy Assessment

Figure 10 shows the trend in transfer use following the FY 2009 fare change. Figure 11 presents the monthly trends in transfer usage from June 2008 to July 2009.

- Prior to 2008 and following the fare change, the trend in transfer use was upward.
- From FY 2014 to FY 2015, transfers decreased from 3,424,535 to 3,411,514, an overall decrease of 0.4 percent. The number of transfers is expected to decrease by seven percent from FY 2015 based on the FY 2016 estimates. The decrease in the number of passengers transferring is consistent with the decline in ridership that LYNX has experienced beginning in FY 2014.

Figure 10: Trends in Transfer Usage (FY 2009-FY 2016 Estimated)

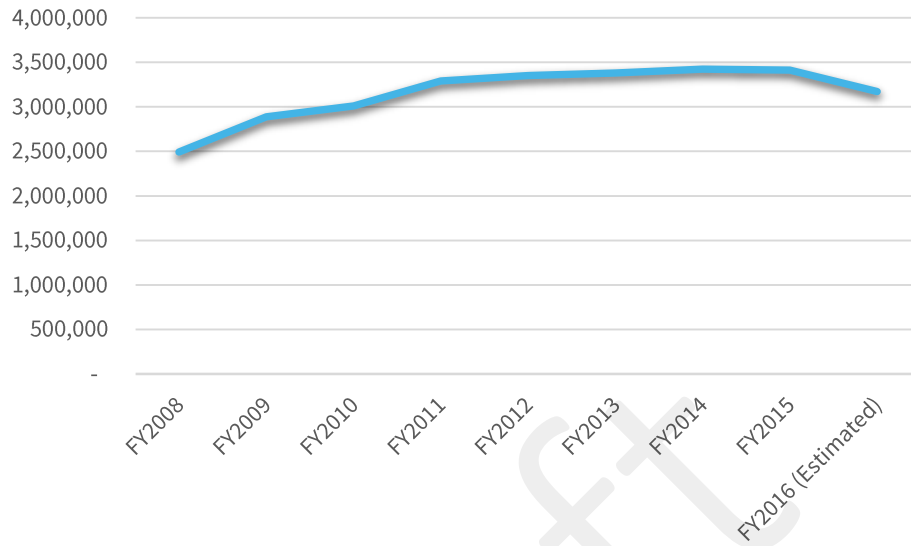


Figure 11: Transfer Trend (June 2008 – July 2009)

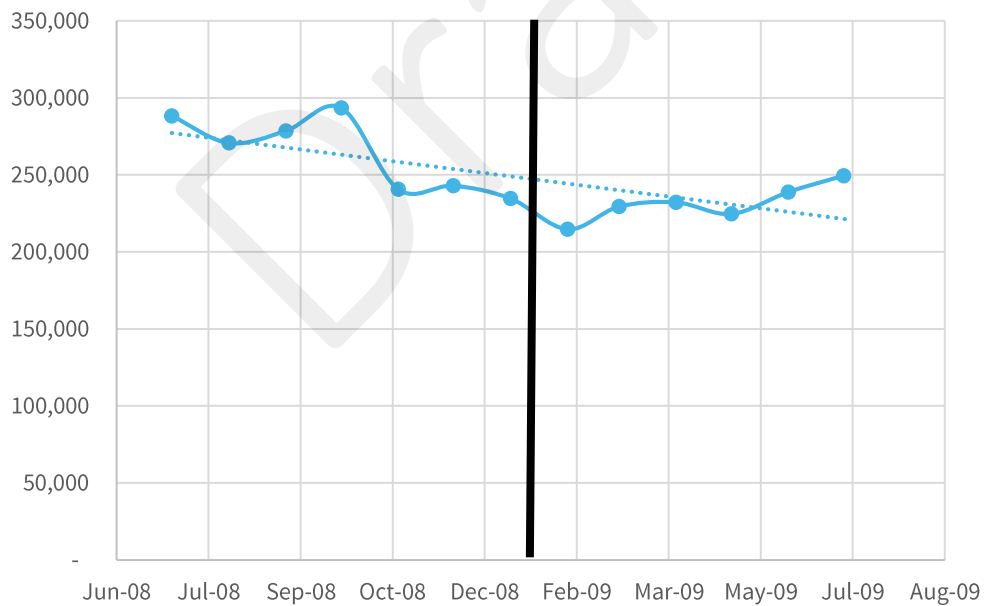
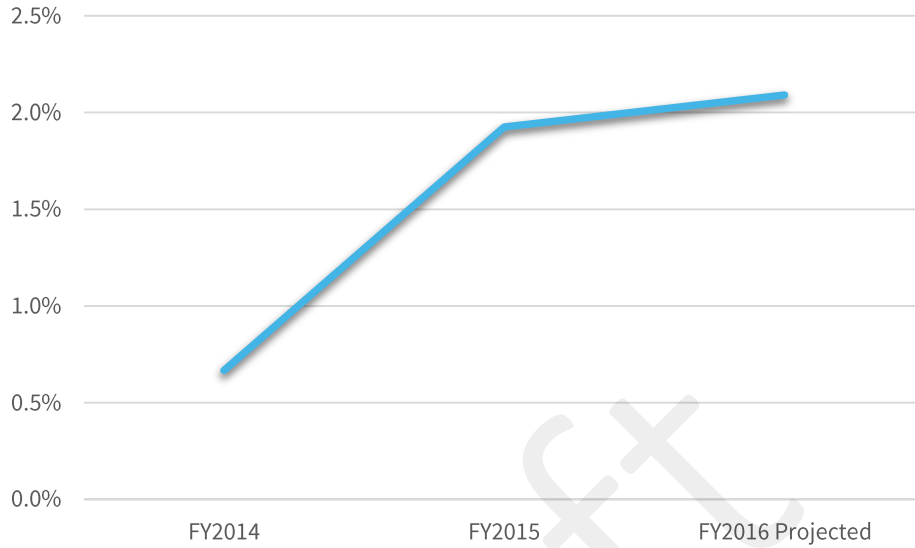


Figure 12 shows the percentage of LYNX transfers that are attributable to SunRail passengers using the LYNX system. As shown in the figure, the number of transfers has increased from 0.7 percent in FY 2014, a partial year of service, to 2.1 percent estimated for FY 2016. This indicates that passengers from the SunRail system represent a small amount of the overall LYNX transfers.

Figure 12: Transfers from SunRail to LYNX



Demographic Analysis

A review of Orange, Osceola, and Seminole County demographic data was performed to account for the impact of changes in the make-up of the county population on fare usage and trends. Figure 13 presents the population projections for 2015 through 2017 based on the University of Florida Bureau of Economic and Business Research (BEBR) medium projections. As shown in the figure, Orange, Osceola, and Seminole County will experience an upward trend in population from 2015 to 2017, at 5 percent, 8 percent, and 3 percent, respectively.

Figure 13: Orange, Osceola, and Seminole County Population

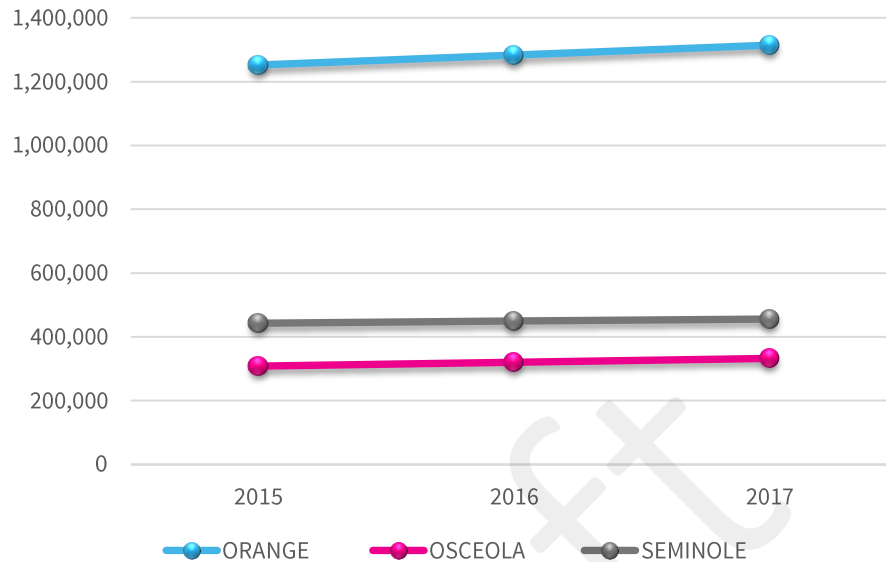
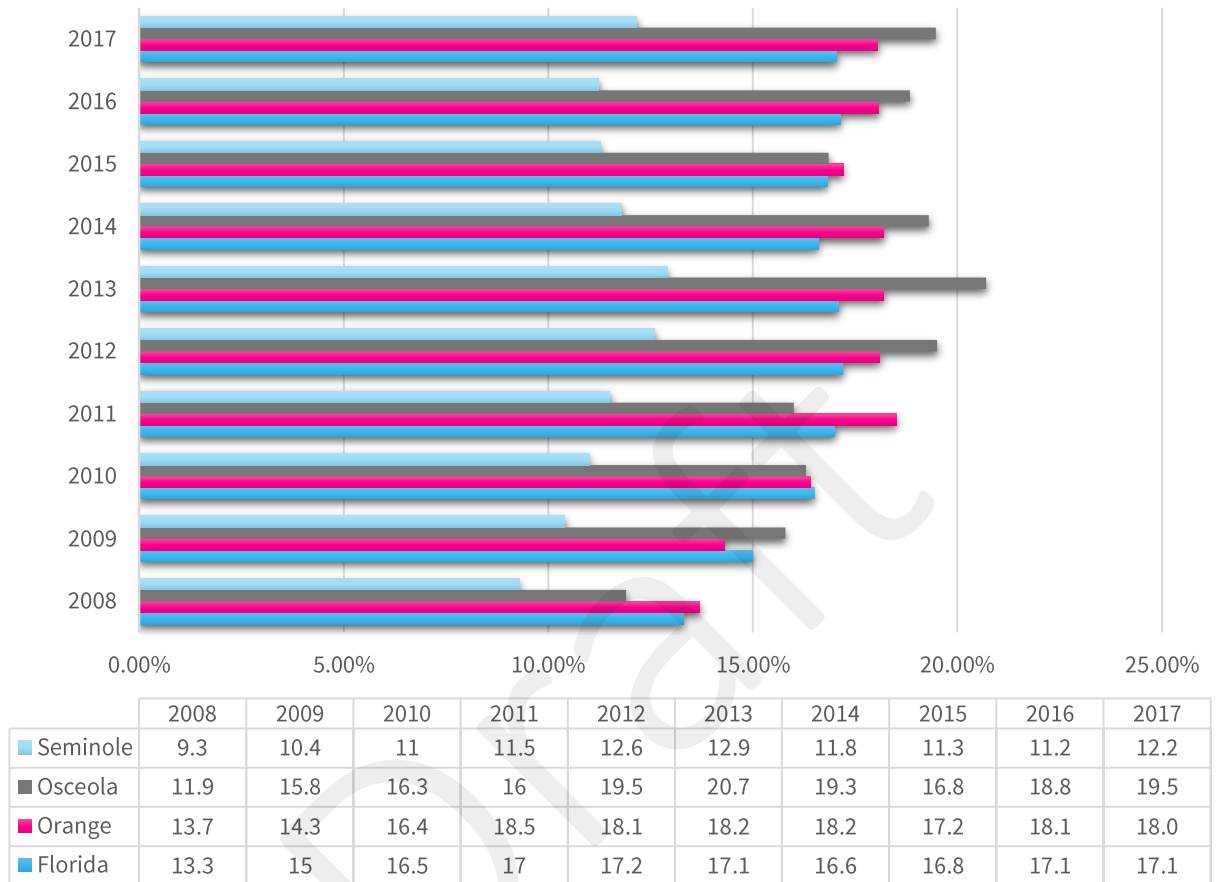


Figure 14 presents poverty levels from 2008 to 2017. Poverty levels shown for 2015 through 2017 are projected not reported by the U.S. Census. Poverty levels are defined by income levels that, depending on family or household size, describe a family or household as being in extreme want of necessities. Poverty thresholds are adjusted annually. Poverty level is one of the demographic characteristics used to identify the transit dependent population.

As shown in the figure, poverty levels were trending upward until 2014 when the levels began to decline in all geographic areas reviewed. This trend is consistent with the decline in LYNX’s ridership.

Figure 14: Orange, Osceola, and Seminole County Poverty Levels



Peer Review

A comparative analysis of similar transit systems to LYNX was performed to assist in determining the appropriateness of specific fare policies, fare structures, and fares. A peer review is a common tool used by transit agencies to compare and evaluate transit systems operating within a similar operating environment or that might share other similar system characteristics. For the LYNX fare policy peer review, peer systems were selected to include Florida transit systems and systems that were reviewed during previous fare evaluations for consistency.

Information on fare policy and fare structure issues was collected either directly from the transit agency’s website or by contacting each agency’s public information telephone line. Table 8 summarizes the fare structure, fares, and transfer policies for each of the peer transit agencies. Of the 34 peer systems reviewed, six are charging a \$2.00 fare consistent with LYNX’s existing fare and four are charging more than \$2.00. One system in Florida is operating with a free fare.

Table 8: Peer Comparison of Cash and Pass Fares

County	Transit System	Current Base Fare	All-Day Pass	Multi Ride (Rides/ Fare)	7-Day Pass	Monthly / 30- or 31-Day Pass	Allow Free or Reduced Transfers (Y/N)	Transfer Fare
Orange	LYNX	\$2.00	\$4.50		\$16.00	\$50.00 ²	Y	Free
Miami-Dade	Miami-Dade Transit ³	\$2.25	\$5.65		\$29.25	\$75.00	Y	Mode Specific
Hillsborough	Hillsborough Area Regional Transit ^{5,6}	\$2.00	\$4.00		-	\$65.00	N	
Pinellas	Pinellas Suncoast Transit Authority	\$2.25	\$5.00		\$25.00	\$70.00	N	
Palm Beach	PalmTran ⁵	\$2.00	\$5.00			\$70.00	N	
Broward	Broward County Transit ⁵	\$2.00	\$5.00	10 Rides/\$20.00	\$20.00	\$70.00	Y	Agency/Mode Specific
Anaheim, CA	Orange County Transit Authority	\$2.00	\$4.50	5 Rides/\$9.00	\$25.00	\$69.00	N	
Hampton Roads, VA	Hampton Roads Transit	\$1.75	\$4.00		\$20.00	\$60.00	N	
Charleston, SC	Charleston Area Regional Transportation Authority	\$2.00	\$7.00	10 Rides/\$16.00		\$57.00	Y	\$0.50
Charlotte, NC	Charlotte Area Transit System	\$2.20	\$6.60	10 Rides/\$18.70	\$22.00	\$88.00	Y	Mode Specific
Austin, TX	Capital Metro	\$1.25	\$2.50		\$11.25	\$41.25	N	
Denver, CO	Regional Transportation District	\$2.60	\$5.20	10 Rides/\$23.50		\$99.00	Y	Free

County	Transit System	Current Base Fare	All-Day Pass	Multi Ride (Rides/ Fare)	7-Day Pass	Monthly / 30- or 31-Day Pass	Allow Free or Reduced Transfers (Y/N)	Transfer Fare
Duval	Jacksonville Transportation Authority ⁴	\$1.50	\$4.00		\$16.00	\$50.00	N	Full Fare
Lee	LeeTran ⁵	\$1.50	\$4.00	12 Rides/\$13.50	\$15.00	\$40.00	N	Full Fare
Polk	Winter Haven Area Transit	\$1.50	\$3.00		\$12.00	\$47.00	Y	Free
Polk	Lakeland Area Mass Transit/Citrus Connection	\$1.50	\$3.00		\$12.00	\$47.00	Y	Free
Brevard	Space Coast Area Transit	\$1.50	-	10 Rides/\$12.00	-	\$42.00	Y	Free
Volusia	Votran	\$1.75	\$3.75	10 Rides/\$16.50	\$13.00	\$46.00	N	
Pasco	Pasco County Public Transportation	\$1.50	\$3.75	20 Rides/\$25.00	-	\$37.50	N	
Sarasota	Sarasota County Area Transit ⁵	\$1.25	\$4.00		\$20.00	\$50.00	N	
Collier	Collier Area Transit	\$1.50	\$4.00		\$15.00	\$35.00	Y	\$0.75
Marion	Suntran	\$1.50				\$45.00	Y	Free
Escambia	Escambia County Area Transit	\$1.75		20 Rides/\$29.00	\$14.50	\$47.00	Y	Free
Manatee	Manatee County Area Transit	\$1.50	\$4.00		\$12.00	\$40.00	Y	Free
Lake	LakeXpress	\$1.00	\$3.00	10 Rides/\$8.00		\$30.00	Y	Free

County	Transit System	Current Base Fare	All-Day Pass	Multi Ride (Rides/ Fare)	7-Day Pass	Monthly / 30- or 31-Day Pass	Allow Free or Reduced Transfers (Y/N)	Transfer Fare
Leon	StarMetro	\$1.25	\$3.00		\$10.00	\$38.00	Y	Free
St. Lucie	Community Transit	\$2.00	\$5.00	10 Rides/\$14.00		\$50.00	N	
Alachua	Regional Transit System	\$1.50	\$3.00		-	\$35.00	N	
Okaloosa	The Wave	\$1.50				\$30.00	Y	Free
Clay	Clay Transit	\$1.00				\$25.00		
Bay	Bay Town Trolley	\$1.50	\$4.00			\$35.00	Y	\$0.25
St. Johns	The Sunshine Bus	\$1.00	\$3.00			\$30.00		
Hernando	The Bus	\$1.25	\$1.50	12 Rides/\$10.00 & 18 Rides/\$15.00	-	\$25.00	Y	\$0.50
Martin	Community Coach	\$1.00	-	10 Rides/\$7.00	-	\$25.00	N	
Indian River	Indian River Transit	Free					Y	Free

¹Fare Pass information is based on information obtained from agency websites and customer service.

²LYNX offers a 30-day rolling pass.

³Miami-Dade Transit passes are interchangeable between bus and rail service.

⁴JTA passes are good for bus and Skyway service.

⁵LeeTran, Sarasota County Area Transit, PalmTran, and Broward County Transit will be implementing or are proposing fare increases within the next year. HART is considering a fare increase for FY 2009.

⁶HART does not provide interchangeable passes between bus and rail services.

⁷Information based on 2005 NTD Report.

⁸Children shorter than the farebox height ride free.

⁹These counties receive a portion of local option fuel tax revenues for federal and state grant match purposes.

¹⁰Transit agencies that do not allow for a free or reduced transfer fare charge the full base fare whenever passengers board a different vehicle.

Section 4: Determination of Elasticity

Elasticity Estimation for LYNX Ridership

In order to estimate the impact of fare increases on ridership, a fare elasticity analysis was completed for the LYNX system. The elasticities for full-fare ridership and overall ridership were estimated for the purposes of this report.

Background

Revenue miles were used as the proxy for level of service, employment as the regional demographic, the price of gasoline as the price of substitute modes, and the real fare as the price of transit for the full fare estimates and an average fare for the total ridership estimates. The fare data set used was from FY 2003 to April 2016. Some reclassification took place during 2008 which led to ridership numbers being reported differently, but not by a large amount. To ensure that the reclassification did not make the more recent data different from the original data (October 2002-June 2008), a post-2008 dummy variable was used.

Summary

In the professional opinion of the analyst for this exercise, Dr. Brad Kamp, a statistician and professor of Economics at the University of South Florida, the average of the level and log models for fare and revenue data for the period of FY 2003 – FY 2016 with a dummy variable is preferred and results in the best elasticity estimates for LYNX' use. Therefore, it is recommended that a full-fare ridership elasticity of -0.37 is used and that for all fares increased by roughly the same percent, the elasticity on total ridership would be in the range of -0.30 to -0.37. However, if the fare increase is not fairly equal across the board, the drop in ridership may be somewhat less than what an elasticity of -0.35 would predict dependent on the variation of the inequality and could fall in a range up to -0.4.

The NeighborLink service operates with the same fare as the fixed-route service. Using a similar regression for NeighborLink, full fare, and total ridership, NeighborLink was slightly more elastic than the full fare. It is estimated that the demand for NeighborLink is not different from the full fare ridership.

Section 5: Alternative Fare Structure and Fare Revenue Gains



Section 5: Alternative Fare Structure and Fare Revenue Gains

To review the impact of a fare increase, four initial ridership alternatives were developed to analyze the impact of the potential fare adjustment. Additionally, the same four ridership scenarios were run with a fare structure that included higher pass pricing to determine the revenue impact. The ridership and revenue alternatives are further described below.

- No Growth in Ridership – Ridership remains static with no growth. This scenario utilizes the FY 2016 projected ridership statistics to estimate revenues for FY 2017.
- Elastic Ridership - Ridership changes as a result of the fare increase. This scenario utilizes a demand elasticity factor to measure the decline in ridership due to the proposed increase in fares.
- Decline in Ridership – The decline in ridership scenario is based on the declining ridership experienced by LYNX after the FY 2009 fare change and the average percentage decline in ridership when reviewing the FY 2015 actual and the FY 2016 projected ridership levels.
- Gas Price Increase-Based Growth in Ridership – Ridership growth was evident in FY 2010 through FY 2013 after the 2009 fare increase leading to an average growth; however, taking into account the current decline in ridership since FY 2014, the change in ridership between the FY 2016 projected ridership and the FY 2010 ridership increase was equivalent to approximately 3 percent. With the increase estimated in population and those in poverty, coupled with uncertain gas pricing, the 3 percent increase in ridership was utilized as the growth scenario.

The proposed fare alternatives were analyzed in order to find the total revenue and ridership gain or loss for each scenario. Table 9 illustrates the existing base fare alternative using the model in order to provide controlled totals for fare revenue and ridership. Tables 10 through 13 provide the analysis assuming static (no growth in ridership), elastic ridership (passenger price sensitivity), declining ridership and growth in ridership based on gas price increases. Tables 14 through 17 provide the analysis for the same ridership scenarios but assuming higher pass pricing. Table 18 provides a summary of the pass pricing discounts based on the trip assumptions for pass usage. Assumptions that are made to complete these revenue scenario alternatives include:

- LYNX has indicated that the new fare structure may be implemented in January 2017. Twelve-month estimated revenue totals in Tables 9 through 14 include the estimated fare revenue to be collected over the nine-month period in FY 2017, from January to September 2017, when the new fare structure will be in place, and the three-month period in FY 2017 from October to December 2016 with the existing fare structure.
- The number of times a pass is used is the current ridership divided by the resulting solution to the current revenue divided by the current fare.

- The number of passes purchased is the current ridership divided by the number of times an individual pass is used.
- The final revenue is the number of purchased passes multiplied by the future fare.
- The transfer policy will remain the same and, as such, transfers will remain free when transferring between similar services, such as transferring from one local Link to another local Link, or from a premium service to a lesser service.
- Discounted fares include fares and passes for seniors (AdvantAge), Youth, and Income Qualified.
- Short fare remains the same regardless of the fare increase, but changes based on ridership increases and decreases.
- The unclassified category includes revenue that was not reported in a specific fare category and fares that do not have a specific ridership figure associated with them based on FY 2016 projections.
- The miscellaneous ridership category includes free riders, such as persons with visual impairments, LYNX employees, and children below the age of 6 riding with an adult. Miscellaneous riders experience the same rate of change as full-fare riders when ridership grows or is elastic.

Additional revenue scenarios were run to determine the fare revenue and impact of a higher base fare. Those scenarios are included in Appendix B as supplemental information. Additional performance and service supplied data is included in Appendix C as supplemental information. Based on Alternative 4 producing adequate fare revenue, the evaluation of other system fare pricing, and the initial public input expressing that the majority of passengers could not afford an additional increase the higher-rate base fare scenarios were not recommended.

Table 9: Base Fare Validation

Fare Type	2016 Current Fare	2016 Base Ridership	2016 Purchased Media	Times Media Used	FY2016 Base Revenue
Full Fare	\$2.00	6,415,282	6,415,282	1.00	\$12,830,564
Discount Fare	\$1.00	814,214	814,214	1.00	\$814,214
Transfers	\$0.00	3,173,911	3,173,911	1.00	\$0
Daily	\$4.50	2,540,433	574,759	4.42	\$2,586,414
Discount Daily	\$2.25	868,092	164,411	5.28	\$369,926
7-Day	\$16.00	3,356,235	126,938	26.44	\$2,031,005
Discount 7-Day	\$8.00	335,088	18,084	18.53	\$144,668
30-Day	\$50.00	4,525,366	77,436	58.44	\$3,871,806
Discount 30-Day	\$25.00	1,678,267	27,841	60.28	\$696,030
Short Fare	N/A	168,732	168,732	1.00	(\$47,801)
Unclassified	N/A	N/A	N/A	N/A	\$1,517,401
Adjustment	N/A	N/A	N/A	N/A	(\$149,172)
Misc. Riders	N/A	1,960,481	N/A	N/A	\$0
Total Jan '16 - Sept '16		25,836,101			\$18,498,790
Total Oct '15 - Dec. '15					\$6,166,263
Total FY 2016					\$24,665,053

Table 10: Alternative 1 - \$2.25 Static Ridership (Maintain Pass Discount)

Fare Type	Proposed Fare	Current Fare	Current Ridership	Purchased Media	Times Media Used	2017 Revenue
Full Fare	\$2.25	\$2.00	6,415,282	6,415,282	1.00	\$14,434,385
Discount Fare	\$1.10	\$1.00	814,214	814,214	1.00	\$895,635
Transfers	\$0.00	\$0.00	3,173,911	3,173,911	1.00	\$0
Daily	\$5.00	\$4.50	2,540,433	574,759	4.42	\$2,873,793
Discount Daily	\$2.50	\$2.25	868,092	164,411	5.28	\$411,028
7-Day	\$18.00	\$16.00	3,356,235	126,938	26.44	\$2,284,880
Discount 7-Day	\$9.00	\$8.00	335,088	18,084	18.53	\$162,752
30-Day	\$55.00	\$50.00	4,525,366	77,436	58.44	\$4,258,986
Discount 30-Day	\$27.50	\$25.00	1,678,267	27,841	60.28	\$765,633
Short Fare	N/A	\$0.00	168,732	168,732	1.00	(\$47,801)
Unclassified	N/A	N/A	N/A	N/A	N/A	\$1,695,661
Adjustment	N/A	N/A	N/A	N/A	N/A	(\$166,697)
Misc. Riders	N/A	N/A	1,960,481	N/A	N/A	\$0
Total Jan. '17 - Sept. '17			25,836,101			\$20,676,192
Total Oct. '16 - Dec. '16						\$5,836,156
Total FY 2017						\$26,512,348

Table 11: Alternative 1 - \$2.25 Elastic Ridership (Maintain Pass Discount)

Fare Type	Proposed Fare	Current Fare	Current Ridership	2017 Ridership	Purchased Media	Times Media Used	2017 Revenue
Full Fare	\$2.25	\$2.00	6,415,282	6,141,710	6,141,710	1.00	\$13,818,848
Discount Fare	\$1.10	\$1.00	814,214	786,001	786,001	1.00	\$864,601
Transfers	\$0.00	\$0.00	3,173,911	3,038,563	3,038,563	1.00	\$0
Daily	\$5.00	\$4.50	2,540,433	2,443,304	552,784	4.42	\$2,763,918
Discount Daily	\$2.50	\$2.25	868,092	834,902	158,125	5.28	\$395,313
7-Day	\$18.00	\$16.00	3,356,235	3,213,112	121,525	26.44	\$2,187,444
Discount 7-Day	\$9.00	\$8.00	335,088	320,799	17,312	18.53	\$155,812
30-Day	\$55.00	\$50.00	4,525,366	4,368,561	74,753	58.44	\$4,111,411
Discount 30-Day	\$27.50	\$25.00	1,678,267	1,620,115	26,876	60.28	\$739,103
Short Fare	N/A	N/A	168,732	161,537	161,537	1.00	(\$45,762)
Unclassified	N/A	N/A	N/A	N/A	N/A	N/A	\$1,627,369
Adjustment	N/A	N/A	N/A	N/A	N/A	N/A	(\$159,983)
Misc. Riders	N/A	N/A	1,960,481	1,876,879	N/A	N/A	\$0
Total Jan. '17 - Sept. '17			25,836,101	24,805,483			\$19,843,557
Total Oct. '16 - Dec. '16							\$5,836,156
Total FY 2017							\$25,679,713

Table 12: Alternative 1 - \$2.25 Declining Ridership Trend (Maintain Pass Discount)

Fare Type	Proposed Fare	Current Fare	Current Ridership	2017 Ridership	Purchased Media	Times Media Used	2017 Revenue
Full Fare	\$2.25	\$2.00	6,415,282	5,998,289	5,998,289	1.00	\$13,496,150
Discount Fare	\$1.10	\$1.00	814,214	761,290	761,290	1.00	\$837,419
Transfers	\$0.00	\$0.00	3,173,911	2,967,607	2,967,607	1.00	\$0
Daily	\$5.00	\$4.50	2,540,433	2,375,305	537,399	4.42	\$2,686,996
Discount Daily	\$2.50	\$2.25	868,092	811,666	153,725	5.28	\$384,312
7-Day	\$18.00	\$16.00	3,356,235	3,138,080	118,687	26.44	\$2,136,363
Discount 7-Day	\$9.00	\$8.00	335,088	313,307	16,908	18.53	\$152,173
30-Day	\$55.00	\$50.00	4,525,366	4,231,217	72,403	58.44	\$3,982,152
Discount 30-Day	\$27.50	\$25.00	1,678,267	1,569,180	26,032	60.28	\$715,867
Short Fare	N/A	N/A	168,732	157,764	157,764	1.00	(\$3,107)
Unclassified	N/A	N/A	N/A	N/A	N/A	N/A	\$1,585,443
Adjustment	N/A	N/A	N/A	N/A	N/A	N/A	(\$155,861)
Misc. Riders	N/A	N/A	1,960,481	127,431	N/A	N/A	\$0
Total Jan. '17 - Sept. '17			25,836,101	22,451,136			\$19,363,429
Total Oct. '16 - Dec. '16							\$5,836,156
Total FY 2017							\$25,199,586

Table 13: Alternative 1 - \$2.25 Gas Increase-Based Growth in Ridership (Maintain Pass Discount)

Fare Type	Proposed Fare	Current Fare	Current Ridership	2017 Ridership	Purchased Media	Times Media Used	2017 Revenue
Full Fare	\$2.25	\$2.00	6,415,282	6,607,740	6,607,740	1.00	\$14,867,416
Discount Fare	\$1.10	\$1.00	814,214	838,640	838,640	1.00	\$922,504
Transfers	\$0.00	\$0.00	3,173,911	3,269,128	3,269,128	1.00	\$0
Daily	\$5.00	\$4.50	2,540,433	2,616,646	592,001	4.42	\$2,960,007
Discount Daily	\$2.50	\$2.25	868,092	894,135	169,344	5.28	\$423,359
7-Day	\$18.00	\$16.00	3,356,235	3,456,922	130,746	26.44	\$2,353,427
Discount 7-Day	\$9.00	\$8.00	335,088	345,141	18,626	18.53	\$167,634
30-Day	\$55.00	\$50.00	4,525,366	4,661,127	79,759	58.44	\$4,386,756
Discount 30-Day	\$27.50	\$25.00	1,678,267	1,728,615	28,676	60.28	\$788,602
Short Fare	N/A	N/A	168,732	173,794	173,794	1.00	(\$49,235)
Unclassified	N/A	N/A	N/A	N/A	N/A	N/A	\$1,746,531
Adjustment	N/A	N/A	N/A	N/A	N/A	N/A	(\$171,697)
Misc. Riders	N/A	N/A	1,960,481	2,019,295	N/A	N/A	\$0
Total Jan. '17 - Sept. '17			25,836,101	26,611,184			\$21,296,478
Total Oct. '16 - Dec. '16							\$5,836,156
Total FY 2017							\$27,132,634

Table 14: Alternative 2 - \$2.25 Static Ridership (Reduce Pass Discount)

Fare Type	Proposed Fare	Current Fare	Current Ridership	Purchased Media	Times Media Used	2017 Revenue
Full Fare	\$2.25	\$2.00	6,415,282	6,415,282	1.00	\$14,434,385
Discount Fare	\$1.10	\$1.00	814,214	814,214	1.00	\$895,635
Transfers	\$0.00	\$0.00	3,173,911	3,173,911	1.00	\$0
Daily	\$5.50	\$4.50	2,540,433	574,759	4.42	\$3,161,172
Discount Daily	\$2.75	\$2.25	868,092	164,411	5.28	\$452,131
7-Day	\$20.00	\$16.00	3,356,235	126,938	26.44	\$2,538,756
Discount 7-Day	\$10.00	\$8.00	335,088	18,084	18.53	\$180,835
30-Day	\$60.00	\$50.00	4,525,366	77,436	58.44	\$4,646,167
Discount 30-Day	\$30.00	\$25.00	1,678,267	27,841	60.28	\$835,236
Short Fare	N/A	\$0.00	168,732	168,732	1.00	(\$47,801)
Unclassified	N/A	N/A	N/A	N/A	N/A	\$1,764,381
Adjustment	N/A	N/A	N/A	N/A	N/A	(\$173,452)
Misc. Riders	N/A	N/A	1,960,481	N/A	N/A	\$0
Total Jan. '17 - Sept. '17			25,836,101			\$21,515,583
Total Oct. '16 - Dec. '16						\$5,836,156
Total FY 2017						\$27,351,740

Table 15: Alternative 2 - \$2.25 Elastic Ridership (Reduce Pass Discount)

Fare Type	Proposed Fare	Current Fare	Current Ridership	2017 Ridership	Purchased Media	Times Media Used	2017 Revenue
Full Fare	\$2.25	\$2.00	6,415,282	6,141,710	6,141,710	1.00	\$13,818,848
Discount Fare	\$1.10	\$1.00	814,214	786,001	786,001	1.00	\$864,601
Transfers	\$0.00	\$0.00	3,173,911	3,038,563	3,038,563	1.00	\$0
Daily	\$5.50	\$4.50	2,540,433	2,358,643	533,630	4.42	\$2,934,963
Discount Daily	\$2.75	\$2.25	868,092	805,972	152,646	5.28	\$419,777
7-Day	\$20.00	\$16.00	3,356,235	3,090,265	116,878	26.44	\$2,337,568
Discount 7-Day	\$10.00	\$8.00	335,088	308,533	16,650	18.53	\$166,505
30-Day	\$60.00	\$50.00	4,525,366	4,230,159	72,385	58.44	\$4,343,079
Discount 30-Day	\$30.00	\$25.00	1,678,267	1,568,787	26,025	60.28	\$780,750
Short Fare	N/A	N/A	168,732	161,537	161,537	1.00	(\$45,762)
Unclassified	N/A	N/A	N/A	N/A	N/A	N/A	\$1,668,296
Adjustment	N/A	N/A	N/A	N/A	N/A	N/A	(\$164,006)
Misc. Riders	N/A	N/A	1,960,481	1,876,879	N/A	N/A	\$0
Total Jan. '17 - Sept. '17			25,836,101	24,367,049			\$20,343,464
Total Oct. '16 - Dec. '16							\$5,836,156
Total FY 2017							\$26,179,620

Table 16: Alternative 2 - \$2.25 Declining Ridership Trend (Reduce Pass Discount)

Fare Type	Proposed Fare	Current Fare	Current Ridership	2017 Ridership	Purchased Media	Times Media Used	2017 Revenue
Full Fare	\$2.25	\$2.00	6,415,282	5,998,289	5,998,289	1.00	\$13,496,150
Discount Fare	\$1.10	\$1.00	814,214	761,290	761,290	1.00	\$837,419
Transfers	\$0.00	\$0.00	3,173,911	2,967,607	2,967,607	1.00	\$0
Daily	\$5.50	\$4.50	2,540,433	2,375,305	537,399	4.42	\$2,955,696
Discount Daily	\$2.75	\$2.25	868,092	811,666	153,725	5.28	\$422,743
7-Day	\$20.00	\$16.00	3,356,235	3,138,080	118,687	26.44	\$2,373,737
Discount 7-Day	\$10.00	\$8.00	335,088	313,307	16,908	18.53	\$169,081
30-Day	\$60.00	\$50.00	4,525,366	4,231,217	72,403	58.44	\$4,344,166
Discount 30-Day	\$30.00	\$25.00	1,678,267	1,569,180	26,032	60.28	\$780,945
Short Fare	N/A	N/A	168,732	157,764	157,764	1.00	(\$3,107)
Unclassified	N/A	N/A	N/A	N/A	N/A	N/A	\$1,649,696
Adjustment	N/A	N/A	N/A	N/A	N/A	N/A	(\$162,178)
Misc. Riders	N/A	N/A	1,960,481	127,431	N/A	N/A	\$0
Total Jan. '17 - Sept. '17			25,836,101	22,451,136			\$20,148,260
Total Oct. '16 - Dec. '16							\$5,836,156
Total FY 2017							\$25,984,417

Table 17: Alternative 2 - \$2.25 Gas Increase-Based Growth in Ridership (Reduce Pass Discount)

Fare Type	Proposed Fare	Current Fare	Current Ridership	2017 Ridership	Purchased Media	Times Media Used	2017 Revenue
Full Fare	\$2.25	\$2.00	6,415,282	6,607,740	6,607,740	1.00	\$14,867,416
Discount Fare	\$1.10	\$1.00	814,214	838,640	838,640	1.00	\$922,504
Transfers	\$0.00	\$0.00	3,173,911	3,269,128	3,269,128	1.00	\$0
Daily	\$5.50	\$4.50	2,540,433	2,616,646	592,001	4.42	\$3,256,007
Discount Daily	\$2.75	\$2.25	868,092	894,135	169,344	5.28	\$465,695
7-Day	\$20.00	\$16.00	3,356,235	3,456,922	130,746	26.44	\$2,614,918
Discount 7-Day	\$10.00	\$8.00	335,088	345,141	18,626	18.53	\$186,260
30-Day	\$60.00	\$50.00	4,525,366	4,661,127	79,759	58.44	\$4,785,552
Discount 30-Day	\$30.00	\$25.00	1,678,267	1,728,615	28,676	60.28	\$860,293
Short Fare	N/A	N/A	168,732	173,794	173,794	1.00	(\$49,235)
Unclassified	N/A	N/A	N/A	N/A	N/A	N/A	\$1,817,312
Adjustment	N/A	N/A	N/A	N/A	N/A	N/A	(\$178,656)
Misc. Riders	N/A	N/A	1,960,481	2,019,295	N/A	N/A	\$0
Total Jan. '17 - Sept. '17			25,836,101	26,611,184			\$22,161,051
Total Oct. '16 - Dec. '16							\$5,836,156
Total FY 2017							\$27,997,207

Table 18: Pass Pricing Trip Assumptions and Discount Levels

Fare Type	Trip Assumption	LYNX Previous FY2008	Trip Assumption x Base Fare	Minimum Trips to Obtain Pass Value	% Savings	LYNX Current	Trip Assumption x Base Fare	Minimum Trips to Obtain Value	% Savings
Base Fare	1	\$1.75	-	-	-	\$2.00	-	-	-
Daily	2	\$4.00	\$3.50	2.3	14%	\$4.50	\$4.00	2.3	-13%
Daily +	3	\$4.00	\$5.25	2.3	24%	\$4.50	\$6.00	2.3	25%
7 Day	10	\$14.00	\$17.50	8.0	20%	\$16.00	\$20.00	8.0	20%
Monthly	40	\$44.00	\$70.00	25.1	37%	\$50.00	\$80.00	25.0	38%
Fare Type	Trip Assumption	LYNX Current	Trip Assumption x Base Fare	Minimum Trips to Obtain Pass Value	% Savings	Base Fare of \$2.25 (Maintain Pass Pricing)	Trip Assumption x Base Fare	Minimum Trips to Obtain Value	% Savings
Base Fare	1	\$2.00	-	-	-	\$2.25	-	-	-
Daily	2	\$4.50	\$4.00	2.3	13%	\$5.00	\$4.50	2.2	-11%
Daily +	3	\$4.50	\$6.00	2.3	25%	\$5.00	\$6.75	2.2	26%
7 Day	10	\$16.00	\$20.00	8.0	20%	\$18.00	\$22.50	8.0	20%
Monthly	40	\$50.00	\$80.00	25.0	38%	\$56.00	\$90.00	24.9	38%
Fare Type	Trip Assumption	LYNX Current	Trip Assumption x Base Fare	Minimum Trips to Obtain Pass Value	% Savings	Base Fare of \$2.25 (Increase Pass Pricing)	Trip Assumption x Base Fare	Minimum Trips to Obtain Value	% Savings
Base Fare	1	\$2.00	-	-	-	\$2.25	-	-	-
Daily	2	\$4.50	\$4.00	2.3	13%	\$5.50	\$4.50	2.4	-22%
Daily +	3	\$4.50	\$6.00	2.3	25%	\$5.50	\$6.75	2.4	19%
7 Day	10	\$16.00	\$20.00	8.0	20%	\$20.00	\$22.50	8.9	11%
Monthly	40	\$50.00	\$80.00	25.0	38%	\$60.00	\$90.00	26.7	33%

Section 6: Recommendations

Recommended Fare Structure

Based on the analysis conducted and the fare revenue levels necessary to support LYNX' operations consistent with previous farebox recovery ratios (percent of fares covering cost of service), it is recommended that LYNX proceed with a base fare of \$2.25 and a pass structure that reduces the amount of savings for pass purchasers consistent with Alternative 2. It is projected that Alternative 2 will provide the FY 2017 revenue level, accounting for elasticity, to maintain budgetary customer fare percentages.

The NeighborLink fare structure is recommended to remain consistent with fixed-route service. Although this mode has some benefit through the reservation of a trip, the fare structure was initially implemented comparable to fixed-route. To identify the service as a premium mode at this point without adding any additional features, could lead to the higher elastic impact on ridership. Through previous surveying of NeighborLink passengers in August 2014, the premium nature of the service is reduced based on deviations to pick-up passengers which can increase travel times and make the service less convenient. During the surveying, it was noted that the passenger base varies based on the community in which the NeighborLink operates, but is primarily seniors, youth, and disabled persons accessing medical, shopping, employment, and educational locations. From recent surveying of LYNX passengers for the fare evaluation effort, the majority of passengers noted that they could not pay more for fares, which also supports maintaining the increase consistent with the fixed-route recommendation versus a higher increase for NeighborLink. Because the service is not strictly demand response, adding pricing consistent with paratransit service is not recommended.

Based on LYNX currently operating one express type service and the recommendation to reevaluate fares every three years, the fare structure for express service is not recommended to increase. The premium service fare structure is currently at a higher level that generates adequate fare revenue. Premium service option pricing must also be cognizant of recent competition with the availability of ride-sourcing and other modal options such as zip cars. At this time, it is not recommended that any change to the SunRail fare structure, as incorporated into the LYNX fare structure, occur. SunRail will need to assess if changes to their fare structure is warranted. Further coordination with SunRail and additional study would be necessary prior to a recommendation for SunRail fare structure changes. The proposed fare structure is presented below in Table 19.

Table 19: Recommended Fare Structure

Fare Type	Current Cash Fares	Proposed Cash Fares
Full Fare	\$2.00	\$2.25
Discount Cash Fare	\$1.00	\$1.10
Children (Age 6 and under)	Free	Free
Transfers	Free	Free
Express/Premium	\$3.50	\$3.50
Express/Premium Discount Fare	\$1.75	\$1.75
NeighborLink (NL)	\$2.00	\$2.25
NL Discount Fare	\$1.00	\$1.10
Shuttle	Determined Per Event	Determined Per Event
Pass Type	Current Pass Fare	Proposed Pass Fare
Daily	\$4.50	\$5.50
Discount Daily	\$2.25	\$2.75
7-Day	\$16.00	\$20.00
Discount 7-Day	\$8.00	\$10.00
30-Day	\$50.00	\$60.00
Discount 30-Day	\$25.00	\$30.00
NL Daily	\$4.50	\$5.50
NL Daily Discount	\$2.25	\$2.75
NL 7-Day	\$16.00	\$20.00
NL 7-Day Discount	\$8.00	\$10.00
NL 30-Day	\$50.00	\$60.00
NL 30-Day Discount	\$25.00	\$30.00
*Express/Premium Daily	\$6.50	\$6.50
*Express/Premium Daily Discount	\$3.25	\$3.25
*Express/Premium 7-Day	\$23.00	\$23.00
*Express/Premium 7-Day Discount	\$11.50	\$11.50
*Express/Premium 30-Day	\$70.00	\$70.00
*Express/Premium 30-Day Discount	\$35.00	\$35.00
ACCESS LYNX	Current Fare	Proposed Fare
ADA Fare (Inside ¾ mile radius)	\$4.00	\$4.50
ADA Fare (Outside ¾ mile radius)	\$7.00	\$7.50
<i>As authorized by the Local Coordinating Board</i>		
TD Fare – 0 to 4.99 Miles	\$2.50	\$3.50
TD Fare – 5 to 9.99 Miles	\$3.50	\$4.50
TD Fare – 10 Miles	\$4.50	\$5.50

Recommended Fare Policies

Transfers

Transfers are valid on the date issued and must be used by the purchasing rider within a specified time interval from when it was issued. The Chief Executive Officer, or designee, determines the appropriate time interval. Transfers cannot be used for stopovers or return travel.

Daily Pass

The daily pass is valid from 4:00 a.m. on the day of issuance until 3:00 a.m. the following day. The Chief Executive Officer, or designee, may make adjustments to the hours of validity as needed.

Discounted Fares and Passes

All Discounted Fare Riders must have a valid LYNX ID to purchase and use a discounted fare. Discounted fares and passes will be offered to the following riders:

- Disabled - Disabled riders shall be qualified for the AdvantAge Pass program based on reasonable and sufficient procedures and criteria established by the Chief Executive Officer and documented in LYNX Policy.
- Income Qualified - Income qualified riders shall be qualified for the AdvantAge Pass Program based on reasonable and sufficient procedures and criteria established by the Chief Executive Officer and documented in LYNX Policy.
- Seniors - Senior riders aged 65 and older shall be qualified for the AdvantAge Pass Program based on reasonable and sufficient procedures and criteria established by the Chief Executive Officer and documented in LYNX Policy.
- Students (K-12) - Youth Fare applies to riders aged 17 and younger. Riders aged 6 and under ride free. All Youth over the age of ten (10) must have a LYNX ID. The Youth Fare is available seven days a week and has no time restrictions. Youth over the age of 17, and still in High School, must have a valid LYNX ID to qualify for the reduced fare. Youth Pass Program is based on reasonable and sufficient procedures and criteria established by the Chief Executive Officer and documented in LYNX Policy.
- Children - (Age 6 and under) - Children six and under may ride free when accompanied by an adult (full or discount). No more than three children may ride free per adult. Children six and under must pay \$1.00 when not accompanied by an adult.
- Veterans - Veteran riders shall be qualified for the AdvantAge Pass program with proof of their veteran status and based on reasonable and sufficient procedures and criteria established by the Chief Executive Officer and documented in LYNX Policy.

Stored Value Discount Card

The Stored Value Discount of 10 percent is being offered as a convenience for riders who wish to prepay. This option using the SunRail Connection smart card will also allow riders to access both the LYNX and SunRail systems.

Group Discounts

Employer discounts for groups are available and will be determined by the Chief Executive Officer and documented in LYNX Policy.

Human Service Agencies

Single Ride tickets may be issued by human service agencies to clients and will not be redeemable for cash.

SunRail

It should be noted that the recommended fare structure will make the base bus fare higher than the current SunRail fare, creating a modal imbalance where premium transit rail service is more affordable than bus. Based on the availability and access of bus service this imbalance may be acceptable until SunRail fares are assessed by SunRail's governing authority.

Appendix A: Title VI Analysis

Title VI Compliance

LYNX is required by the FTA to submit a Title VI Program every three years identifying their compliance with the Civil Rights Act of 1964, various executive orders, and any amendments describing how service is provided in a manner that does not discriminate on the basis of color, race, religion, national origin, sex, and income status. As part of the LYNX' Title VI Program any proposed fare changes increases or decreases must be evaluated to ensure they do not create a disparate impact or disproportionate burden of 10 percent or greater to any protected class. In order to review the potential disparate impact and/or disproportionate burden to ensure the proposed increase is in compliance with Title VI a survey of fixed-route passengers was conducted and is summarized below.

LYNX Fare Evaluation Intercept Survey Results - June 2016

A survey of eight questions regarding bus fares for the LYNX service was conducted at multiple bus stop locations in June of 2016. The survey was conducted by a team of surveyors over the course of three days by personnel who completed 400 surveys. The survey responses are presented below.

In the first set of questions, respondents were asked about their current bus trip, in addition to a question about the cost of fare. Figure 1 shows nearly every survey respondent used a regular fixed-route bus to get to the destination in which they were surveyed.

Figure 1 What mode of transportation did you just use?

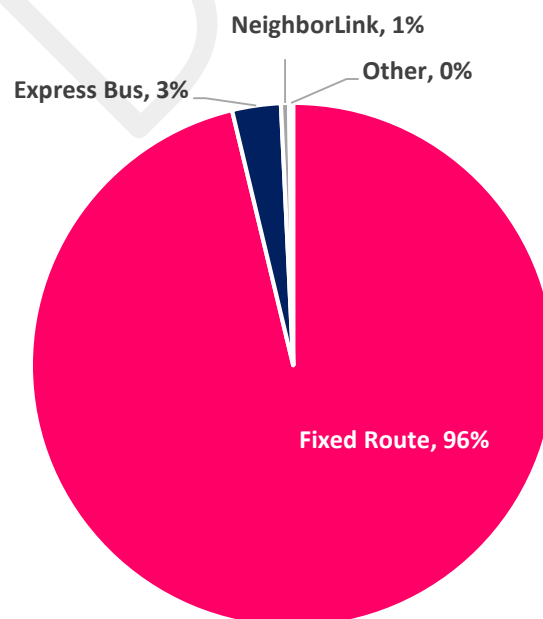
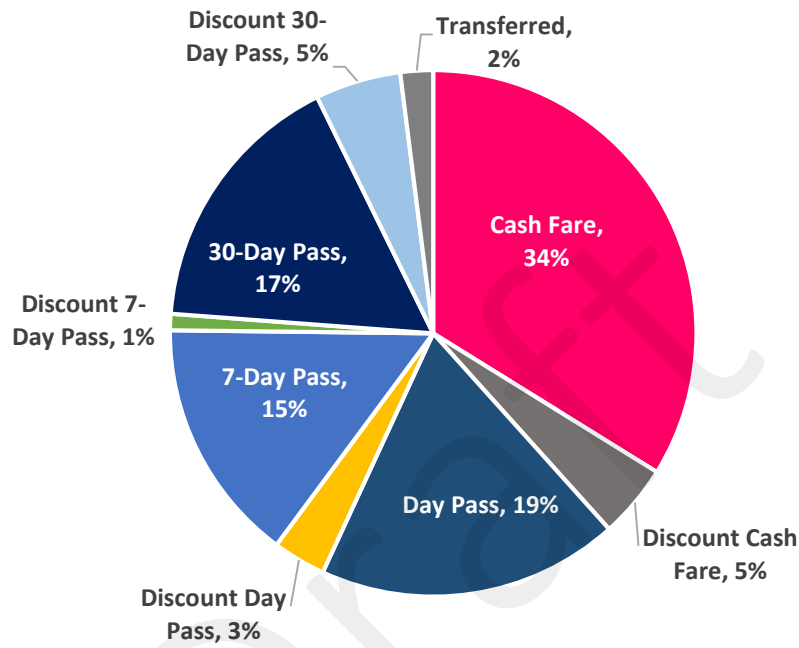


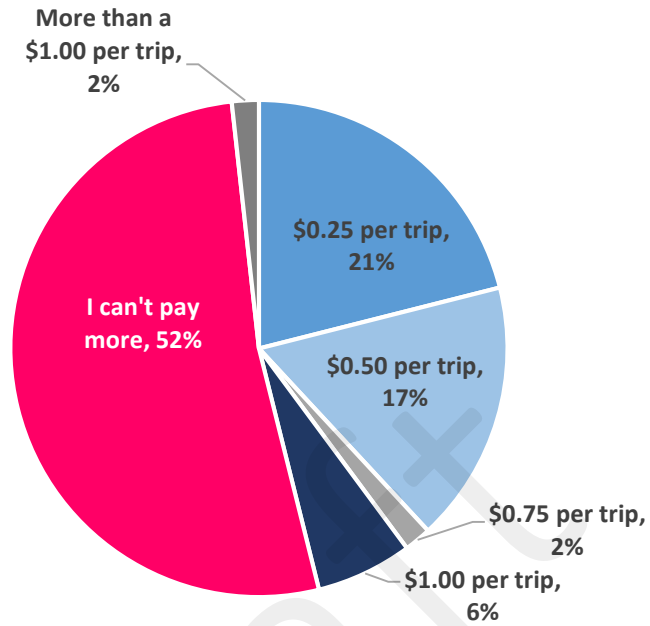
Figure 2 shows 34 percent of respondents paid the normal cash fare (\$2.00 for fixed-route/\$3.50 for express bus) and 14 percent of respondents received some form of discounted fare.

Figure 2 What type of fare did you pay when you GOT ON THE BUS?



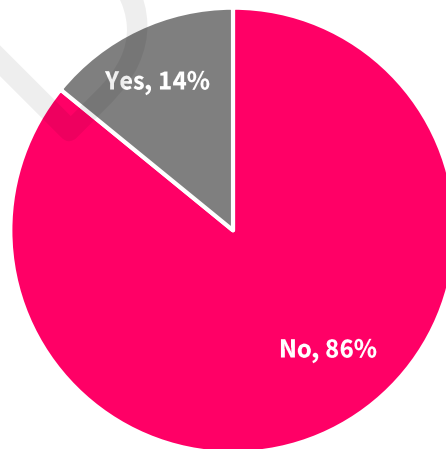
Respondents were asked what they could afford to pay if the fare was increased. More than half of the respondents said they could not pay more than what they pay now for the fare. The rest of the results are shown in Figure 3.

Figure 3 What is the most you could afford to pay if the fare was increased?



Respondents were also asked if they regularly transfer from a LYNX bus to SunRail. Figure 4 shows that about 14 percent of respondents said “Yes”.

Figure 4 Do you regularly transfer from a LYNX bus to SunRail or vice versa?



The second half of the survey asked a series of demographic questions. Figure 5 shows a breakdown in respondents' race, and Figure 6 shows the proportion of people who are of Hispanic, Latino, or Spanish origin.

Figure 5 What is your race or ethnic heritage?

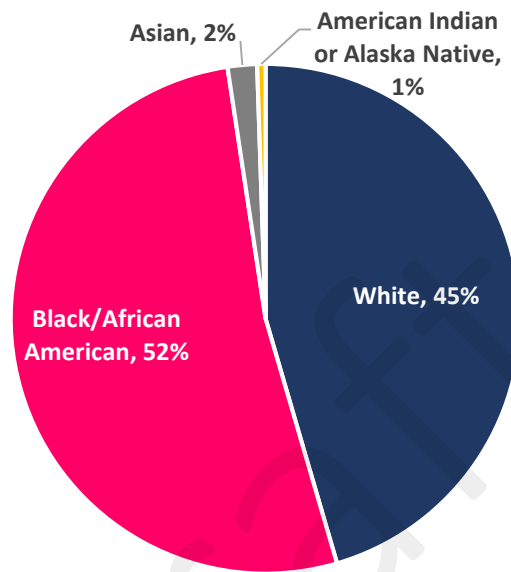


Figure 6 Are you of Hispanic, Latino, or Spanish origin?

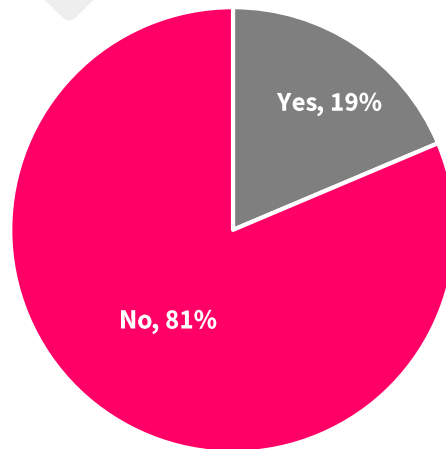
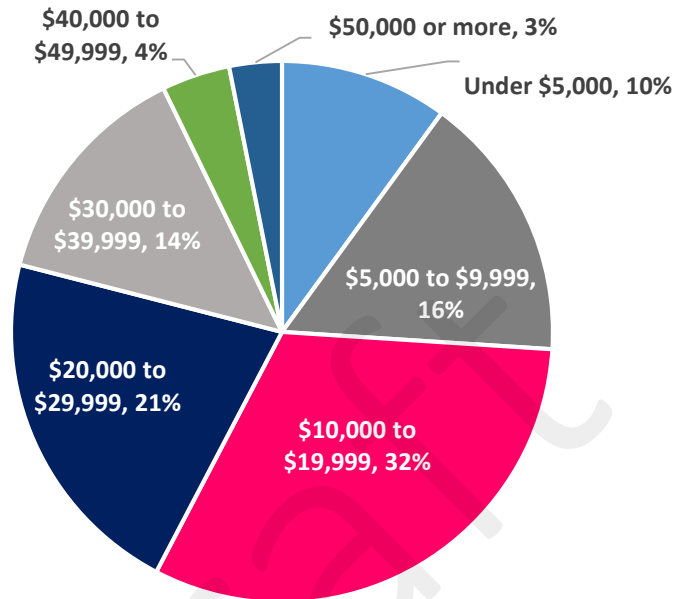


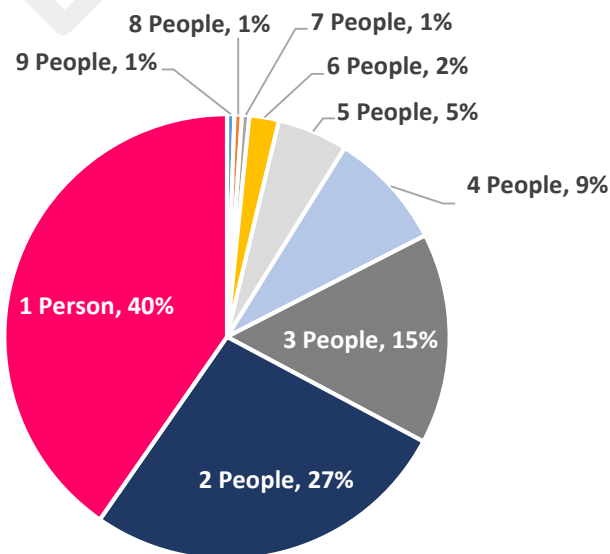
Figure 7 shows a breakdown of household incomes. Approximately 58 percent of respondents live in households where the total income is less than \$20,000.

Figure 7 What was the range of your total household income for 2015?



Respondents were also asked how many people lived in their household in 2015. Figure 8 shows a majority of respondents (67%) only had one or two people per household.

Figure 8 How many people resided in your household in 2015?



From the survey results, we can also make conclusions regarding what races and what income levels use which fare types. Figure 9 shows a breakdown of the most popular fare types for each race or ethnic heritage and Figure 10 shows a breakdown of the most popular fare types for each income range.

Figure 9 Fare Type by Race

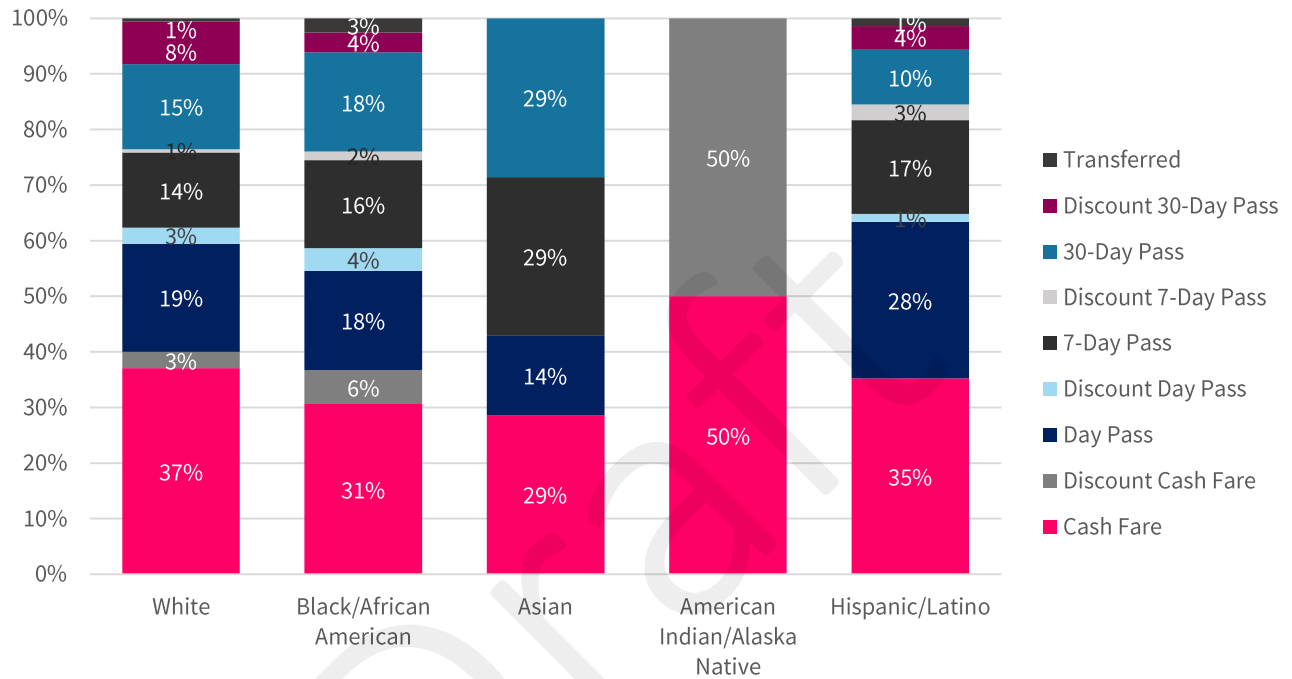
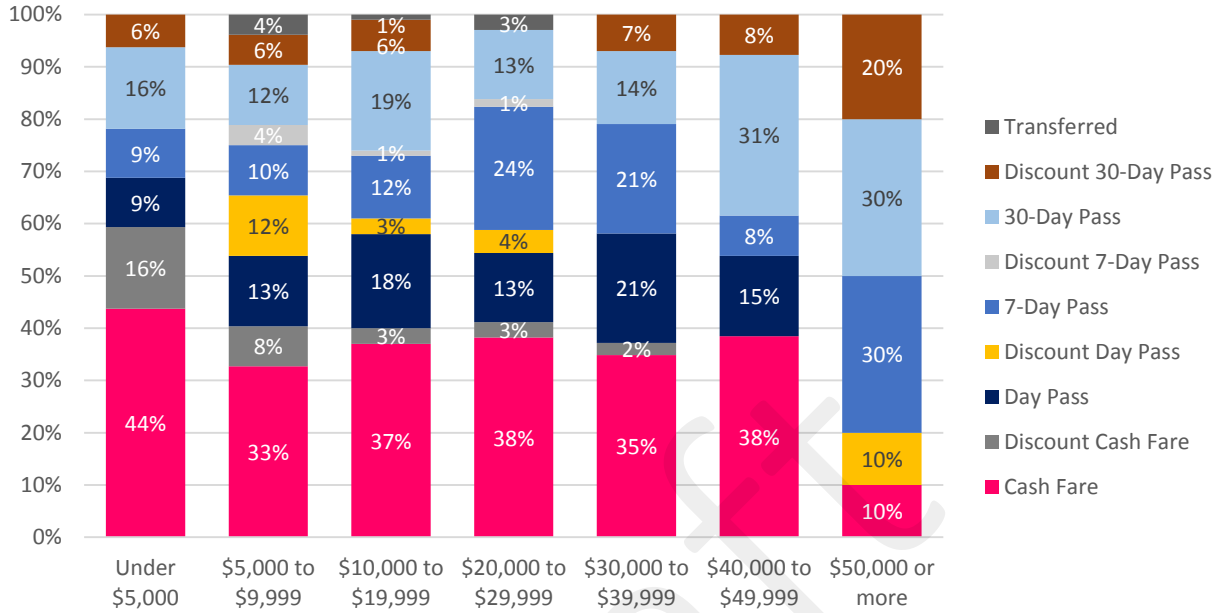


Figure 10 Fare Type by Income Range



The complete evaluation of Title VI compliance will be completed with results noted after additional public input.

Appendix B: Alternative Fare Scenarios



Appendix B: Alternative Fare Scenarios

Additional revenue pricing scenarios are shown below.

Base Fare of \$2.50 Static Ridership (Maintain Pass Discount)

Fare Type	Proposed Fare	Current Fare	Current Ridership	Purchased Media	Times Media Used	2017 Revenue
Full Fare	\$2.50	\$2.00	6,415,282	6,415,282	1.00	\$16,038,205
Discount Fare	\$1.25	\$1.00	814,214	814,214	1.00	\$1,017,768
Transfers	\$0.00	\$0.00	3,173,911	3,173,911	1.00	\$0
Daily	\$5.50	\$4.50	2,540,433	574,759	4.42	\$3,161,172
Discount Daily	\$2.75	\$2.25	868,092	164,411	5.28	\$452,131
7-Day	\$20.00	\$16.00	3,356,235	126,938	26.44	\$2,538,756
Discount 7-Day	\$10.00	\$8.00	335,088	18,084	18.53	\$180,835
30-Day	\$62.00	\$50.00	4,525,366	77,436	58.44	\$4,801,039
Discount 30-Day	\$31.00	\$25.00	1,678,267	27,841	60.28	\$863,077
Short Fare	N/A	\$0.00	168,732	168,732	1.00	(\$47,801)
Unclassified	N/A	N/A	N/A	N/A	N/A	\$1,888,444
Adjustment	N/A	N/A	N/A	N/A	N/A	(\$185,649)
Misc. Riders	N/A	N/A	1,960,481	N/A	N/A	\$0
Total Jan. '17 - Sept. '17			25,836,101			\$23,030,983
Total Oct. '16 - Dec. '16						\$5,836,156
Total FY 2017						\$28,867,139



Base Fare of \$2.50 Elastic Ridership (Maintain Pass Discount)

Fare Type	Proposed Fare	Current Fare	Current Ridership	2017 Ridership	Purchased Media	Times Media Used	2017 Revenue
Full Fare	\$2.50	\$2.00	6,415,282	5,906,892	5,906,892	1.00	\$14,767,231
Discount Fare	\$1.25	\$1.00	814,214	749,690	749,690	1.00	\$937,113
Transfers	\$0.00	\$0.00	3,173,911	2,922,389	2,922,389	1.00	\$0
Daily	\$5.50	\$4.50	2,540,433	2,358,643	533,630	4.42	\$2,934,963
Discount Daily	\$2.75	\$2.25	868,092	805,972	152,646	5.28	\$419,777
7-Day	\$20.00	\$16.00	3,356,235	3,090,265	116,878	26.44	\$2,337,568
Discount 7-Day	\$10.00	\$8.00	335,088	308,533	16,650	18.53	\$166,505
30-Day	\$62.00	\$50.00	4,525,366	4,179,148	71,512	58.44	\$4,433,730
Discount 30-Day	\$31.00	\$25.00	1,678,267	1,549,869	25,711	60.28	\$797,046
Short Fare	N/A	N/A	168,732	155,361	155,361	1.00	(\$44,013)
Unclassified	N/A	N/A	N/A	N/A	N/A	N/A	\$1,741,606
Adjustment	N/A	N/A	N/A	N/A	N/A	N/A	(\$171,213)
Misc. Riders	N/A	N/A	1,960,481	1,805,119	N/A	N/A	\$0
Total Jan. '17 - Sept. '17			25,836,101	23,831,881			\$21,240,233
Total Oct. '16 - Dec. '16							\$5,836,156
Total FY 2017							\$27,076,390



Base Fare of \$2.50 Declining Ridership Trend (Maintain Pass Discount)

Fare Type	Proposed Fare	Current Fare	Current Ridership	2017 Ridership	Purchased Media	Times Media Used	2017 Revenue
Full Fare	\$2.50	\$2.00	6,415,282	5,998,289	5,998,289	1.00	\$14,995,722
Discount Fare	\$1.25	\$1.00	814,214	761,290	761,290	1.00	\$951,613
Transfers	\$0.00	\$0.00	3,173,911	2,967,607	2,967,607	1.00	\$0
Daily	\$5.50	\$4.50	2,540,433	2,375,305	537,399	4.42	\$2,955,696
Discount Daily	\$2.75	\$2.25	868,092	811,666	153,725	5.28	\$422,743
7-Day	\$20.00	\$16.00	3,356,235	3,138,080	118,687	26.44	\$2,373,737
Discount 7-Day	\$10.00	\$8.00	335,088	313,307	16,908	18.53	\$169,081
30-Day	\$62.00	\$50.00	4,525,366	4,231,217	72,403	58.44	\$4,488,971
Discount 30-Day	\$31.00	\$25.00	1,678,267	1,569,180	26,032	60.28	\$806,977
Short Fare	N/A	N/A	168,732	157,764	157,764	1.00	(\$3,107)
Unclassified	N/A	N/A	N/A	N/A	N/A	N/A	\$1,765,695
Adjustment	N/A	N/A	N/A	N/A	N/A	N/A	(\$173,581)
Misc. Riders	N/A	N/A	1,960,481	127,431	N/A	N/A	\$0
Total Jan. '17 - Sept. '17			25,836,101	22,451,136			\$21,565,159
Total Oct. '16 - Dec. '16							\$5,836,156
Total FY 2017							\$27,401,315



Base Fare of \$2.50 Gas Based-Increase in Ridership (Maintain Pass Discount)

Fare Type	Proposed Fare	Current Fare	Current Ridership	2017 Ridership	Purchased Media	Times Media Used	2017 Revenue
Full Fare	\$2.50	\$2.00	6,415,282	6,607,740	6,607,740	1.00	\$16,519,351.15
Discount Fare	\$1.25	\$1.00	814,214	838,640	838,640	1.00	\$1,048,300.53
Transfers	\$0.00	\$0.00	3,173,911	3,269,128	3,269,128	1.00	\$0.00
Daily	\$5.50	\$4.50	2,540,433	2,616,646	592,001	4.42	\$3,256,007.45
Discount Daily	\$2.75	\$2.25	868,092	894,135	169,344	5.28	\$465,695.19
7-Day	\$20.00	\$16.00	3,356,235	3,456,922	130,746	26.44	\$2,614,918.34
Discount 7-Day	\$10.00	\$8.00	335,088	345,141	18,626	18.53	\$186,260.46
30-Day	\$62.00	\$50.00	4,525,366	4,661,127	79,759	58.44	\$4,945,070.00
Discount 30-Day	\$31.00	\$25.00	1,678,267	1,728,615	28,676	60.28	\$888,969.16
Short Fare	N/A	N/A	168,732	173,794	173,794	1.00	(\$49,234.72)
Unclassified	N/A	N/A	N/A	N/A	N/A	N/A	\$1,945,097.20
Adjustment	N/A	N/A	N/A	N/A	N/A	N/A	(\$191,218.02)
Misc. Riders	N/A	N/A	1,960,481	2,019,295	N/A	N/A	\$0.00
Total Jan. '17 - Sept. '17			25,836,101	26,611,184			\$23,721,912.56
Total Oct. '16 - Dec. '16							\$5,836,156.34
Total FY 2017							\$29,558,068.90

Base Fare of \$2.50 Static Ridership (Reduce Pass Discount)

Fare Type	Proposed Fare	Current Fare	Current Ridership	Purchased Media	Times Media Used	2017 Revenue
Full Fare	\$2.50	\$2.00	6,415,282	6,415,282	1.00	\$16,038,205
Discount Fare	\$1.25	\$1.00	814,214	814,214	1.00	\$1,017,768
Transfers	\$0.00	\$0.00	3,173,911	3,173,911	1.00	\$0
Daily	\$6.00	\$4.50	2,540,433	574,759	4.42	\$3,448,552
Discount Daily	\$3.00	\$2.25	868,092	164,411	5.28	\$493,234
7-Day	\$22.00	\$16.00	3,356,235	126,938	26.44	\$2,792,631
Discount 7-Day	\$11.00	\$8.00	335,088	18,084	18.53	\$198,919
30-Day	\$70.00	\$50.00	4,525,366	77,436	58.44	\$5,420,528
Discount 30-Day	\$35.00	\$25.00	1,678,267	27,841	60.28	\$974,442
Short Fare	N/A	\$0.00	168,732	168,732	1.00	(\$47,801)
Unclassified	N/A	N/A	N/A	N/A	N/A	\$1,974,978
Adjustment	N/A	N/A	N/A	N/A	N/A	(\$194,156)
Misc. Riders	N/A	N/A	1,960,481	N/A	N/A	\$0
Total Jan. '17 - Sept. '17			25,836,101			\$24,087,975
Total Oct. '16 - Dec. '16						\$5,836,156
Total FY 2017						\$29,924,131



Base Fare of \$2.50 Elastic Ridership (Reduce Pass Discount)

Fare Type	Proposed Fare	Current Fare	Current Ridership	2017 Ridership	Purchased Media	Times Media Used	2017 Revenue
Full Fare	\$2.50	\$2.00	6,415,282	5,906,892	5,906,892	1.00	\$14,767,231
Discount Fare	\$1.25	\$1.00	814,214	749,690	749,690	1.00	\$937,113
Transfers	\$0.00	\$0.00	3,173,911	2,922,389	2,922,389	1.00	\$0
Daily	\$6.00	\$4.50	2,540,433	2,283,918	516,723	4.42	\$3,100,341
Discount Daily	\$3.00	\$2.25	868,092	780,438	147,810	5.28	\$443,431
7-Day	\$22.00	\$16.00	3,356,235	2,983,186	112,829	26.44	\$2,482,228
Discount 7-Day	\$11.00	\$8.00	335,088	297,843	16,074	18.53	\$176,809
30-Day	\$70.00	\$50.00	4,525,366	3,995,640	68,372	58.44	\$4,786,017
Discount 30-Day	\$35.00	\$25.00	1,678,267	1,481,814	24,582	60.28	\$860,376
Short Fare	N/A	N/A	168,732	155,361	155,361	1.00	(\$44,013)
Unclassified	N/A	N/A	N/A	N/A	N/A	N/A	\$1,790,980
Adjustment	N/A	N/A	N/A	N/A	N/A	N/A	(\$176,067)
Misc. Riders	N/A	N/A	1,960,481	1,805,119	N/A	N/A	\$0
Total Jan. '17 - Sept. '17			25,836,101	23,362,290			\$21,843,333
Total Oct. '16 - Dec. '16							\$5,836,156
Total FY 2017							\$27,679,490



Base Fare of \$2.50 Declining Ridership Trend (Reduce Pass Discount)

Fare Type	Proposed Fare	Current Fare	Current Ridership	2017 Ridership	Purchased Media	Times Media Used	2017 Revenue
Full Fare	\$2.50	\$2.00	6,415,282	5,998,289	5,998,289	1.00	\$14,995,722
Discount Fare	\$1.25	\$1.00	814,214	761,290	761,290	1.00	\$951,613
Transfers	\$0.00	\$0.00	3,173,911	2,967,607	2,967,607	1.00	\$0
Daily	\$6.00	\$4.50	2,540,433	2,375,305	537,399	4.42	\$3,224,396
Discount Daily	\$3.00	\$2.25	868,092	811,666	153,725	5.28	\$461,174
7-Day	\$22.00	\$16.00	3,356,235	3,138,080	118,687	26.44	\$2,611,110
Discount 7-Day	\$11.00	\$8.00	335,088	313,307	16,908	18.53	\$185,989
30-Day	\$70.00	\$50.00	4,525,366	4,231,217	72,403	58.44	\$5,068,193
Discount 30-Day	\$35.00	\$25.00	1,678,267	1,569,180	26,032	60.28	\$911,103
Short Fare	N/A	N/A	168,732	157,764	157,764	1.00	(\$3,107)
Unclassified	N/A	N/A	N/A	N/A	N/A	N/A	\$1,846,604
Adjustment	N/A	N/A	N/A	N/A	N/A	N/A	(\$181,535)
Misc. Riders	N/A	N/A	1,960,481	127,431	N/A	N/A	\$0
Total Jan. '17 - Sept. '17			25,836,101	22,451,136			\$22,553,446
Total Oct. '16 - Dec. '16							\$5,836,156
Total FY 2017							\$28,389,603

Base Fare of \$2.50 Gas Based-Increase in Ridership (Reduce Pass Discount)

Fare Type	Proposed Fare	Current Fare	Current Ridership	2017 Ridership	Purchased Media	Times Media Used	2017 Revenue
Full Fare	\$2.50	\$2.00	6,415,282	6,607,740	6,607,740	1.00	\$16,519,351
Discount Fare	\$1.25	\$1.00	814,214	838,640	838,640	1.00	\$1,048,301
Transfers	\$0.00	\$0.00	3,173,911	3,269,128	3,269,128	1.00	\$0
Daily	\$6.00	\$4.50	2,540,433	2,616,646	592,001	4.42	\$3,552,008
Discount Daily	\$3.00	\$2.25	868,092	894,135	169,344	5.28	\$508,031
7-Day	\$22.00	\$16.00	3,356,235	3,456,922	130,746	26.44	\$2,876,410
Discount 7-Day	\$11.00	\$8.00	335,088	345,141	18,626	18.53	\$204,887
30-Day	\$70.00	\$50.00	4,525,366	4,661,127	79,759	58.44	\$5,583,144
Discount 30-Day	\$35.00	\$25.00	1,678,267	1,728,615	28,676	60.28	\$1,003,675
Short Fare	N/A	N/A	168,732	173,794	173,794	1.00	(\$49,235)
Unclassified	N/A	N/A	N/A	N/A	N/A	N/A	\$2,034,227
Adjustment	N/A	N/A	N/A	N/A	N/A	N/A	(\$199,980)
Misc. Riders	N/A	N/A	1,960,481	2,019,295	N/A	N/A	\$0
Total Jan. '17 - Sept. '17			25,836,101	26,611,184			\$24,810,614
Total Oct. '16 - Dec. '16							\$5,836,156
Total FY 2017							\$30,646,770

Base Fare of \$3.00 Static Ridership (Maintain Pass Discount)

Fare Type	Proposed Fare	Current Fare	Current Ridership	Purchased Media	Times Media Used	2017 Revenue
Full Fare	\$3.00	\$2.00	6,415,282	6,415,282	1.00	\$19,245,846
Discount Fare	\$1.50	\$1.00	814,214	814,214	1.00	\$1,221,321
Transfers	\$0.00	\$0.00	3,173,911	3,173,911	1.00	\$0
Daily	\$6.50	\$4.50	2,540,433	574,759	4.42	\$3,735,931
Discount Daily	\$3.25	\$2.25	868,092	164,411	5.28	\$534,337
7-Day	\$24.00	\$16.00	3,356,235	126,938	26.44	\$3,046,507
Discount 7-Day	\$12.00	\$8.00	335,088	18,084	18.53	\$217,002
30-Day	\$75.00	\$50.00	4,525,366	77,436	58.44	\$5,807,708
Discount 30-Day	\$37.50	\$25.00	1,678,267	27,841	60.28	\$1,044,045
Short Fare	N/A	\$0.00	168,732	168,732	1.00	(\$47,801)
Unclassified	N/A	N/A	N/A	N/A	N/A	\$2,265,425
Adjustment	N/A	N/A	N/A	N/A	N/A	(\$222,709)
Misc. Riders	N/A	N/A	1,960,481	N/A	N/A	\$0
Total Jan. '17 - Sept. '17			25,836,101			\$27,635,710
Total Oct. '16 - Dec. '16						\$5,836,156
Total FY 2017						\$33,471,866

Base Fare of \$3.00 Elastic Ridership (Maintain Pass Discount)

Fare Type	Proposed Fare	Current Fare	Current Ridership	2017 Ridership	Purchased Media	Times Media Used	2017 Revenue
Full Fare	\$3.00	\$2.00	6,415,282	5,521,562	5,521,562	1.00	\$16,564,687
Discount Fare	\$1.50	\$1.00	814,214	700,785	700,785	1.00	\$1,051,178
Transfers	\$0.00	\$0.00	3,173,911	2,731,750	2,731,750	1.00	\$0
Daily	\$6.50	\$4.50	2,540,433	2,217,269	501,645	4.42	\$3,260,690
Discount Daily	\$3.25	\$2.25	868,092	757,664	143,497	5.28	\$466,365
7-Day	\$24.00	\$16.00	3,356,235	2,888,674	109,254	26.44	\$2,622,095
Discount 7-Day	\$12.00	\$8.00	335,088	288,407	15,564	18.53	\$186,772
30-Day	\$75.00	\$50.00	4,525,366	3,894,933	66,648	58.44	\$4,998,630
Discount 30-Day	\$37.50	\$25.00	1,678,267	1,444,466	23,963	60.28	\$898,598
Short Fare	N/A	N/A	168,732	145,226	145,226	1.00	(\$41,142)
Unclassified	N/A	N/A	N/A	N/A	N/A	N/A	\$1,953,186
Adjustment	N/A	N/A	N/A	N/A	N/A	N/A	(\$192,013)
Misc. Riders	N/A	N/A	1,960,481	1,687,364	N/A	N/A	\$0
Total Jan. '17 - Sept. '17			25,836,101	22,278,100			\$23,826,784
Total Oct. '16 - Dec. '16							\$5,836,156
Total FY 2017							\$29,662,940

Base Fare of \$3.00 Declining Ridership Trend (Maintain Pass Discount)

Fare Type	Proposed Fare	Current Fare	Current Ridership	2017 Ridership	Purchased Media	Times Media Used	2017 Revenue
Full Fare	\$3.00	\$2.00	6,415,282	5,998,289	5,998,289	1.00	\$17,994,866
Discount Fare	\$1.50	\$1.00	814,214	761,290	761,290	1.00	\$1,141,935
Transfers	\$0.00	\$0.00	3,173,911	2,967,607	2,967,607	1.00	\$0
Daily	\$6.50	\$4.50	2,540,433	2,375,305	537,399	4.42	\$3,493,095
Discount Daily	\$3.25	\$2.25	868,092	811,666	153,725	5.28	\$499,605
7-Day	\$24.00	\$16.00	3,356,235	3,138,080	118,687	26.44	\$2,848,484
Discount 7-Day	\$12.00	\$8.00	335,088	313,307	16,908	18.53	\$202,897
30-Day	\$75.00	\$50.00	4,525,366	4,231,217	72,403	58.44	\$5,430,207
Discount 30-Day	\$37.50	\$25.00	1,678,267	1,569,180	26,032	60.28	\$976,182
Short Fare	N/A	N/A	168,732	157,764	157,764	1.00	(\$3,107)
Unclassified	N/A	N/A	N/A	N/A	N/A	N/A	\$2,118,173
Adjustment	N/A	N/A	N/A	N/A	N/A	N/A	(\$208,233)
Misc. Riders	N/A	N/A	1,960,481	127,431	N/A	N/A	\$0
Total Jan. '17 - Sept. '17			25,836,101	22,451,136			\$25,870,578
Total Oct. '16 - Dec. '16							\$5,836,156
Total FY 2017							\$31,706,735

Base Fare of \$3.00 Gas Based-Increase in Ridership (Maintain Pass Discount)

Fare Type	Proposed Fare	Current Fare	Current Ridership	2017 Ridership	Purchased Media	Times Media Used	2017 Revenue
Full Fare	\$3.00	\$2.00	6,415,282	6,607,740	6,607,740	1.00	\$19,823,221
Discount Fare	\$1.50	\$1.00	814,214	838,640	838,640	1.00	\$1,257,961
Transfers	\$0.00	\$0.00	3,173,911	3,269,128	3,269,128	1.00	\$0
Daily	\$6.50	\$4.50	2,540,433	2,616,646	592,001	4.42	\$3,848,009
Discount Daily	\$3.25	\$2.25	868,092	894,135	169,344	5.28	\$550,367
7-Day	\$24.00	\$16.00	3,356,235	3,456,922	130,746	26.44	\$3,137,902
Discount 7-Day	\$12.00	\$8.00	335,088	345,141	18,626	18.53	\$223,513
30-Day	\$75.00	\$50.00	4,525,366	4,661,127	79,759	58.44	\$5,981,940
Discount 30-Day	\$37.50	\$25.00	1,678,267	1,728,615	28,676	60.28	\$1,075,366
Short Fare	N/A	N/A	168,732	173,794	173,794	1.00	(\$49,235)
Unclassified	N/A	N/A	N/A	N/A	N/A	N/A	\$2,333,388
Adjustment	N/A	N/A	N/A	N/A	N/A	N/A	(\$229,390)
Misc. Riders	N/A	N/A	1,960,481	2,019,295	N/A	N/A	\$0
Total Jan. '17 - Sept. '17			25,836,101	26,611,184			\$28,464,781
Total Oct. '16 - Dec. '16							\$5,836,156
Total FY 2017							\$34,300,937

Base Fare of \$3.00 Static Ridership (Reduce Pass Discount)

Fare Type	Proposed Fare	Current Fare	Current Ridership	Purchased Media	Times Media Used	2017 Revenue
Full Fare	\$3.00	\$2.00	6,415,282	6,415,282	1.00	\$19,245,846
Discount Fare	\$1.50	\$1.00	814,214	814,214	1.00	\$1,221,321
Transfers	\$0.00	\$0.00	3,173,911	3,173,911	1.00	\$0
Daily	\$7.25	\$4.50	2,540,433	574,759	4.42	\$4,167,000
Discount Daily	\$3.60	\$2.25	868,092	164,411	5.28	\$591,881
7-Day	\$25.00	\$16.00	3,356,235	126,938	26.44	\$3,173,445
Discount 7-Day	\$12.50	\$8.00	335,088	18,084	18.53	\$226,044
30-Day	\$80.00	\$50.00	4,525,366	77,436	58.44	\$6,194,889
Discount 30-Day	\$40.00	\$25.00	1,678,267	27,841	60.28	\$1,113,648
Short Fare	N/A	\$0.00	168,732	168,732	1.00	(\$47,801)
Unclassified	N/A	N/A	N/A	N/A	N/A	\$2,335,715
Adjustment	N/A	N/A	N/A	N/A	N/A	(\$229,619)
Misc. Riders	N/A	N/A	1,960,481	N/A	N/A	\$0
Total Jan. '17 - Sept. '17			25,836,101			\$28,494,276
Total Oct. '16 - Dec. '16						\$5,836,156
Total FY 2017						\$34,330,433

Base Fare of \$3.00 Elastic Ridership (Reduce Pass Discount)

Fare Type	Proposed Fare	Current Fare	Current Ridership	2017 Ridership	Purchased Media	Times Media Used	2017 Revenue
Full Fare	\$3.00	\$2.00	6,415,282	5,521,562	5,521,562	1.00	\$16,564,687
Discount Fare	\$1.50	\$1.00	814,214	700,785	700,785	1.00	\$1,051,178
Transfers	\$0.00	\$0.00	3,173,911	2,731,750	2,731,750	1.00	\$0
Daily	\$7.25	\$4.50	2,540,433	2,129,469	481,780	4.42	\$3,492,907
Discount Daily	\$3.60	\$2.25	868,092	729,527	138,168	5.28	\$497,405
7-Day	\$25.00	\$16.00	3,356,235	2,845,371	107,616	26.44	\$2,690,404
Discount 7-Day	\$12.50	\$8.00	335,088	284,083	15,331	18.53	\$191,637
30-Day	\$80.00	\$50.00	4,525,366	3,803,026	65,076	58.44	\$5,206,059
Discount 30-Day	\$40.00	\$25.00	1,678,267	1,410,382	23,397	60.28	\$935,887
Short Fare	N/A	N/A	168,732	145,226	145,226	1.00	(\$41,142)
Unclassified	N/A	N/A	N/A	N/A	N/A	N/A	\$1,990,961
Adjustment	N/A	N/A	N/A	N/A	N/A	N/A	(\$195,727)
Misc. Riders	N/A	N/A	1,960,481	1,687,364	N/A	N/A	\$0
Total Jan. '17 - Sept. '17			25,836,101	21,988,546			\$24,288,193
Total Oct. '16 - Dec. '16							\$5,836,156
Total FY 2017							\$30,124,349

Base Fare of \$3.00 Declining Ridership Trend (Reduce Pass Discount)

Fare Type	Proposed Fare	Current Fare	Current Ridership	2017 Ridership	Purchased Media	Times Media Used	2017 Revenue
Full Fare	\$3.00	\$2.00	6,415,282	5,998,289	5,998,289	1.00	\$17,994,866
Discount Fare	\$1.50	\$1.00	814,214	761,290	761,290	1.00	\$1,141,935
Transfers	\$0.00	\$0.00	3,173,911	2,967,607	2,967,607	1.00	\$0
Daily	\$7.25	\$4.50	2,540,433	2,375,305	537,399	4.42	\$3,896,145
Discount Daily	\$3.60	\$2.25	868,092	811,666	153,725	5.28	\$553,409
7-Day	\$25.00	\$16.00	3,356,235	3,138,080	118,687	26.44	\$2,967,171
Discount 7-Day	\$12.50	\$8.00	335,088	313,307	16,908	18.53	\$211,351
30-Day	\$80.00	\$50.00	4,525,366	4,231,217	72,403	58.44	\$5,792,221
Discount 30-Day	\$40.00	\$25.00	1,678,267	1,569,180	26,032	60.28	\$1,041,260
Short Fare	N/A	N/A	168,732	157,764	157,764	1.00	(\$3,107)
Unclassified	N/A	N/A	N/A	N/A	N/A	N/A	\$2,183,893
Adjustment	N/A	N/A	N/A	N/A	N/A	N/A	(\$214,694)
Misc. Riders	N/A	N/A	1,960,481	127,431	N/A	N/A	\$0
Total Jan. '17 - Sept. '17			25,836,101	22,451,136			\$26,673,338
Total Oct. '16 - Dec. '16							\$5,836,156
Total FY 2017							\$32,509,495



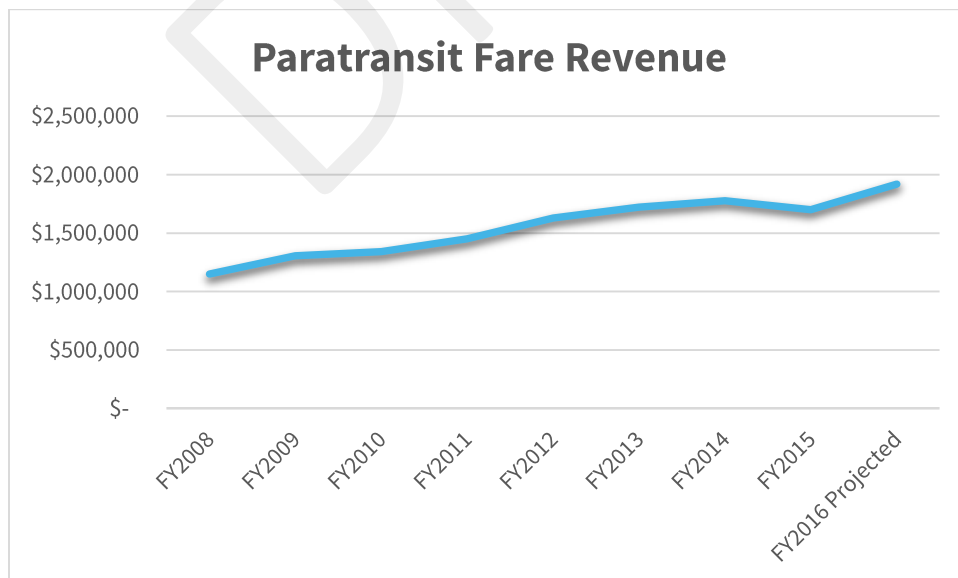
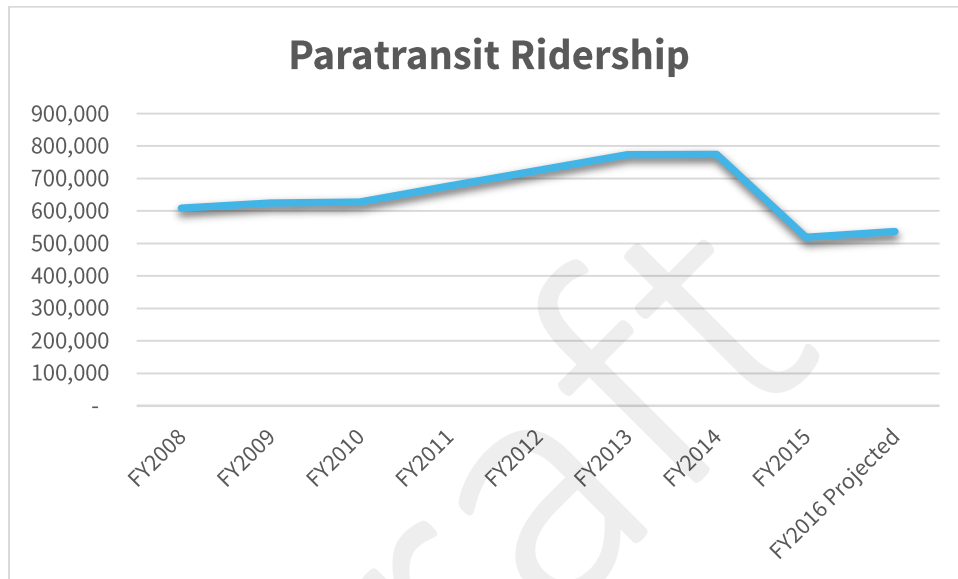
Base Fare of \$3.00 Gas Based-Increase in Ridership (Reduce Pass Discount)

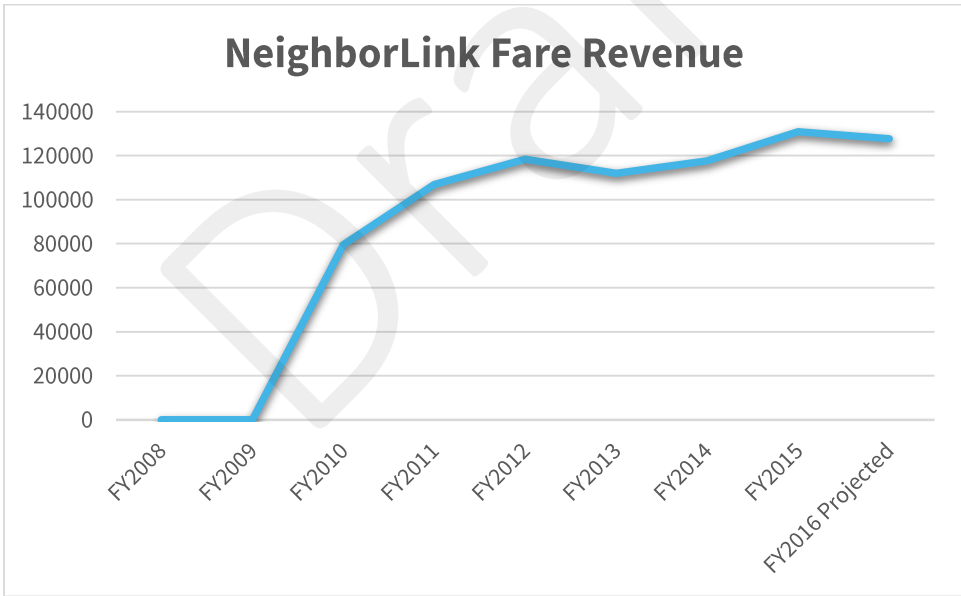
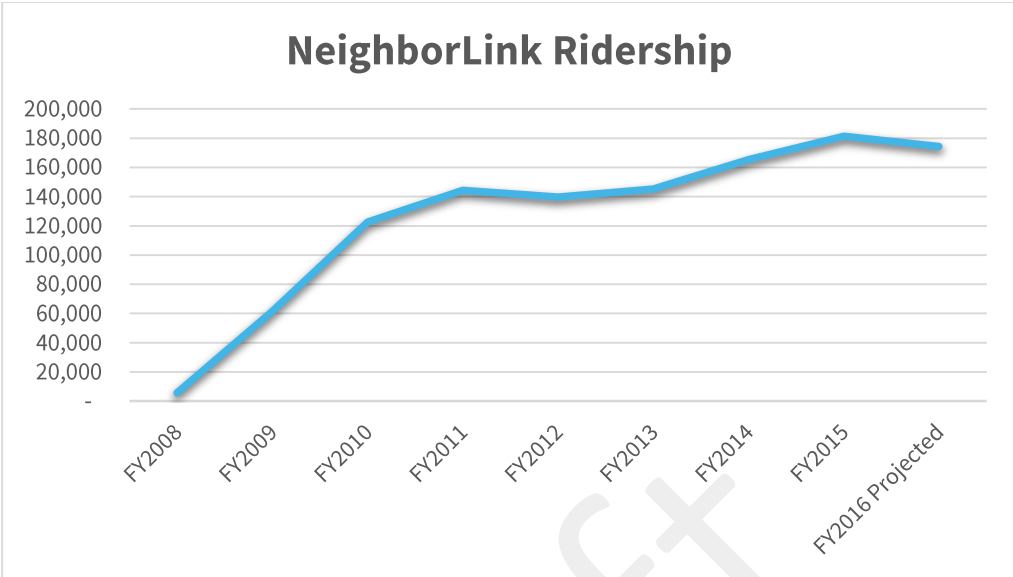
Fare Type	Proposed Fare	Current Fare	Current Ridership	2017 Ridership	Purchased Media	Times Media Used	2017 Revenue
Full Fare	\$3.00	\$2.00	6,415,282	6,607,740	6,607,740	1.00	\$19,823,221
Discount Fare	\$1.50	\$1.00	814,214	838,640	838,640	1.00	\$1,257,961
Transfers	\$0.00	\$0.00	3,173,911	3,269,128	3,269,128	1.00	\$0
Daily	\$7.25	\$4.50	2,540,433	2,616,646	592,001	4.42	\$4,292,010
Discount Daily	\$3.60	\$2.25	868,092	894,135	169,344	5.28	\$609,637
7-Day	\$25.00	\$16.00	3,356,235	3,456,922	130,746	26.44	\$3,268,648
Discount 7-Day	\$12.50	\$8.00	335,088	345,141	18,626	18.53	\$232,826
30-Day	\$80.00	\$50.00	4,525,366	4,661,127	79,759	58.44	\$6,380,735
Discount 30-Day	\$40.00	\$25.00	1,678,267	1,728,615	28,676	60.28	\$1,147,057
Short Fare	N/A	N/A	168,732	173,794	173,794	1.00	(\$49,235)
Unclassified	N/A	N/A	N/A	N/A	N/A	N/A	\$2,405,786
Adjustment	N/A	N/A	N/A	N/A	N/A	N/A	(\$236,507)
Misc. Riders	N/A	N/A	1,960,481	2,019,295	N/A	N/A	\$0
Total Jan. '17 - Sept. '17			25,836,101	26,611,184			\$29,349,104
Total Oct. '16 - Dec. '16							\$5,836,156
Total FY 2017							\$35,185,261

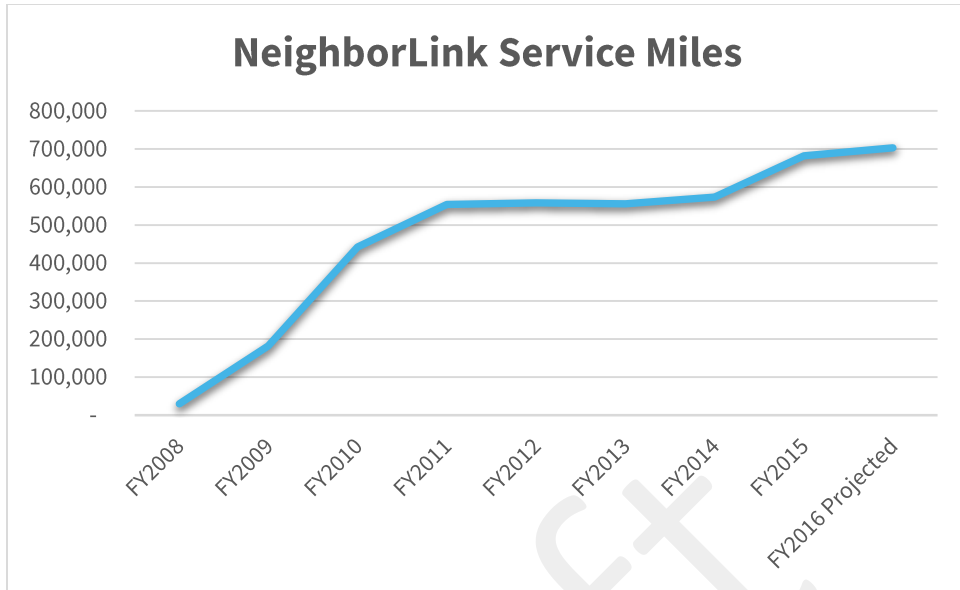
Appendix C: Additional Performance Data

Appendix C: Additional Performance Data

Additional graphs below depict paratransit and NeighborLink ridership and customer fare revenue. NeighborLink miles of service supplied is also provided.







Draft

LYNX FARE EVALUATION

June 2016

Draft Report

DRAFT

Prepared for



Prepared by



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Section 1: Introduction

The Central Florida Regional Transportation Authority, doing business as LYNX, is the public transportation provider for Orange, Seminole, and Osceola counties. LYNX has completed this fare structure and policy review to identify appropriate fare levels per mode that would support necessary fare revenue levels.

LYNX's last actual fare increase occurred in January 2009 that included increasing the base fare from \$1.75 to \$2.00, with an increase in discount fares and pass prices, accordingly. Since that time, LYNX has been able to maintain the fares and increase ridership levels, which resulted in reasonable levels of fare revenue. In 2011, LYNX modified the fare structure to remove unused passes, but maintained fare levels. In December 2013, LYNX modified the fare structure to include SunRail. Due to a recent decline in ridership, fare revenues are also declining, thereby helping to necessitate the review of the fare structure and policy.

Background

In the past seven years, LYNX has seen bus fare revenue growth that peaked in FY2013 consistent with the highest fiscal year of ridership over the same time period. The decline in ridership and fare revenue has led to this review along with reviewing the free fare LYMMO service, and NeighborLink. LYNX offers an array of bus service as described further below.

- 72 fixed-route bus lines referred to as links and comprised of the following:
 - 57 regular fixed-route bus lines;
 - One express bus service operated by Mears Transportation;
 - Seven routes providing limited trips to Disney properties;
 - Three routes sponsored by the University of Central Florida Student Government Association providing service between the university and LYNX Central Station (LCS) and in proximity to the campus; and,
 - Four FastLinks offering limited-stop higher frequency fixed-route bus service.
- LYMMO a downtown bus rapid transit (BRT) service including four route alignments:
 - Orange;
 - Lime;
 - Grapefruit; and,
 - Orange North-quadrant.
- Thirteen NeighborLinks that operate as a hybrid service providing both fixed-route and demand response service within a limited radius.

In addition, LYNX offers demand-response paratransit service under the Americans with Disabilities Act (ADA) and Transportation Disadvantaged (TD) programs. The ADA fare in accordance with federal

regulations cannot exceed twice the fixed-route bus fare. The TD bus fares do not have a maximum cap, but must be approved by the Transportation Disadvantaged Local Coordinating Board.

Project Objectives

Building on the success of previous fare adjustments implemented by LYNX in March 1997, January 1999, January 2003, March 2005, January 2008, and January 2009, LYNX is seeking to update its fare structure in January 2017. In addition to reviewing the fare, since it will be eight years since the previous adjustment, this analysis was also completed as a result of declining ridership that has resulted in declining fare revenue. To properly gauge the price sensitivity of LYNX customers to proposed fare increases, a fare elasticity was developed and is explained in greater detail in Section 5 of this report. Potential fare structure scenarios were developed using the elasticity to determine the best option for adjusting the fare and increasing the passenger fare revenues that would help pay for the system. LYNX would like to achieve greater fare revenue with a minimal impact to customers and without any significant ridership impacts.

LYNX has completed several corridor studies that include recommendations for BRT service. Based on additional BRT options, LYNX is considering a fare for BRT service. This report includes a review of other systems that have premium service options and the associated fare practices for consideration when evaluating if LYNX should modify the downtown LYMMO BRT from a free-fare service. Since there is currently no fare on LYMMO and no previous fare change impacts to review, creating an elasticity to determine passenger price sensitivity on the LYMMO system is not possible at any accurate level. Therefore, passenger survey data provided by LYNX and case studies were used to provide information on the impacts of adding a fare to the downtown LYMMO service. This report does not consider fare options for new BRT service, outside of providing information from the case studies.

To comply with LYNX' adopted Title VI Program this report also includes results of a passenger survey and an analysis of the recommended fare change on both low-income and minority populations as identified by the Civil Rights Act of 1964 and Environmental Justice Executive Order 12898 to determine if a disparate impact or disproportionate burden would result from implementing the proposed fare change.

The remainder of this report includes an assessment of the anticipated effects of fare changes, an evaluation of pass usage trends, and an evaluation of proposed fare structure alternatives.

Section 2. Previous and Existing Fare Collection Systems



Section 2: Previous and Existing Fare Collection Systems

Fare Structure History

Table 1 summarizes the various LYNX fare structures since 1996. Fare structure updates were instituted in March 1997, January 1999, January 2003, March 2005, January 2008, and January 2009. Daily passes were instituted in January 2003, and the fare for transfers was also eliminated at that time.

Table 1: LYNX Fare Structure History

	Update Date	Cash	Daily Pass	7-Day Pass	30-Day Pass	Transfers
Adult	Pre-1997	\$0.75	N/A	\$7.00	\$30.00	\$0.10
	March 1997	\$0.85	N/A	\$7.00	\$30.00	\$0.10
	January 1999	\$1.00	N/A	\$10.00	\$35.00	\$0.10
	January 2003	\$1.25	\$3.00	\$10.00	\$36.00	Free
	March 2005	\$1.50	\$3.50	\$12.00	\$38.00	Free
	January 2008	\$1.75	\$4.00	\$14.00	\$44.00	Free
	January 2009	\$2.00	\$4.50	\$16.00	\$50.00	Free
	Update Date	Cash	Daily Pass	7-Day Pass	30-Day Pass	Transfers
Discount	Pre-1997	\$0.25	N/A	N/A	\$12.00	\$0.10
	March 1997	\$0.25	N/A	N/A	\$12.00	\$0.10
	January 1999	\$0.25	N/A	N/A	\$12.00	\$0.10
	January 2003	\$0.50	\$1.50	\$5.00	\$15.00	FREE
	March 2005	\$0.75	\$1.75	\$6.00	\$18.00	FREE
	January 2008	\$0.85	\$2.00	\$7.00	\$22.00	FREE
	January 2009	\$1.00	\$2.25	\$8.00	\$25.00	Free

Existing Fare Structure

LYNX' fare structure consists of several fare media for various services. Fixed-route bus and NeighborLink service is available to all residents and visitors for a base fare of \$2.00 per one-way trip. Transfers for all fixed-route and Neighborlink services are free of charge, and are limited to 90 minutes after paying the single-ride fare. Passengers must request a transfer from the bus operator when

boarding. Transfers are not valid for trips on the same Link, from fixed-route to express, or for round-trip purposes; however, passengers on the express service may transfer to the fixed-route service for no charge. Transfers are valid for use on the SunRail system in accordance with the existing transfer policy. Exact fare is required to ride the bus, as bus operators cannot make change. Children age 6 and under may ride free when accompanied by an adult (full fare or non-Youth discount fare). No more than three children may ride free per adult. Children age 6 and under must pay \$1.00 when not accompanied by an adult.

In addition to the fixed-route system, LYNX offers ACCESS LYNX, a shared-ride, door-to-door transportation service for people who are unable to use the fixed-route service based on criteria established for the ADA and TD programs. ACCESS LYNX patrons must fill out an application and be certified by LYNX as eligible to utilize this service.

ACCESS LYNX ADA fares are \$4.00 per one-way trip, for trips with origins and destinations within ¾-mile of a Link, and \$7.00 per one-way trip where the origin and destinations are not within ¾-mile of a Link. ACCESS LYNX TD fares are \$2.50 for trips less than five miles, \$3.50 for trips under 10 miles, and \$4.50 for trips 10 miles and greater.

The services available through LYNX are discussed below.

- Fixed-Route Standard Service:** This service is the standard fixed-route service, with most Links providing this type of service. Table 2 provides the current fare structure for the fixed-route service.

Table 2: Fixed-Route Standard Service Fares

Fare Type	Fare
Single Ride	\$2.00
Transfer	Free
Daily Pass	\$4.50
7-Day Pass	\$16.00
30-Day Pass	\$50.00

- Fixed-Route Express Service:** This service, also called XpressLink, includes the XpressLink 208 from the Downtown Kissimmee Intermodal Station to the Sand Lake SunRail Station. Three inbound and outbound trips are provided on weekday mornings and afternoons. The current fare for Xpress service is provided in Table 3.

Table 3: Fixed-Route Express Service Fares

Fare Type	Fare
Single Ride	\$3.50
Daily Pass	\$6.50
7-Day Pass	\$23.00

30-Day Pass	\$70.00
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- NeighborLink:** This is a call-first bus service, in which the bus will pick up passengers and drop them off anywhere within the NeighborLink service area and the service also meets at fixed-points based on a schedule. All service requests must be made two hours prior to the intended departure time. The existing NeighborLink service areas are located in Poinciana, Southwest Poinciana, Intercession City – Campbell City, Ocoee, Winter Garden, Pine Hills, Bithlo, Oviedo, Buena Ventura Lakes, North Kissimmee, Williamsburg, Goldsboro, and Maitland. The current fare for the NeighborLink service is provided in Table 4.

Table 4: NeighborLink Fares

Fare Type	Fare
Single Ride	\$2.00
Transfer to Fixed-Route	Free

- Youth Fares:** Youth discounts are reduced fares that apply to riders between the ages of 7 and 18. The youth fare is extended to anyone age 19 or older, who can prove that they are still in high school. Discounts apply all year for single-ride fares, all-day, 7-day, and 30-day passes. Table 5 displays the fare structure for the Youth discounts.

Table 5: Youth Discount Fares

Fare Type	Fare
Youth Single Ride	\$1.00
Transfer	Free
All-Day Pass	\$2.25
7-Day Pass	\$8.00
30-Day Pass	\$25.00
Express Single Ride Fare	\$1.75
Express All-Day Pass	\$3.25
7-Day Express Pass	\$11.50
30-Day Express Pass	\$35.00

*Discount Pass prices are applicable only to those who qualify under the Youth and AdvantAge Discount policy.

- AdvantAge:** The AdvantAge Pass Program is a series of discounted fares for passengers over the age of 65 or with medical disabilities. AdvantAge discount fares are provided in Table 6. In addition, Income Qualified (IQ) fares are also available to qualified low-income residents at the same fare levels as AdvantAge discount fares.

Table 6: AdvantAge Discount Fares

Fare Type	Fare
AdvantAge Single Ride	\$1.00
Transfer	Free
Advantage All-Day Pass	\$2.25
Advantage 7-Day Pass	\$8.00
Advantage 30-Day Pass	\$25.00
Advantage Express Single Ride Fare	\$1.75
Advantage Express All-Day Pass	\$3.25
7-Day Discount Pass	\$11.50
30-Day Discount Pass	\$35.00

LYNX' fare structure includes the SunRail fares listed in Table 7 and a flat 10 percent stored value discount.

Table 7: SunRail Fares

Fare Type	Fare by Zones Traveled			
	1	2	3	4
One Way	\$2.00	\$3.00	\$4.00	\$5.00
Reduced One Way	\$1.00	\$1.50	\$2.00	\$2.50
Round Trip	\$3.75	\$5.50	\$7.50	\$9.50
Reduced Round Trip	\$1.75	\$2.75	\$3.75	\$4.75
Weekly	\$17.00	\$25.00	\$34.00	\$42.50
Reduced Weekly	\$8.50	\$12.50	\$17.00	\$21.25
Monthly	\$56.00	\$84.00	\$112.00	\$140.00
Reduced Monthly	\$28.00	\$42.00	\$56.00	\$70.00
Annual	\$560.00	\$840.00	\$1,120.00	\$1,400.00
Reduced Annual	\$280.00	\$420.00	\$560.00	\$700.00
Transfer Upgrade	\$0.00	\$1.00	\$2.00	\$3.00
Reduced Transfer Upgrade	\$0.00	\$0.50	\$1.00	\$1.50

Section 3. Fare Policy Structure Assessment



Section 3: Fare Policy Structure Assessment

LYNX Ridership Trend Assessment

Figure 1 provides the trend in total fixed-route ridership for LYNX from fiscal year (FY) 2008 through projected FY 2016. Figure 2 presents the ridership trend by month from June 2008 to July 2009.

- Ridership decreased by 11 percent from January 2008 to January 2009, following the implementation of the last fare increase.
- In FY 2010, ridership began to increase and continued until 2013, an overall increase from 2009 of 24 percent. Ridership began to decrease again in FY 2013 and is projected to continue the downward trend through FY 2016. As a result, passenger fare revenue has seen a similar trend.

Figure 1: Ridership Trend

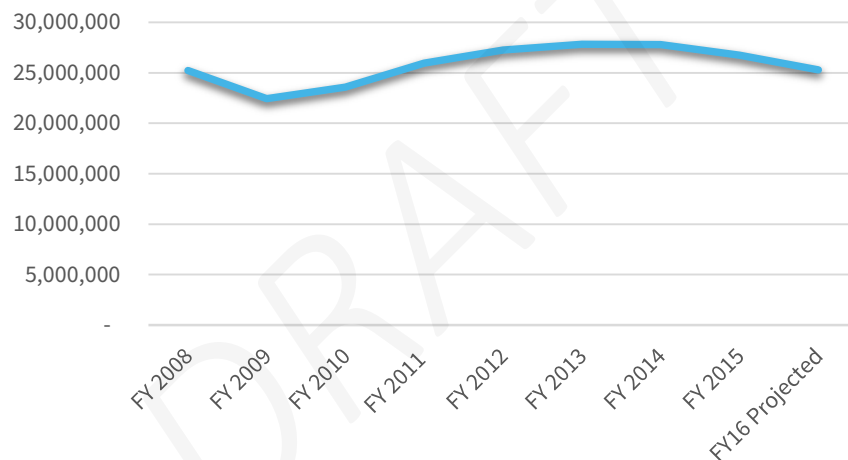


Figure 2: Ridership Trend (June 2008 – July 2009)

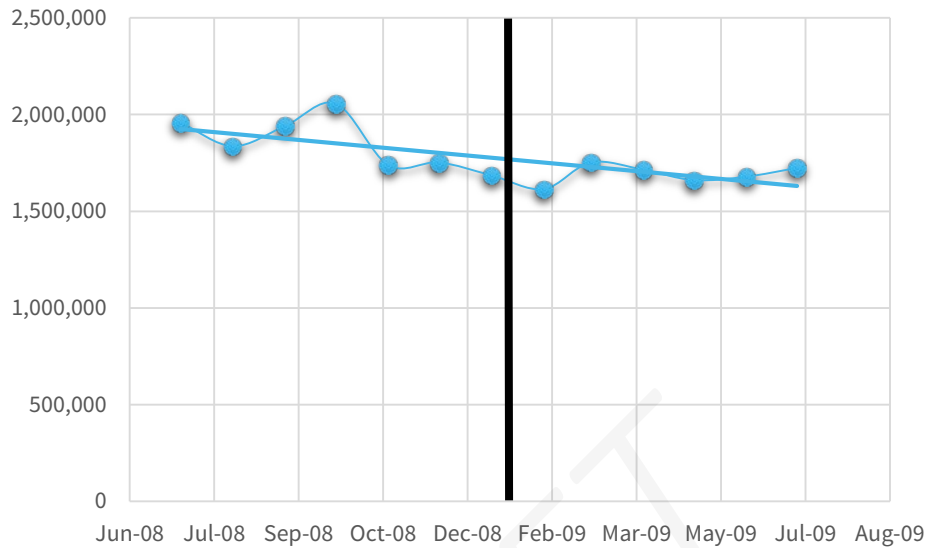


Figure 3 provides the trend in bus passenger fare revenue for LYNX from 2008 to 2015, with the passenger fare revenue projected for FY 2016 utilizing the first seven months actuals. Figure 4 presents the passenger fare revenue trend by month from June 2008 to July 2009.

- Fare revenue increased following the fare increase in January 2009, with an increase of almost 4 percent from 2009 to 2010.
- Fare revenue continued to increase from 2009 to 2013 from \$20,278,340 to \$27,798,037, an overall increase of 37 percent.
- Fare revenue began to decrease in 2014 and decreased approximately three percent from 2014 to 2015. Based on the projections for 2016, it is anticipated that revenue will continue the declining trend, with an overall decrease of approximately 10 percent from 2014 to 2016.

Figure 3: Passenger Fare Revenue

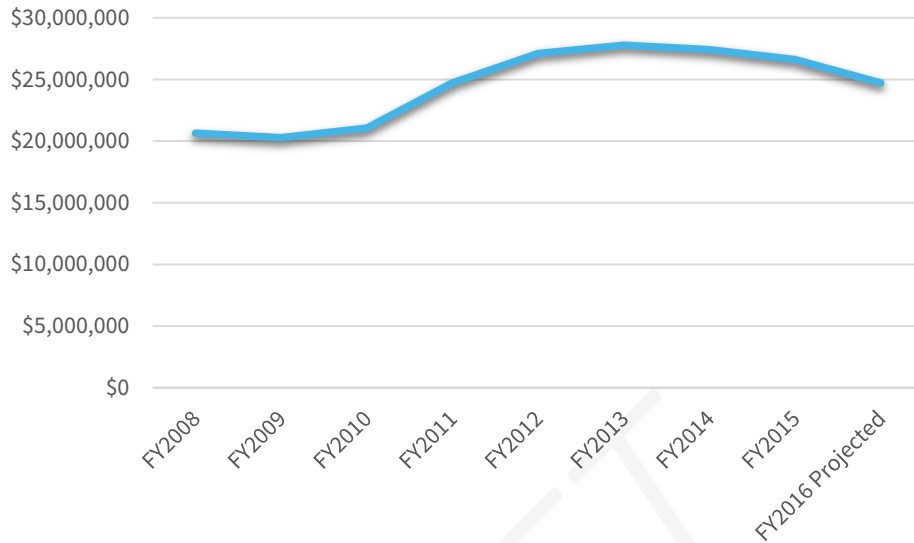


Figure 4: Passenger Fare Revenue Trend (June 2008 – July 2009)

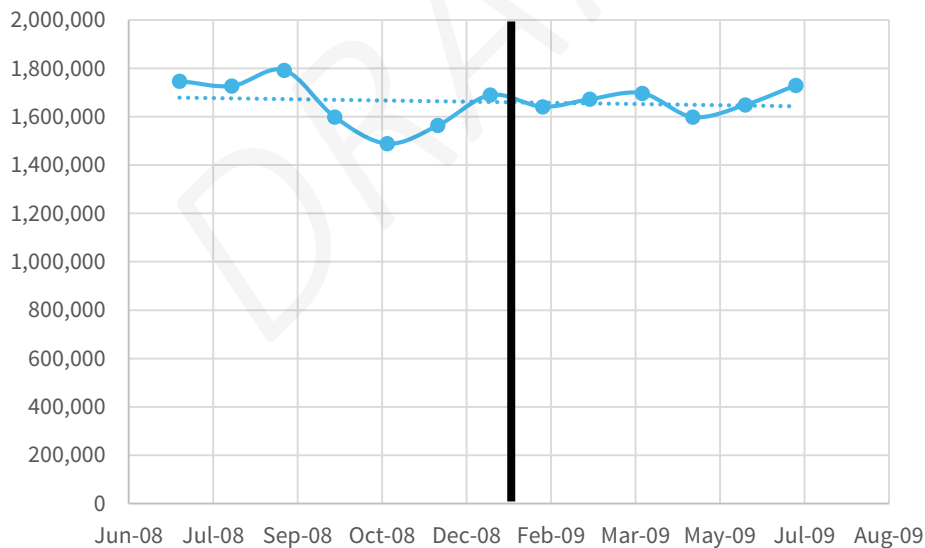


Figure 5 shows the LYNX ridership classified by specific fare media. Figure 6 presents the monthly ridership trend by fare media from June 2008 to July 2009.

- Cash and single ride “full fare” is still the most common fare medium used; its use decreased in FY 2010, from 7,811,389 in 2009 to 7,545,197 in 2010. The decrease occurred following the fare change in January 2009. While some increase occurred in the use of the cash fare media

beginning in FY 2011, the cash fare began to decrease again in FY 2014 consistent with the overall negative trend in ridership on the system, but began trend upwards in FY 2015.

- Adult 30-Day Pass usage increased after the 2009 fare increase, from 30.9 percent of ridership purchasing the pass to 31.7 percent of the ridership choosing the 30-Day pass in FY 2010. Following the peak in 30-Day pass usage, the use of this pass began trending downward beginning in FY 2012.
- Since FY 2012, the percentage of usage for the Day Pass and the 7-Day Pass has experienced only small fluctuations.

Figure 5: Ridership by Fare Medium

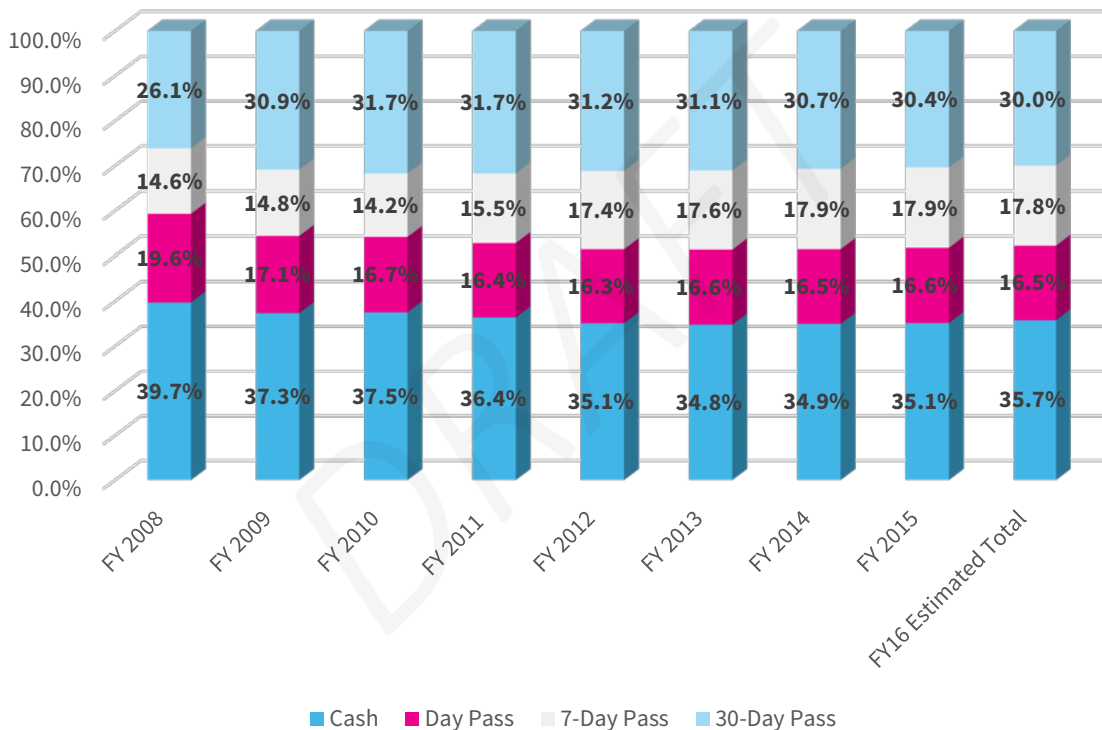


Figure 6: Ridership Trend by Fare Medium (June 2008 – July 2009)

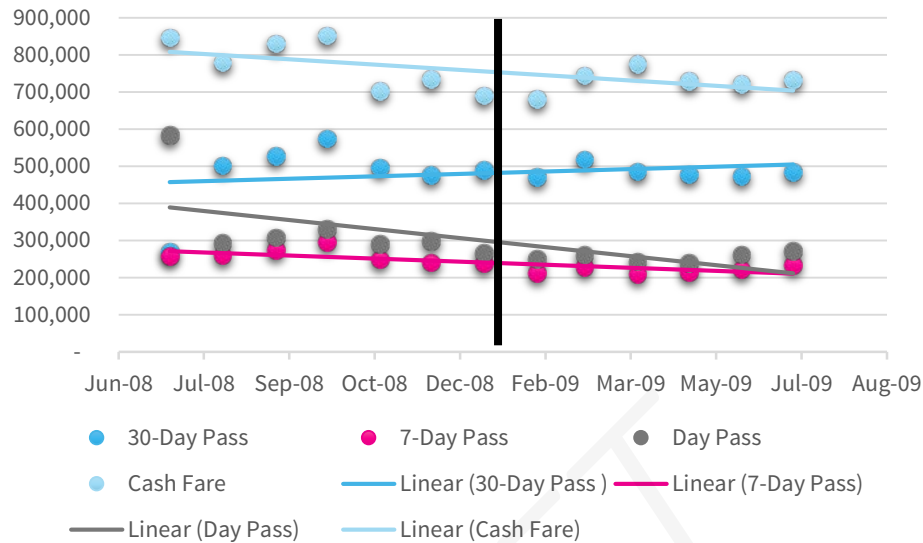


Figure 7 presents the revenue collected from each fare medium. Figure 8 shows the revenue by fare medium monthly from June 2008 to July 2009.

- Despite the percentage of revenue for cash fares remaining consistent from 2009 to 2010, the revenue from full fares experienced a slight increase from \$11,492,847 in 2009 to \$11,998,569 in 2010, an increase of four percent.
- Revenue from cash fares continued to increase from 2009 to \$14,831,618 in 2013, an overall increase of 29 percent before beginning to decline consistent with ridership trends.
- Following the fare increase in 2009, the percentage of Day Pass revenue was relatively constant with only minor increases.
- The percentage of 7-Day Pass revenue has increased since FY 2011, but is expected to decrease in FY 2016 based on the projection.
- The percentage of 30-Day Pass revenue increased in FY 2011 and has remained consistent until FY 2015 when the revenue collected for that media experienced a small decline.

Figure 7: Revenue by Fare Medium

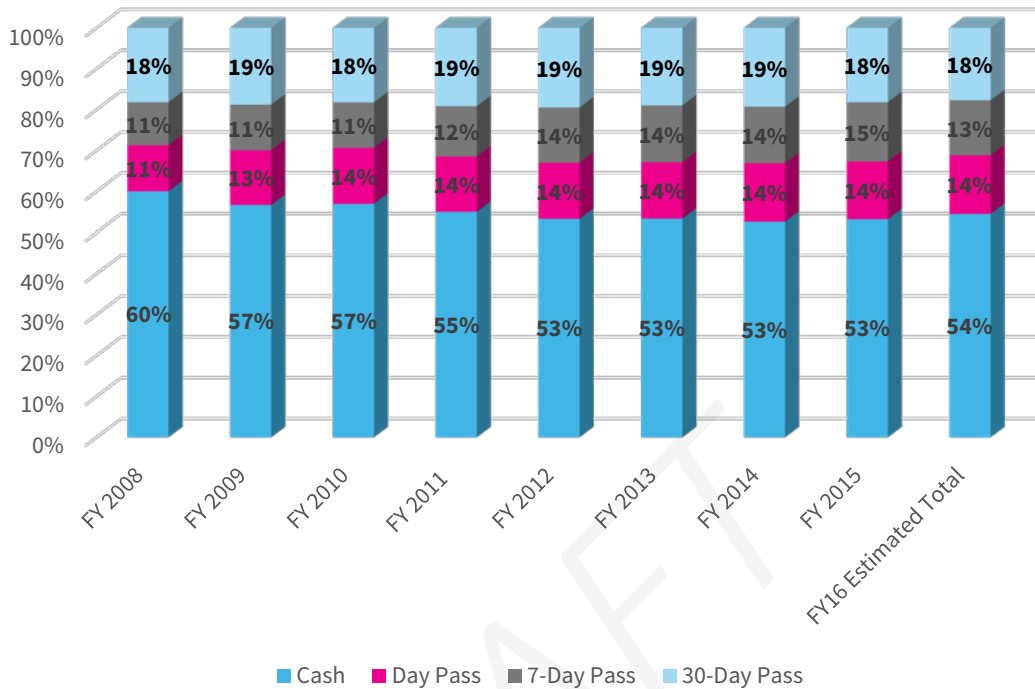


Figure 8: Revenue Trend by Fare Medium (June 2008 – July 2009)

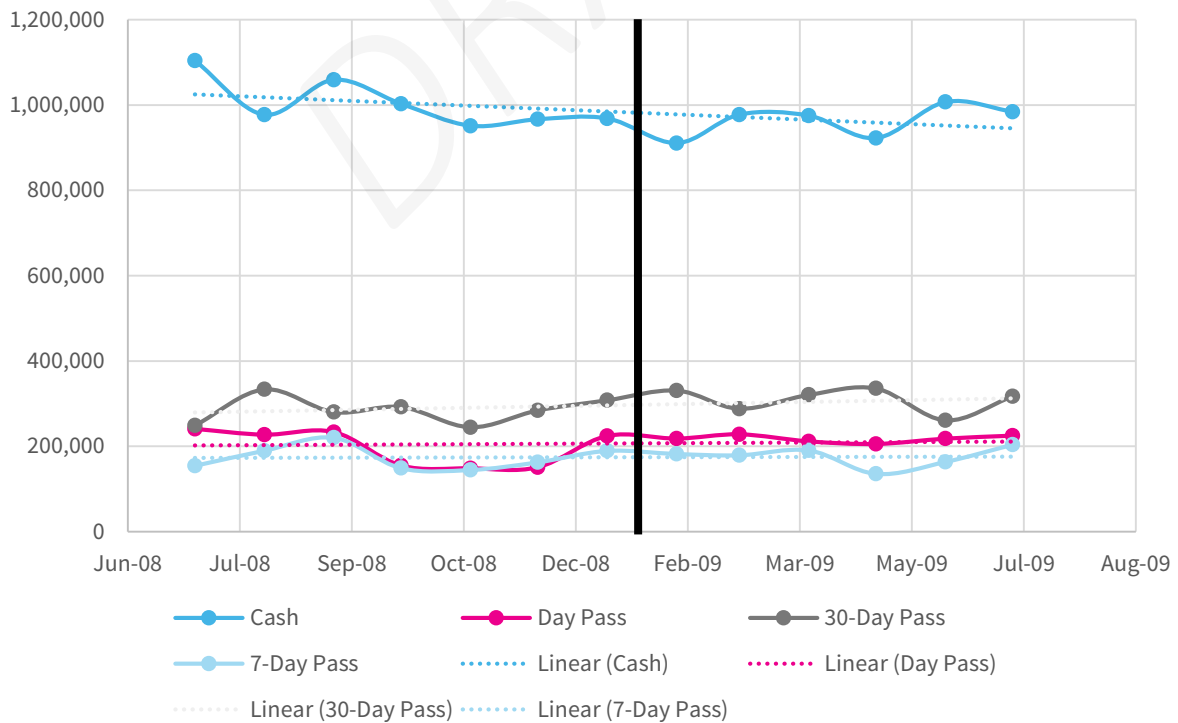
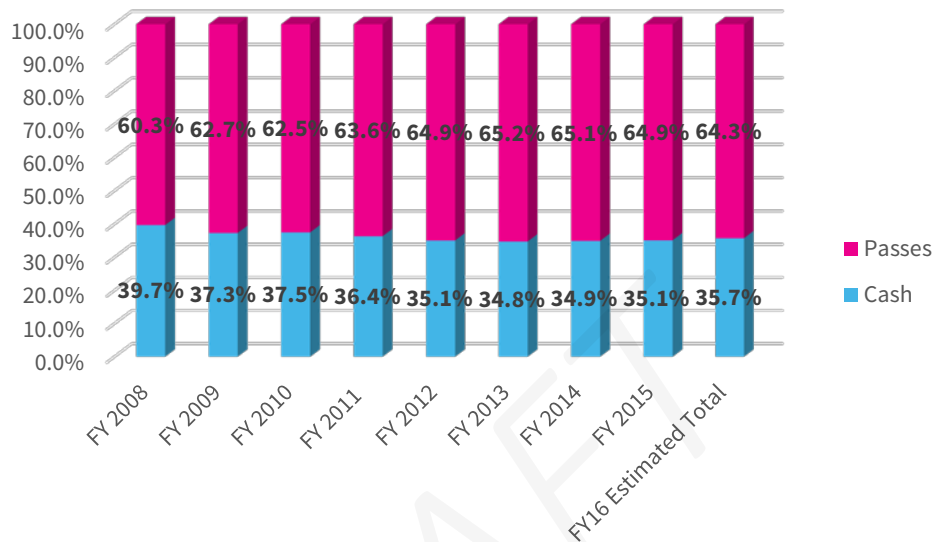


Figure 9 shows the proportion of pass trips to cash trips for 2008 through estimated projections for 2016. The table shows the fluctuations in usage following the 2009 fare increase.

Figure 9: Proportion of Pass to Cash Usage



LYNX Transfer Policy Assessment

Figure 10 shows the trend in transfer use following the FY 2009 fare change. Figure 11 presents the monthly trends in transfer usage from June 2008 to July 2009.

- Prior to 2008 and following the fare change, the trend in transfer use was upward.
- From FY 2014 to FY 2015, transfers decreased from 3,424,535 to 3,411,514, an overall decrease of 0.4 percent. The number of transfers is expected to decrease by seven percent from FY 2015 based on the FY 2016 estimates. The decrease in the number of passengers transferring is consistent with the decline in ridership that LYNX has experienced beginning in FY 2014.

Figure 10: Trends in Transfer Usage (FY 2009-FY 2016 Estimated)

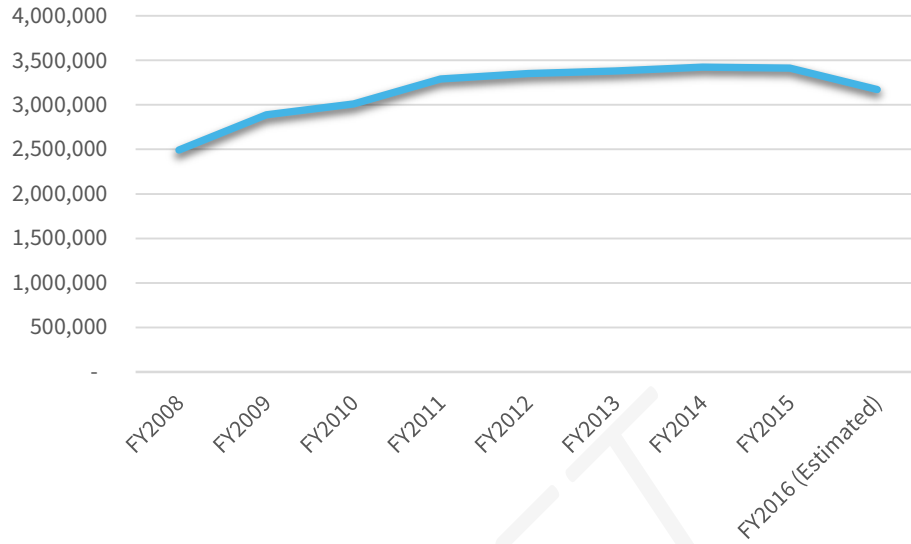


Figure 11: Transfer Trend (June 2008 – July 2009)

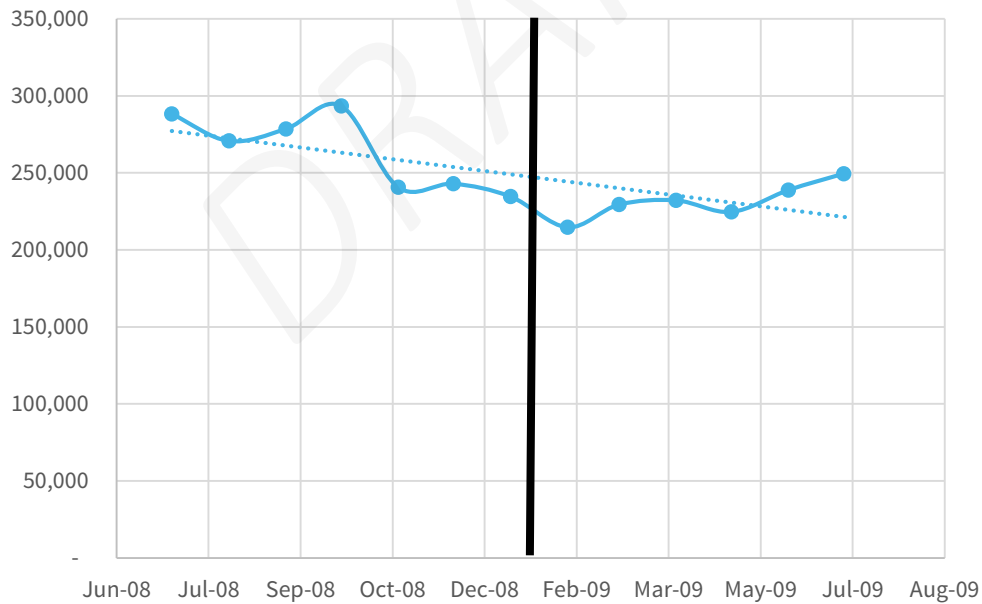
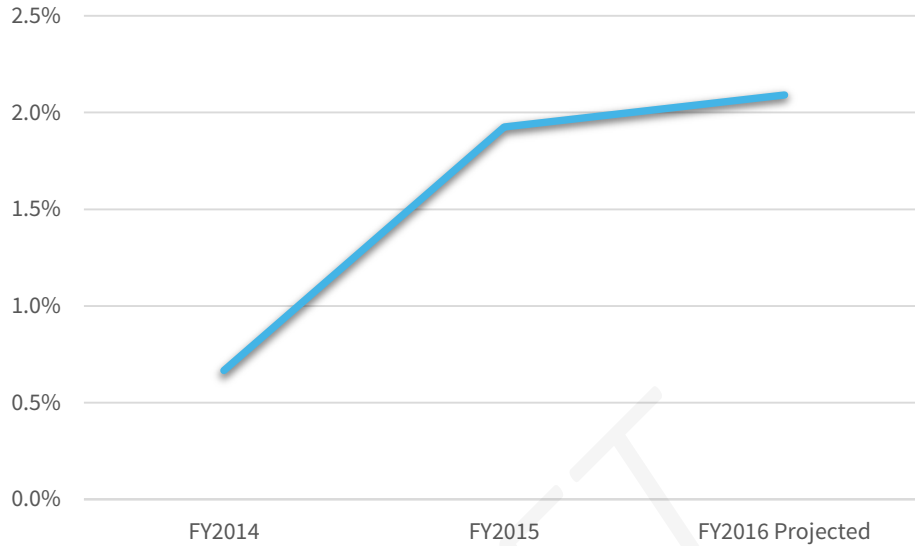


Figure 12 shows the percentage of LYNX transfers that are attributable to SunRail passengers using the LYNX system. As shown in the figure, the number of transfers has increased from 0.7 percent in FY 2014, a partial year of service, to 2.1 percent estimated for FY 2016. This indicates that passengers from the SunRail system represent a small amount of the overall LYNX transfers.

Figure 12: Transfers from SunRail to LYNX



Demographic Analysis

A review of Orange, Osceola, and Seminole County demographic data was performed to account for the impact of changes in the make-up of the county population on fare usage and trends. Figure 13 presents the population projections for 2015 through 2017 based on the University of Florida Bureau of Economic and Business Research (BEER) medium projections. As shown in the figure, Orange, Osceola, and Seminole County will experience an upward trend in population from 2015 to 2017, at 5 percent, 8 percent, and 3 percent, respectively.

Figure 13: Orange, Osceola, and Seminole County Population

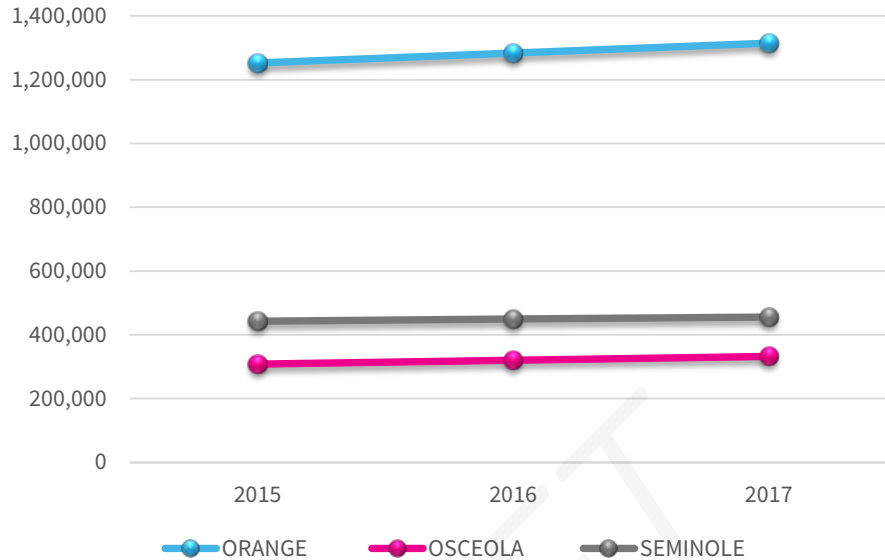


Figure 14 presents poverty levels from 2008 to 2017. Poverty levels shown for 2015 through 2017 are projected not reported by the U.S. Census. Poverty levels are defined by income levels that, depending on family or household size, describe a family or household as being in extreme want of necessities. Poverty thresholds are adjusted annually. Poverty level is one of the demographic characteristics used to identify the transit dependent population.

As shown in the figure, poverty levels were trending upward until 2014 when the levels began to decline in all geographic areas reviewed. This trend is consistent with the decline in LYNX’s ridership.

Figure 14: Orange, Osceola, and Seminole County Poverty Levels



Peer Review

A comparative analysis of similar transit systems to LYNX was performed to assist in determining the appropriateness of specific fare policies, fare structures, and fares. A peer review is a common tool used by transit agencies to compare and evaluate transit systems operating within a similar operating environment or that might share other similar system characteristics. For the LYNX fare policy peer review, peer systems were selected to include Florida transit systems and systems that were reviewed during previous fare evaluations for consistency.

Information on fare policy and fare structure issues was collected either directly from the transit agency’s website or by contacting each agency’s public information telephone line. Table 8 summarizes the fare structure, fares, and transfer policies for each of the peer transit agencies. Of the 34 peer systems reviewed, six are charging a \$2.00 fare consistent with LYNX’s existing fare and four are charging more than \$2.00. One system in Florida is operating with a free fare.

Table 8: Peer Comparison of Cash and Pass Fares

County	Transit System	Current Base Fare	All-Day Pass	Multi Ride (Rides/ Fare)	7-Day Pass	Monthly / 30- or 31-Day Pass	Allow Free or Reduced Transfers (Y/N)	Transfer Fare
Orange	LYNX	\$2.00	\$4.50		\$16.00	\$50.00 ²	Y	Free
Miami-Dade	Miami-Dade Transit ³	\$2.25	\$5.65		\$29.25	\$75.00	Y	Mode Specific
Hillsborough	Hillsborough Area Regional Transit ^{5,6}	\$2.00	\$4.00		-	\$65.00	N	
Pinellas	Pinellas Suncoast Transit Authority	\$2.25	\$5.00		\$25.00	\$70.00	N	
Palm Beach	PalmTran ⁵	\$2.00	\$5.00			\$70.00	N	
Broward	Broward County Transit ⁵	\$2.00	\$5.00	10 Rides/\$20.00	\$20.00	\$70.00	Y	Agency/Mode Specific
Anaheim, CA	Orange County Transit Authority	\$2.00	\$4.50	5 Rides/\$9.00	\$25.00	\$69.00	N	
Hampton Roads, VA	Hampton Roads Transit	\$1.75	\$4.00		\$20.00	\$60.00	N	
Charleston, SC	Charleston Area Regional Transportation Authority	\$2.00	\$7.00	10 Rides/\$16.00		\$57.00	Y	\$0.50
Charlotte, NC	Charlotte Area Transit System	\$2.20	\$6.60	10 Rides/\$18.70	\$22.00	\$88.00	Y	Mode Specific
Austin, TX	Capital Metro	\$1.25	\$2.50		\$11.25	\$41.25	N	
Denver, CO	Regional Transportation District	\$2.60	\$5.20	10 Rides/\$23.50		\$99.00	Y	Free

County	Transit System	Current Base Fare	All-Day Pass	Multi Ride (Rides/ Fare)	7-Day Pass	Monthly / 30- or 31-Day Pass	Allow Free or Reduced Transfers (Y/N)	Transfer Fare
Duval	Jacksonville Transportation Authority ⁴	\$1.50	\$4.00		\$16.00	\$50.00	N	Full Fare
Lee	LeeTran ⁵	\$1.50	\$4.00	12 Rides/\$13.50	\$15.00	\$40.00	N	Full Fare
Polk	Winter Haven Area Transit	\$1.50	\$3.00		\$12.00	\$47.00	Y	Free
Polk	Lakeland Area Mass Transit/Citrus Connection	\$1.50	\$3.00		\$12.00	\$47.00	Y	Free
Brevard	Space Coast Area Transit	\$1.50	-	10 Rides/\$12.00	-	\$42.00	Y	Free
Volusia	Votran	\$1.75	\$3.75	10 Rides/\$16.50	\$13.00	\$46.00	N	
Pasco	Pasco County Public Transportation	\$1.50	\$3.75	20 Rides/\$25.00	-	\$37.50	N	
Sarasota	Sarasota County Area Transit ⁵	\$1.25	\$4.00		\$20.00	\$50.00	N	
Collier	Collier Area Transit	\$1.50	\$4.00		\$15.00	\$35.00	Y	\$0.75
Marion	Suntran	\$1.50				\$45.00	Y	Free
Escambia	Escambia County Area Transit	\$1.75		20 Rides/\$29.00	\$14.50	\$47.00	Y	Free
Manatee	Manatee County Area Transit	\$1.50	\$4.00		\$12.00	\$40.00	Y	Free
Lake	LakeXpress	\$1.00	\$3.00	10 Rides/\$8.00		\$30.00	Y	Free

County	Transit System	Current Base Fare	All-Day Pass	Multi Ride (Rides/ Fare)	7-Day Pass	Monthly / 30- or 31-Day Pass	Allow Free or Reduced Transfers (Y/N)	Transfer Fare
Leon	StarMetro	\$1.25	\$3.00		\$10.00	\$38.00	Y	Free
St. Lucie	Community Transit	\$2.00	\$5.00	10 Rides/\$14.00		\$50.00	N	
Alachua	Regional Transit System	\$1.50	\$3.00		-	\$35.00	N	
Okaloosa	The Wave	\$1.50				\$30.00	Y	Free
Clay	Clay Transit	\$1.00				\$25.00		
Bay	Bay Town Trolley	\$1.50	\$4.00			\$35.00	Y	\$0.25
St. Johns	The Sunshine Bus	\$1.00	\$3.00			\$30.00		
Hernando	The Bus	\$1.25	\$1.50	12 Rides/\$10.00 & 18 Rides/\$15.00	-	\$25.00	Y	\$0.50
Martin	Community Coach	\$1.00	-	10 Rides/\$7.00	-	\$25.00	N	
Indian River	Indian River Transit	Free					Y	Free

¹Fare Pass information is based on information obtained from agency websites and customer service.

²LYNX offers a 30-day rolling pass.

³Miami-Dade Transit passes are interchangeable between bus and rail service.

⁴JTA passes are good for bus and Skyway service.

⁵LeeTran, Sarasota County Area Transit, PalmTran, and Broward County Transit will be implementing or are proposing fare increases within the next year. HART is considering a fare increase for FY 2009.

⁶HART does not provide interchangeable passes between bus and rail services.

⁷Information based on 2005 NTD Report.

⁸Children shorter than the farebox height ride free.

⁹These counties receive a portion of local option fuel tax revenues for federal and state grant match purposes.

¹⁰Transit agencies that do not allow for a free or reduced transfer fare charge the full base fare whenever passengers board a different vehicle.

Section 4: Bus Rapid Transit Assessment

LYMMO

Downtown Orlando circulation has been provided by various modes in an effort to reduce traffic and congestion, increase development capacity, lessen parking demand, and encourage more pedestrian and transit travel in the downtown area for over 20 years. In 1983, a downtown Orlando circulator called Meter Eater operated from parking garages around the central business district (CBD) at a fare of \$0.25 per trip. That service was sold and became a fare-free service called Freebie paid for with City of Orlando parking revenue. Eight vehicles were utilized to operate the Freebie service. Due to the success of the Freebie service, the City of Orlando purchased an electric streetcar (OSCAR) which was to provide an environmentally friendly circulation option in the downtown. The continued success of the fare-free circulator service led to a partnership between LYNX, the Federal Transit Administration (FTA), the Florida Department of Transportation (FDOT), and the City of Orlando to pursue what is now known as the LYMMO Orange line service. The initial line of LYMMO began operation in 1997 as an approximately 3-mile loop through downtown. The initial LYMMO line operates five-minute peak service and ten-minute off-peak utilizing 10 vehicles. The Grapefruit line was added to the downtown LYMMO circulation system in April 2014 operating with a ten-minute peak and fifteen-minute off-peak. The LYMMO Lime line began operation in January 2016 operating with a ten-minute peak and a fifteen-minute off-peak. In 2015, the LYMMO Orange North Quarter extension began operating with fifteen-minute service throughout the day. LYMMO ridership and service miles supplied for FY 2008 through projected FY 2016 are shown in Figures 15 and 16, respectively. LYMMO ridership began declining in FY2010 and did not rebound until FY 2015 after introduction of the Grapefruit line, despite relatively consistent service levels.

Figure 15: LYMMO Ridership Trend

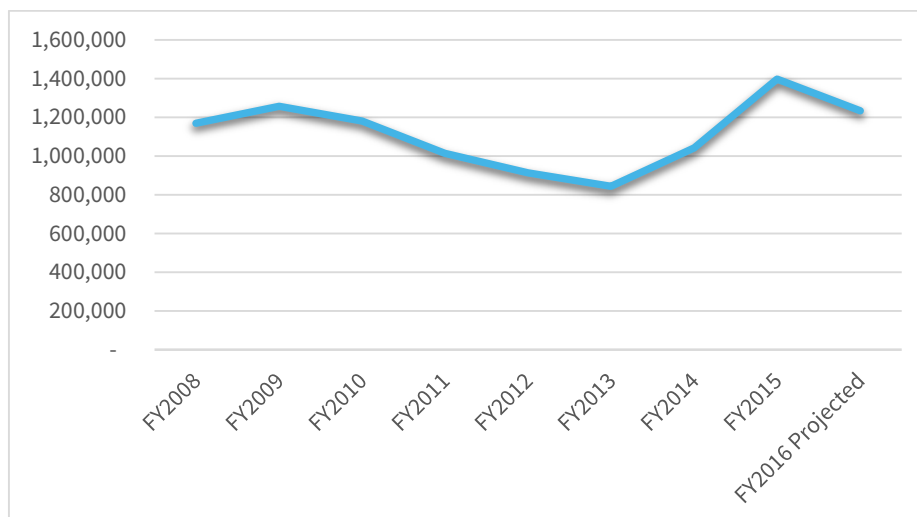
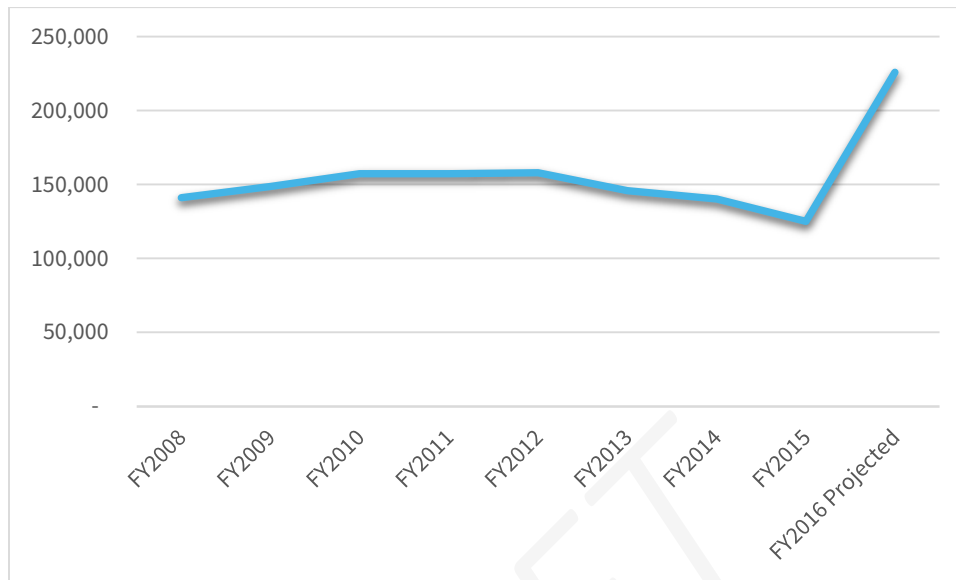


Figure 16: LYMMO Service Miles Supplied Trend



In 2001, LYMMO service was evaluated by the National Bus Rapid Transit Institute (NBRTI) in coordination with the FTA and FDOT due to its status as one of the first Bus Rapid Transit (BRT) lines in the country and the state of Florida. As part of the evaluation a passenger survey was completed. Key survey results from the on-board survey of LYMMO customers are listed below.

- LYMMO trip purposes included getting to jobs, lunch, shopping, and errands while in Downtown Orlando.
- Just fewer than 42 percent of customers indicated that they would like the LYMMO to remain free of charge to ride.
- Most customers indicated that they are willing to pay \$0.25 to use the LYMMO system.
- At the time of the survey, 53 percent of LYMMO customers did not use any other LYNX services other than LYMMO.
- The results indicated that 27 percent of the respondents elected to use the LYMMO because it is faster than walking in the Downtown Orlando area. Additionally, 16.4 percent elected to use the LYMMO because it is free to ride, and an additional 14.4 percent elected to use the service because they feel it is easy to use.
- Customers indicated a very high level of satisfaction with overall LYMMO service; all mean satisfaction scores were about 4.41 on a 5.0 scale, falling between “satisfied” and “very satisfied,” including the service elements of travel time and reliability.
- The results indicated that 52.5 percent of LYMMO customers have improved their opinions of public transit as a result of using LYMMO service.

LYMMO 2016 Passenger Survey

LYNX conducted a survey of riders on the free LYMMO service from June 2, 2016 through June 4, 2016, with a total of 840 responses. Some of the key findings from the survey effort are listed below.

- Demographics for the respondents indicated that 60.5 percent are between the ages of 35 and 64, 88.5 percent speak English very well, 41 percent are African American/Black, 33 percent are White, and 41.5 percent live in households that earned less than \$19,999 in 2015.
- Approximately 59 percent of respondents indicated using the downtown LYMMO circulator every day or almost every day. When asked how often the respondents use the LYNX local bus routes or NeighborLink service, nearly 42 percent indicated that they use those services every day or almost every day.
- The majority of respondents (25.4%) pay the cash fare when using LYNX buses other than LYMMO.
- When asked the maximum fare that the respondents would be willing to pay for the existing LYMMO circulator, 43.6 percent answered none, followed by 14 percent indicating \$1.00, 13 percent selecting \$0.25, and 11 percent choosing \$0.50. The survey results concluded that the average response not including “no answer” or “other” was \$0.501 and the median response was \$0.25.
- When asked the maximum fare that the respondent would be willing to pay for an expanded LYMMO circulator, 39 percent answered none, followed by 15 percent indicating \$1.00, 12 percent indicating \$0.50, and 11 percent selecting \$0.25. The survey results concluded that the average response not including “no answer” or “other” was \$0.549 and the median response was \$0.25.
- The origin and destination of the majority of respondents was home, with 42 percent and 21.5 percent, respectively. The second most selected answer for origin and destination was work with 19.1 percent and 19.3 percent, respectively.

Passenger Survey Summary

In comparison to the survey of LYMMO passengers completed in the 2001 NBRTI LYMMO evaluation report, the percentage of LYMMO passengers that use other LYNX services has increased, while the percentage of passenger that are not willing to pay a fare on the LYMMO circulator service has remained relatively consistent over the 15 year period. In 2001, 42 percent of respondents indicated that they would like the LYMMO to remain free of charge compared to the 2016 survey results where 43.6 percent of respondents selected “None” as the maximum fare that they would be willing to pay for the existing LYMMO service. These survey results indicate that passengers are using the system frequently, live or work in the downtown core, and may be using the LYMMO service because it is free. If a fare were added to the LYMMO system, with a static ridership base, customer revenue would range between \$308,496

for a \$0.25 fare to \$1,233,984 for a \$1.00 fare. It is anticipated that ridership would decline if a fare were implemented due to some of the inconveniences that a fare would add to the service and based on the passenger survey results. The fare revenue for LYMMO may not be great enough to counter some potential negative effects of adding the fare, such as increased use of the automobile or decreased familiarity with public transit.

Bus Rapid Transit Case Studies

A review of nine transit systems that operate bus service within the downtown area including BRT, streetcar, or local bus in free zones was conducted. The analysis reviewed the fares that were being charged on the systems and if any of the systems had transitioned from free fares to begin charging passengers and how those changes may have impacted ridership and passenger satisfaction. This section includes brief descriptions of the findings from the case study review.

Greater Cleveland Regional Transit Authority HealthLine Bus Rapid Transit

The Greater Cleveland RTA operates the HealthLine BRT service for Cuyahoga County, Ohio, a service area population of 1,412,140. The BRT system opened in 2008 with off-board fare collection, median-aligned dedicated bus-only lanes, and at-level boarding. In the six years (2008-2014) since opening, the HealthLine has served more than 29 million customers. Annual ridership has increased about 60 percent over the previous Number 6 bus line, which was RTA's highest ridership bus line and was replaced by the HealthLine in 2008.

The BRT HealthLine posted a 48 percent increase in year one, and served more than 5 million customers in 2014, a 4.7 percent increase over 2013. The BRT system provided 5,084,513 passenger trips in 2014 with 14 route miles and 21 vehicles available for maximum service. The total revenue miles were equivalent to 641,081 with a total operating expense of \$7,095,541 and \$11.07 operating expense per revenue mile. The service supply is equivalent to 0.47 vehicle miles per capita with 7.93 passenger trips per revenue miles and 74.33 passenger trips per revenue hour. The weekday span of service is 23.98 hours. The average fare is \$1.03 with a farebox recovery of 73.69 percent. The current cash fare in 2016 is \$2.25.

Lane Transit District Emerald Express Bus Rapid Transit

The Lane Transit District operates their Emerald Express (EmX) BRT service for Lane County, Oregon, a service area population of 297,500. The EmX system features dedicated busways (1.6 miles), off-board fare collection, and near-level boarding. The EmX replaced the #11 bus route. The EmX Green Line operates between Eugene and Springfield and inspired consideration of the West Eugene system expansion; the system expansion for the West Eugene EmX project was approved and construction began in March 2015.

The EmX BRT system provided 2,806,846 passenger trips in 2014 with 20 route miles and 11 vehicles available for maximum service. The total revenue miles for LTD BRT in 2014 were 427,626 with a total of \$5,641,027 in operating expenses and an operating expense per revenue mile of \$13.19. The service supply is equivalent to 1.46 vehicle miles per capita with a 6.56 passenger trips per revenue mile and 78.79 passenger trips per revenue hour. The weekday span of service is 18.5 hours. The average fare is \$0.63 with a 31.42 percent farebox recovery ratio. Currently the fare for EmX service is \$1.75.

Connecticut Fastrak Bus Rapid Transit

The CT Fastrak BRT service utilize a bus-only roadway for all or a portion of trips with downtown services from New Britain to Hartford. The CT Fastrak service began in March 2015 with a 9-day fare-free promotion, and is currently conducting a study for service expansion east of Hartford. The current fare for BRT CT Fastrak service is \$1.50.

Central Ohio Transit Authority CBUS

The Central Ohio Transit Agency (COTA) CBUS is a free Downtown Circulator providing service between the Brewery District, Downtown Columbus and Short North. The Downtown Circulator runs on a 10-15 minute frequency every day.

CBUS was launched in May 2014 as a free experiment and provided approximately 490,000 passenger trips within its first year of operation. The CBUS was launched to support public and private sector efforts to attract development, new businesses, residents and visitors to the burgeoning core of the city. Since its inception, the CBUS has become a vital part of the Downtown experience. In March 2016, CBUS ridership reached one million trips, exceeding its ridership goal by more than 60%.

COTA initially committed to funding the CBUS from its inception in May 2014 through the end of the calendar year, but decided to extend funding through their first year of service. Financial support for the CBUS from businesses and other public and private stakeholders in the Downtown area make the continuation of free CBUS passenger fares possible. By April 2016, local area businesses committed \$133,000, nearly 10 percent of operation costs, to fund the CBUS. After learning that local area business contributed funds for CBUS operation, the Board of Trustees of Central Ohio Transit Authority voted to keep the CBUS fare free through April 30, 2017. The CBUS costs approximately \$1.3 million to operate, and COTA is working with funders to identify long-term ways to keep the line fare-free. At the close of 2014, COTA contemplated implementing a 50 cent fare as the agency opted to increase their fare packages for their transit system; however, COTA opted not to implement a fare for the CBUS.

Allegheny County Port Authority Fare Free Zone Motor Bus and Light Rail Transit

The Allegheny County Port Authority operates a multi-zone system around Downtown Pittsburgh. At the center of the multi-zone system is a fare free zone for their bus and light rail systems. For the bus, the fare free zone includes the “Golden Triangle” of Downtown Pittsburgh bordered by the Allegheny

and Monongahela rivers as well as 11th and Ross streets. Bus travel within this area is free until 7 p.m. daily. After 7 p.m., bus rides within Downtown are \$2.50 (full cash fare). On the light rail system, the T, travel between Downtown Pittsburgh and the North Shore are free at all times. Passengers wishing to travel outside the fare free zone or across multi zones are required to pay a one-zone fare (\$2.50) or two zone fare (\$3.75) depending on their origin and destination.

Atlanta Streetcar

The City of Atlanta, Georgia began their Streetcar service December 31, 2014. The Streetcar started with a 3-month fare-free program, however, Mayor Reed decided to continue the fare free program throughout 2015 citing that the 2015 budget was anticipated to be met, and that allowing the continuation of the fare-free program may generate habitual ridership. The 2.7 mile Streetcar route services the downtown area on a 10 to 15 minute frequency. Fares of \$1.00 are currently being collected.

Kansas City Streetcar

The Kansas City Streetcar began service in 2016 and has been in service for 42 days. The 2.2 mile route services the downtown area fare-free. The service is currently funded through 2018 by revenue from the Transportation Development District (TDD). The phase 1, downtown streetcar, TDD utilized a combination of a 1 percent sales tax within the entire boundary of the Expansion TDD and a special assessment on some, but not all, property. The special assessment on real estate within the Phase 1 TDD boundary, with maximum annual rates as follows:

- 48¢ for each \$100 of assessed value for commercial property (\$1,536 for each \$1 million of market value)
- 70¢ for each \$100 of assessed value for residential property (\$266 for each \$200,000 of market value)
- \$1.04 for each \$100 of assessed value for property owned by the City (which would mean a total annual City payment of about \$810,000)
- 40¢ for each \$100 of assessed value for real property exempt from property tax, such as religious, educational, charitable, etc. property, but only on market value more than \$300,000 and less than \$50 Million.

A supplemental special assessment on surface pay parking lots within the Phase 1 TDD boundary (not garages and not free parking lots). The maximum rate for the supplemental special assessment on surface pay parking lots will be \$54.75 per space per year.

Currently a system expansion is being planned-Phase 2. The expanded streetcar system is expected to use a funding formula similar to the one used to construct the downtown streetcar line. This includes creating a new, larger TDD. The revenue formula plans to combine local taxes and assessments with federal and/or state funds and other non-TDD sources. The amount of non-TDD revenue will determine how far the expansion routes can be built in Phase 2.

Sound Transit Tacoma Link Light Rail Transit

The 1.6 mile Tacoma Link light rail service operates fare-free and is anticipated to be funded through 2020. The Link runs at a 12 to 24 minute frequency. The Tacoma Business Improvement Area has been a funder for this service allowing the Tacoma link to be fare-free.

Miami-Dade Department of Transportation and Public Works Metro Mover Automatic People Mover

In November 2001 the Miami-Dade Transit Metro Mover, an Automatic People Mover (APM) system that circulates in the Miami downtown area with service to Brickell, was approved to become fare-free as a result of the Peoples Transportation Plan. The fare-free policy was implemented in 2002 and since then has continued to service Miami fare-free. In 2016 consideration of adding a fare to this service was declined by the Board.

Case Study Summary

Of the nine transit systems reviewed, four are charging a fare for the service at this time but two of those systems began with an introductory free fare period to encourage ridership. One of the systems even extended the free fare period as the budget allowed to generate additional ridership. Four systems operate completely free of charge, with one of those systems reporting that the system being free is vital and has allowed the agency to exceed the ridership goal by more than 60 percent. Another system has been free since 2002 and its Board voted in 2016 to decline the implementation of a fare. A couple systems will remain free as the budget allows with funding budgeted for several more years. Only one of the systems reviewed operates with zonal fares and a free fare zone within the downtown area; therefore, all transit services are free to passengers in that area until 7PM. After 7PM, passengers are charged a fare of \$2.50 for the bus service. The majority of systems reviewed indicated that operating with a free-fare policy has increased ridership on that service or has been essential in generating ridership over an introductory period.

Section 5: Determination of Elasticity

Elasticity Estimation for LYNX Ridership

In order to estimate the impact of fare increases on ridership, a fare elasticity analysis was completed for the LYNX system. The elasticities for full-fare ridership and overall ridership were estimated for the purposes of this report. Since the LYMMO BRT system has been free since inception, there is no fare data set for use in the development of an elasticity; however on the prior downtown circulator before LYMMO trips increased after the fare was removed.

Background

Revenue miles were used as the proxy for level of service, employment as the regional demographic, the price of gasoline as the price of substitute modes, and the real fare as the price of transit for the full fare estimates and an average fare for the total ridership estimates. The fare data set used was from FY 2003 to April 2016. Some reclassification took place during 2008 which led to ridership numbers being reported differently, but not by a large amount. To ensure that the reclassification did not make the more recent data different from the original data (October 2002-June 2008), a post-2008 dummy variable was used.

Summary

In the professional opinion of the analyst for this exercise, Dr. Brad Kamp, a statistician and professor of Economics at the University of South Florida, the average of the level and log models for fare and revenue data for the period of FY 2003 – FY 2016 with a dummy variable is preferred and results in the best elasticity estimates for LYNX' use. Therefore, it is recommended that a full-fare ridership elasticity of -0.37 is used and that for all fares increased by roughly the same percent, the elasticity on total ridership would be in the range of -0.30 to -0.37. However, if the fare increase is not fairly equal across the board, the drop in ridership may be somewhat less than what an elasticity of -0.35 would predict dependent on the variation of the inequality and could fall in a range up to -0.4.

The NeighborLink service operates with the same fare as the fixed-route service. Using a similar regression for NeighborLink, full fare, and total ridership, NeighborLink was slightly more elastic than the full fare. It is estimated that the demand for NeighborLink is not different from the full fare ridership.

Section 6: Alternative Fare Structure and Fare Revenue Gains



Section 6: Alternative Fare Structure and Fare Revenue Gains

To review the impact of a fare increase, four initial ridership alternatives were developed to analyze the impact of the potential fare adjustment. Additionally, the same four ridership scenarios were run with a fare structure that included higher pass pricing to determine the revenue impact. The ridership and revenue alternatives are further described below.

- No Growth in Ridership – Ridership remains static with no growth. This scenario utilizes the FY 2016 projected ridership statistics to estimate revenues for FY 2017.
- Elastic Ridership - Ridership changes as a result of the fare increase. This scenario utilizes a demand elasticity factor to measure the decline in ridership due to the proposed increase in fares.
- Decline in Ridership – The decline in ridership scenario is based on the declining ridership experienced by LYNX after the FY 2009 fare change and the average percentage decline in ridership when reviewing the FY 2015 actual and the FY 2016 projected ridership levels.
- Gas Price Increase-Based Growth in Ridership – Ridership growth was evident in FY 2010 through FY 2013 after the 2009 fare increase leading to an average growth; however, taking into account the current decline in ridership since FY 2014, the change in ridership between the FY 2016 projected ridership and the FY 2010 ridership increase was equivalent to approximately 3 percent. With the increase estimated in population and those in poverty, coupled with uncertain gas pricing, the 3 percent increase in ridership was utilized as the growth scenario.

The proposed fare alternatives were analyzed in order to find the total revenue and ridership gain or loss for each scenario. Table 9 illustrates the existing base fare alternative using the model in order to provide controlled totals for fare revenue and ridership. Tables 10 through 13 provide the analysis assuming static (no growth in ridership), elastic ridership (passenger price sensitivity), declining ridership and growth in ridership based on gas price increases. Tables 14 through 17 provide the analysis for the same ridership scenarios but assuming higher pass pricing. Table 18 provides a summary of the pass pricing discounts based on the trip assumptions for pass usage. Assumptions that are made to complete these revenue scenario alternatives include:

- LYNX has indicated that the new fare structure may be implemented in January 2017. Twelve-month estimated revenue totals in Tables 9 through 14 include the estimated fare revenue to be collected over the nine-month period in FY 2017, from January to September 2017, when the new fare structure will be in place, and the three-month period in FY 2017 from October to December 2016 with the existing fare structure.
- The number of times a pass is used is the current ridership divided by the resulting solution to the current revenue divided by the current fare.

- The number of passes purchased is the current ridership divided by the number of times an individual pass is used.
- The final revenue is the number of purchased passes multiplied by the future fare.
- The transfer policy will remain the same and, as such, transfers will remain free when transferring between similar services, such as transferring from one local Link to another local Link, or from a premium service to a lesser service.
- Discounted fares include fares and passes for seniors (AdvantAge), Youth, and Income Qualified.
- Short fare remains the same regardless of the fare increase, but changes based on ridership increases and decreases.
- The unclassified category includes revenue that was not reported in a specific fare category and fares that do not have a specific ridership figure associated with them based on FY 2016 projections.
- The miscellaneous ridership category includes free riders, such as persons with visual impairments, LYNX employees, and children below the age of 6 riding with an adult. Miscellaneous riders experience the same rate of change as full-fare riders when ridership grows or is elastic.

Additional revenue scenarios were run to determine the fare revenue and impact of a higher base fare. Those scenarios are included in Appendix B as supplemental information. Additional performance and service supplied data is included in Appendix C as supplemental information. Based on Alternative 4 producing adequate fare revenue, the evaluation of other system fare pricing, and the initial public input expressing that the majority of passengers could not afford an additional increase the higher-rate base fare scenarios were not recommended.

Table 9: Base Fare Validation

Fare Type	2016 Current Fare	2016 Base Ridership	2016 Purchased Media	Times Media Used	FY2016 Base Revenue
Full Fare	\$2.00	6,415,282	6,415,282	1.00	\$12,830,564
Discount Fare	\$1.00	814,214	814,214	1.00	\$814,214
Transfers	\$0.00	3,173,911	3,173,911	1.00	\$0
Daily	\$4.50	2,540,433	574,759	4.42	\$2,586,414
Discount Daily	\$2.25	868,092	164,411	5.28	\$369,926
7-Day	\$16.00	3,356,235	126,938	26.44	\$2,031,005
Discount 7-Day	\$8.00	335,088	18,084	18.53	\$144,668
30-Day	\$50.00	4,525,366	77,436	58.44	\$3,871,806
Discount 30-Day	\$25.00	1,678,267	27,841	60.28	\$696,030
Short Fare	N/A	168,732	168,732	1.00	(\$47,801)
Unclassified	N/A	N/A	N/A	N/A	\$1,517,401
Adjustment	N/A	N/A	N/A	N/A	(\$149,172)
Misc. Riders	N/A	1,960,481	N/A	N/A	\$0
Total Jan '16 - Sept '16		25,836,101			\$18,498,790
Total Oct '15 - Dec. '15					\$6,166,263
Total FY 2017					\$24,665,053

Table 10: Alternative 1 \$2.25 Static Ridership (Maintain Pass Discount)

Fare Type	Proposed Fare	Current Fare	Current Ridership	Purchased Media	Times Media Used	2017 Revenue
Full Fare	\$2.25	\$2.00	6,415,282	6,415,282	1.00	\$14,434,385
Discount Fare	\$1.10	\$1.00	814,214	814,214	1.00	\$895,635
Transfers	\$0.00	\$0.00	3,173,911	3,173,911	1.00	\$0
Daily	\$5.00	\$4.50	2,540,433	574,759	4.42	\$2,873,793
Discount Daily	\$2.50	\$2.25	868,092	164,411	5.28	\$411,028
7-Day	\$18.00	\$16.00	3,356,235	126,938	26.44	\$2,284,880
Discount 7-Day	\$9.00	\$8.00	335,088	18,084	18.53	\$162,752
30-Day	\$55.00	\$50.00	4,525,366	77,436	58.44	\$4,258,986
Discount 30-Day	\$27.50	\$25.00	1,678,267	27,841	60.28	\$765,633
Short Fare	N/A	\$0.00	168,732	168,732	1.00	(\$47,801)
Unclassified	N/A	N/A	N/A	N/A	N/A	\$1,695,661
Adjustment	N/A	N/A	N/A	N/A	N/A	(\$166,697)
Misc. Riders	N/A	N/A	1,960,481	N/A	N/A	\$0
Total Jan. '17 - Sept. '17			25,836,101			\$20,676,192
Total Oct. '16 - Dec. '16						\$5,836,156
Total FY 2017						\$26,512,348

Table 11: Alternative 2 \$2.25 Elastic Ridership (Maintain Pass Discount)

Fare Type	Proposed Fare	Current Fare	Current Ridership	2017 Ridership	Purchased Media	Times Media Used	2017 Revenue
Full Fare	\$2.25	\$2.00	6,415,282	6,141,710	6,141,710	1.00	\$13,818,848
Discount Fare	\$1.10	\$1.00	814,214	786,001	786,001	1.00	\$864,601
Transfers	\$0.00	\$0.00	3,173,911	3,038,563	3,038,563	1.00	\$0
Daily	\$5.00	\$4.50	2,540,433	2,443,304	552,784	4.42	\$2,763,918
Discount Daily	\$2.50	\$2.25	868,092	834,902	158,125	5.28	\$395,313
7-Day	\$18.00	\$16.00	3,356,235	3,213,112	121,525	26.44	\$2,187,444
Discount 7-Day	\$9.00	\$8.00	335,088	320,799	17,312	18.53	\$155,812
30-Day	\$55.00	\$50.00	4,525,366	4,368,561	74,753	58.44	\$4,111,411
Discount 30-Day	\$27.50	\$25.00	1,678,267	1,620,115	26,876	60.28	\$739,103
Short Fare	N/A	N/A	168,732	161,537	161,537	1.00	(\$45,762)
Unclassified	N/A	N/A	N/A	N/A	N/A	N/A	\$1,627,369
Adjustment	N/A	N/A	N/A	N/A	N/A	N/A	(\$159,983)
Misc. Riders	N/A	N/A	1,960,481	1,876,879	N/A	N/A	\$0
Total Jan. '17 - Sept. '17			25,836,101	24,805,483			\$19,843,557
Total Oct. '16 - Dec. '16							\$5,836,156
Total FY 2017							\$25,679,713

Table 12: Alternative 3 \$2.25 Declining Ridership Trend (Maintain Pass Discount)

Fare Type	Proposed Fare	Current Fare	Current Ridership	2017 Ridership	Purchased Media	Times Media Used	2017 Revenue
Full Fare	\$2.25	\$2.00	6,415,282	5,998,289	5,998,289	1.00	\$13,496,150
Discount Fare	\$1.10	\$1.00	814,214	761,290	761,290	1.00	\$837,419
Transfers	\$0.00	\$0.00	3,173,911	2,967,607	2,967,607	1.00	\$0
Daily	\$5.00	\$4.50	2,540,433	2,375,305	537,399	4.42	\$2,686,996
Discount Daily	\$2.50	\$2.25	868,092	811,666	153,725	5.28	\$384,312
7-Day	\$18.00	\$16.00	3,356,235	3,138,080	118,687	26.44	\$2,136,363
Discount 7-Day	\$9.00	\$8.00	335,088	313,307	16,908	18.53	\$152,173
30-Day	\$55.00	\$50.00	4,525,366	4,231,217	72,403	58.44	\$3,982,152
Discount 30-Day	\$27.50	\$25.00	1,678,267	1,569,180	26,032	60.28	\$715,867
Short Fare	N/A	N/A	168,732	157,764	157,764	1.00	(\$3,107)
Unclassified	N/A	N/A	N/A	N/A	N/A	N/A	\$1,585,443
Adjustment	N/A	N/A	N/A	N/A	N/A	N/A	(\$155,861)
Misc. Riders	N/A	N/A	1,960,481	127,431	N/A	N/A	\$0
Total Jan. '17 - Sept. '17			25,836,101	22,451,136			\$19,363,429
Total Oct. '16 - Dec. '16							\$5,836,156
Total FY 2017							\$25,199,586

Table 13: Alternative 3 \$2.25 Gas Increase-Based Growth in Ridership (Maintain Pass Discount)

Fare Type	Proposed Fare	Current Fare	Current Ridership	2017 Ridership	Purchased Media	Times Media Used	2017 Revenue
Full Fare	\$2.25	\$2.00	6,415,282	6,607,740	6,607,740	1.00	\$14,867,416
Discount Fare	\$1.10	\$1.00	814,214	838,640	838,640	1.00	\$922,504
Transfers	\$0.00	\$0.00	3,173,911	3,269,128	3,269,128	1.00	\$0
Daily	\$5.00	\$4.50	2,540,433	2,616,646	592,001	4.42	\$2,960,007
Discount Daily	\$2.50	\$2.25	868,092	894,135	169,344	5.28	\$423,359
7-Day	\$18.00	\$16.00	3,356,235	3,456,922	130,746	26.44	\$2,353,427
Discount 7-Day	\$9.00	\$8.00	335,088	345,141	18,626	18.53	\$167,634
30-Day	\$55.00	\$50.00	4,525,366	4,661,127	79,759	58.44	\$4,386,756
Discount 30-Day	\$27.50	\$25.00	1,678,267	1,728,615	28,676	60.28	\$788,602
Short Fare	N/A	N/A	168,732	173,794	173,794	1.00	(\$49,235)
Unclassified	N/A	N/A	N/A	N/A	N/A	N/A	\$1,746,531
Adjustment	N/A	N/A	N/A	N/A	N/A	N/A	(\$171,697)
Misc. Riders	N/A	N/A	1,960,481	2,019,295	N/A	N/A	\$0
Total Jan. '17 - Sept. '17			25,836,101	26,611,184			\$21,296,478
Total Oct. '16 - Dec. '16							\$5,836,156
Total FY 2017							\$27,132,634

Table 14: Alternative 4 \$2.25 Static Ridership (Reduce Pass Discount)

Fare Type	Proposed Fare	Current Fare	Current Ridership	Purchased Media	Times Media Used	2017 Revenue
Full Fare	\$2.25	\$2.00	6,415,282	6,415,282	1.00	\$14,434,385
Discount Fare	\$1.10	\$1.00	814,214	814,214	1.00	\$895,635
Transfers	\$0.00	\$0.00	3,173,911	3,173,911	1.00	\$0
Daily	\$5.50	\$4.50	2,540,433	574,759	4.42	\$3,161,172
Discount Daily	\$2.75	\$2.25	868,092	164,411	5.28	\$452,131
7-Day	\$20.00	\$16.00	3,356,235	126,938	26.44	\$2,538,756
Discount 7-Day	\$10.00	\$8.00	335,088	18,084	18.53	\$180,835
30-Day	\$60.00	\$50.00	4,525,366	77,436	58.44	\$4,646,167
Discount 30-Day	\$30.00	\$25.00	1,678,267	27,841	60.28	\$835,236
Short Fare	N/A	\$0.00	168,732	168,732	1.00	(\$47,801)
Unclassified	N/A	N/A	N/A	N/A	N/A	\$1,764,381
Adjustment	N/A	N/A	N/A	N/A	N/A	(\$173,452)
Misc. Riders	N/A	N/A	1,960,481	N/A	N/A	\$0
Total Jan. '17 - Sept. '17			25,836,101			\$21,515,583
Total Oct. '16 - Dec. '16						\$5,836,156
Total FY 2017						\$27,351,740

Table 15: Alternative 5 \$2.25 Elastic Ridership (Reduce Pass Discount)

Fare Type	Proposed Fare	Current Fare	Current Ridership	2017 Ridership	Purchased Media	Times Media Used	2017 Revenue
Full Fare	\$2.25	\$2.00	6,415,282	6,141,710	6,141,710	1.00	\$13,818,848
Discount Fare	\$1.10	\$1.00	814,214	786,001	786,001	1.00	\$864,601
Transfers	\$0.00	\$0.00	3,173,911	3,038,563	3,038,563	1.00	\$0
Daily	\$5.50	\$4.50	2,540,433	2,358,643	533,630	4.42	\$2,934,963
Discount Daily	\$2.75	\$2.25	868,092	805,972	152,646	5.28	\$419,777
7-Day	\$20.00	\$16.00	3,356,235	3,090,265	116,878	26.44	\$2,337,568
Discount 7-Day	\$10.00	\$8.00	335,088	308,533	16,650	18.53	\$166,505
30-Day	\$60.00	\$50.00	4,525,366	4,230,159	72,385	58.44	\$4,343,079
Discount 30-Day	\$30.00	\$25.00	1,678,267	1,568,787	26,025	60.28	\$780,750
Short Fare	N/A	N/A	168,732	161,537	161,537	1.00	(\$45,762)
Unclassified	N/A	N/A	N/A	N/A	N/A	N/A	\$1,668,296
Adjustment	N/A	N/A	N/A	N/A	N/A	N/A	(\$164,006)
Misc. Riders	N/A	N/A	1,960,481	1,876,879	N/A	N/A	\$0
Total Jan. '17 - Sept. '17			25,836,101	24,367,049			\$20,343,464
Total Oct. '16 - Dec. '16							\$5,836,156
Total FY 2017							\$26,179,620

Table 16: Alternative 5 \$2.25 Declining Ridership Trend (Reduce Pass Discount)

Fare Type	Proposed Fare	Current Fare	Current Ridership	2017 Ridership	Purchased Media	Times Media Used	2017 Revenue
Full Fare	\$2.25	\$2.00	6,415,282	5,998,289	5,998,289	1.00	\$13,496,150
Discount Fare	\$1.10	\$1.00	814,214	761,290	761,290	1.00	\$837,419
Transfers	\$0.00	\$0.00	3,173,911	2,967,607	2,967,607	1.00	\$0
Daily	\$5.50	\$4.50	2,540,433	2,375,305	537,399	4.42	\$2,955,696
Discount Daily	\$2.75	\$2.25	868,092	811,666	153,725	5.28	\$422,743
7-Day	\$20.00	\$16.00	3,356,235	3,138,080	118,687	26.44	\$2,373,737
Discount 7-Day	\$10.00	\$8.00	335,088	313,307	16,908	18.53	\$169,081
30-Day	\$60.00	\$50.00	4,525,366	4,231,217	72,403	58.44	\$4,344,166
Discount 30-Day	\$30.00	\$25.00	1,678,267	1,569,180	26,032	60.28	\$780,945
Short Fare	N/A	N/A	168,732	157,764	157,764	1.00	(\$3,107)
Unclassified	N/A	N/A	N/A	N/A	N/A	N/A	\$1,649,696
Adjustment	N/A	N/A	N/A	N/A	N/A	N/A	(\$162,178)
Misc. Riders	N/A	N/A	1,960,481	127,431	N/A	N/A	\$0
Total Jan. '17 - Sept. '17			25,836,101	22,451,136			\$20,148,260
Total Oct. '16 - Dec. '16							\$5,836,156
Total FY 2017							\$25,984,417

Table 17: Alternative 5 \$2.25 Gas Increase-Based Growth in Ridership (Reduce Pass Discount)

Fare Type	Proposed Fare	Current Fare	Current Ridership	2017 Ridership	Purchased Media	Times Media Used	2017 Revenue
Full Fare	\$2.25	\$2.00	6,415,282	6,607,740	6,607,740	1.00	\$14,867,416
Discount Fare	\$1.10	\$1.00	814,214	838,640	838,640	1.00	\$922,504
Transfers	\$0.00	\$0.00	3,173,911	3,269,128	3,269,128	1.00	\$0
Daily	\$5.50	\$4.50	2,540,433	2,616,646	592,001	4.42	\$3,256,007
Discount Daily	\$2.75	\$2.25	868,092	894,135	169,344	5.28	\$465,695
7-Day	\$20.00	\$16.00	3,356,235	3,456,922	130,746	26.44	\$2,614,918
Discount 7-Day	\$10.00	\$8.00	335,088	345,141	18,626	18.53	\$186,260
30-Day	\$60.00	\$50.00	4,525,366	4,661,127	79,759	58.44	\$4,785,552
Discount 30-Day	\$30.00	\$25.00	1,678,267	1,728,615	28,676	60.28	\$860,293
Short Fare	N/A	N/A	168,732	173,794	173,794	1.00	(\$49,235)
Unclassified	N/A	N/A	N/A	N/A	N/A	N/A	\$1,817,312
Adjustment	N/A	N/A	N/A	N/A	N/A	N/A	(\$178,656)
Misc. Riders	N/A	N/A	1,960,481	2,019,295	N/A	N/A	\$0
Total Jan. '17 - Sept. '17			25,836,101	26,611,184			\$22,161,051
Total Oct. '16 - Dec. '16							\$5,836,156
Total FY 2017							\$27,997,207



Table 18: Pass Pricing Trip Assumptions and Discount Levels

Fare Type	Trip Assumption	LYNX Previous FY2008	Trip Assumption x Base Fare	Minimum Trips to Obtain Pass Value	% Savings	LYNX Current	Trip Assumption x Base Fare	Minimum Trips to Obtain Value	% Savings
Base Fare	1	\$1.75	-	-	-	\$2.00	-	-	-
Daily	2	\$4.00	\$3.50	2.3	14%	\$4.50	\$4.00	2.3	-13%
Daily +	3	\$4.00	\$5.25	2.3	24%	\$4.50	\$6.00	2.3	25%
7 Day	10	\$14.00	\$17.50	8.0	20%	\$16.00	\$20.00	8.0	20%
Monthly	40	\$44.00	\$70.00	25.1	37%	\$50.00	\$80.00	25.0	38%
Fare Type	Trip Assumption	LYNX Current	Trip Assumption x Base Fare	Minimum Trips to Obtain Pass Value	% Savings	Base Fare of \$2.25 (Maintain Pass Pricing)	Trip Assumption x Base Fare	Minimum Trips to Obtain Value	% Savings
Base Fare	1	\$2.00	-	-	-	\$2.25	-	-	-
Daily	2	\$4.50	\$4.00	2.3	13%	\$5.00	\$4.50	2.2	-11%
Daily +	3	\$4.50	\$6.00	2.3	25%	\$5.00	\$6.75	2.2	26%
7 Day	10	\$16.00	\$20.00	8.0	20%	\$18.00	\$22.50	8.0	20%
Monthly	40	\$50.00	\$80.00	25.0	38%	\$56.00	\$90.00	24.9	38%
Fare Type	Trip Assumption	LYNX Current	Trip Assumption x Base Fare	Minimum Trips to Obtain Pass Value	% Savings	Base Fare of \$2.25 (Increase Pass Pricing)	Trip Assumption x Base Fare	Minimum Trips to Obtain Value	% Savings
Base Fare	1	\$2.00	-	-	-	\$2.25	-	-	-
Daily	2	\$4.50	\$4.00	2.3	13%	\$5.50	\$4.50	2.4	-22%
Daily +	3	\$4.50	\$6.00	2.3	25%	\$5.50	\$6.75	2.4	19%
7 Day	10	\$16.00	\$20.00	8.0	20%	\$20.00	\$22.50	8.9	11%
Monthly	40	\$50.00	\$80.00	25.0	38%	\$60.00	\$90.00	26.7	33%



Section 7: Recommendations

Recommended Fare Structure

Based on the analysis conducted and the fare revenue levels necessary to support LYNX' operations consistent with previous farebox recovery ratios (percent of fares covering cost of service), it is recommended that LYNX proceed with a base fare of \$2.25 and a pass structure that reduces the amount of savings for pass purchasers consistent with Alternative 4. It is projected that Alternative 4 will provide the FY 2017 revenue level, accounting for elasticity, to maintain budgetary customer fare percentages.

The NeighborLink fare structure is recommended to remain consistent with fixed-route service. Although this mode has some benefit through the reservation of a trip, the fare structure was initially implemented comparable to fixed-route. To identify the service as a premium mode at this point without adding any additional features, could lead to the higher elastic impact on ridership. Through previous surveying of NeighborLink passengers in August 2014, the premium nature of the service is reduced based on deviations to pick-up passengers which can increase travel times and make the service less convenient. During the surveying, it was noted that the passenger base varies based on the community in which the NeighborLink operates, but is primarily seniors, youth, and disabled persons accessing medical, shopping, employment, and educational locations. From recent surveying of LYNX passengers for the fare evaluation effort, the majority of passengers noted that they could not pay more for fares, which also supports maintaining the increase consistent with the fixed-route recommendation versus a higher increase for NeighborLink. Because the service is not strictly demand response, adding pricing consistent with paratransit service is not recommended.

Based on LYNX currently operating one express type service and the recommendation to reevaluate fares every three years, the fare structure for express service is not recommended to increase. The premium service fare structure is currently at a higher level that generates adequate fare revenue. Premium service option pricing must also be cognizant of recent competition with the availability of ride-sourcing and other modal options such as zip cars. At this time, it is not recommended that any change to the SunRail fare structure, as incorporated into the LYNX fare structure, occur. SunRail will need to assess if changes to their fare structure is warranted. Further coordination with SunRail and additional study would be necessary prior to a recommendation for SunRail fare structure changes. The proposed fare structure is presented below in Table 19.

Table 19: Recommended Fare Structure

Fare Type	Current Cash Fares	Proposed Cash Fares
Full Fare	\$2.00	\$2.25
Discount Cash Fare	\$1.00	\$1.10
Children (Age 6 and under)	Free	Free
Transfers	Free	Free
Express/Premium	\$3.50	\$3.50
Express/Premium Discount Fare	\$1.75	\$1.75
NeighborLink (NL)	\$2.00	\$2.25
NL Discount Fare	\$1.00	\$1.10
Shuttle	Determined Per Event	Determined Per Event
Pass Type	Current Pass Fare	Proposed Pass Fare
Daily	\$4.50	\$5.50
Discount Daily	\$2.25	\$2.75
7-Day	\$16.00	\$20.00
Discount 7-Day	\$8.00	\$10.00
30-Day	\$50.00	\$60.00
Discount 30-Day	\$25.00	\$30.00
NL Daily	\$4.50	\$5.50
NL Daily Discount	\$2.25	\$2.75
NL 7-Day	\$16.00	\$20.00
NL 7-Day Discount	\$8.00	\$10.00
NL 30-Day	\$50.00	\$60.00
NL 30-Day Discount	\$25.00	\$30.00
*Express/Premium Daily	\$6.50	\$6.50
*Express/Premium Daily Discount	\$3.25	\$3.25
*Express/Premium 7-Day	\$23.00	\$23.00
*Express/Premium 7-Day Discount	\$11.50	\$11.50
*Express/Premium 30-Day	\$70.00	\$70.00
*Express/Premium 30-Day Discount	\$35.00	\$35.00
ACCESS LYNX	Current Fare	Proposed Fare
ADA Fare (Inside ¾ mile radius)	\$4.00	\$4.50
ADA Fare (Outside ¾ mile radius)	\$7.00	\$7.50
<i>As authorized by the Local Coordinating Board</i>		
TD Fare – 0 to 4.99 Miles	\$2.50	\$3.50
TD Fare – 5 to 9.99 Miles	\$3.50	\$4.50
TD Fare – 10 Miles	\$4.50	\$5.50

Recommended Fare Policies

Transfers

Transfers are valid on the date issued and must be used by the purchasing rider within a specified time interval from when it was issued. The Chief Executive Officer, or designee, determines the appropriate time interval. Transfers cannot be used for stopovers or return travel.

Daily Pass

The daily pass is valid from 4:00 a.m. on the day of issuance until 3:00 a.m. the following day. The Chief Executive Officer, or designee, may make adjustments to the hours of validity as needed.

Discounted Fares and Passes

All Discounted Fare Riders must have a valid LYNX ID to purchase and use a discounted fare. Discounted fares and passes will be offered to the following riders:

- Disabled - Disabled riders shall be qualified for the AdvantAge Pass program based on reasonable and sufficient procedures and criteria established by the Chief Executive Officer and documented in LYNX Policy.
- Income Qualified - Income qualified riders shall be qualified for the AdvantAge Pass Program based on reasonable and sufficient procedures and criteria established by the Chief Executive Officer and documented in LYNX Policy.
- Seniors - Senior riders aged 65 and older shall be qualified for the AdvantAge Pass Program based on reasonable and sufficient procedures and criteria established by the Chief Executive Officer and documented in LYNX Policy.
- Students (K-12) - Youth Fare applies to riders aged 17 and younger. Riders aged 6 and under ride free. All Youth over the age of ten (10) must have a LYNX ID. The Youth Fare is available seven days a week and has no time restrictions. Youth over the age of 17, and still in High School, must have a valid LYNX ID to qualify for the reduced fare. Youth Pass Program is based on reasonable and sufficient procedures and criteria established by the Chief Executive Officer and documented in LYNX Policy.
- Children - (Age 6 and under) - Children six and under may ride free when accompanied by an adult (full or discount). No more than three children may ride free per adult. Children six and under must pay \$1.00 when not accompanied by an adult.
- Veterans - Veteran riders shall be qualified for the AdvantAge Pass program with proof of their veteran status and based on reasonable and sufficient procedures and criteria established by the Chief Executive Officer and documented in LYNX Policy.

Stored Value Discount Card

The Stored Value Discount of 10 percent is being offered as a convenience for riders who wish to prepay. This option using the SunRail Connection smart card will also allow riders to access both the LYNX and SunRail systems.

Group Discounts

Employer discounts for groups are available and will be determined by the Chief Executive Officer and documented in LYNX Policy.

Human Service Agencies

Single Ride tickets may be issued by human service agencies to clients and will not be redeemable for cash.

SunRail

It should be noted that the recommended fare structure will make the base bus fare higher than the current SunRail fare, creating a modal imbalance where premium transit rail service is more affordable than bus. Based on the availability and access of bus service this imbalance may be acceptable until SunRail fares are assessed by SunRail's governing authority.

LYMMO

Based on the case studies and noted survey results in Section 4 of this report, it is recommended that the LYMMO service remain as a fare-free mode at this time. If improvements such as off-board fare payment and phone payment options are implemented to maintain customer convenience and reliability of service, at such time that these amenities exist revisiting the LYMMO fare may be warranted.

Appendix A: Title VI Analysis

Title VI Compliance

LYNX is required by the FTA to submit a Title VI Program every three years identifying their compliance with the Civil Rights Act of 1964, various executive orders, and any amendments describing how service is provided in a manner that does not discriminate on the basis of color, race, religion, national origin, sex, and income status. As part of the LYNX' Title VI Program any proposed fare changes increases or decreases must be evaluated to ensure they do not create a disparate impact or disproportionate burden of 10 percent or greater to any protected class. In order to review the potential disparate impact and/or disproportionate burden to ensure the proposed increase is in compliance with Title VI a survey of fixed-route passengers was conducted and is summarized below.

LYNX Fare Evaluation Intercept Survey Results - June 2016

A survey of eight questions regarding bus fares for the LYNX service was conducted at multiple bus stop locations in June of 2016. The survey was conducted by a team of surveyors over the course of three days by personnel who completed 400 surveys. The survey responses are presented below.

In the first set of questions, respondents were asked about their current bus trip, in addition to a question about the cost of fare. Figure 1 shows nearly every survey respondent used a regular fixed-route bus to get to the destination in which they were surveyed.

Figure 1 What mode of transportation did you just use?

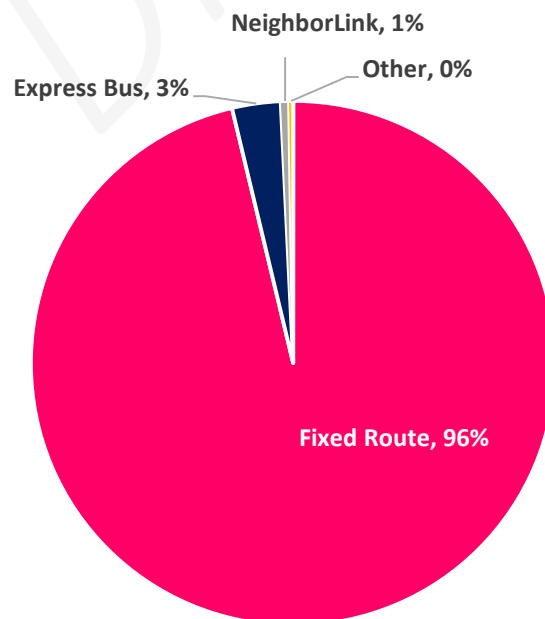
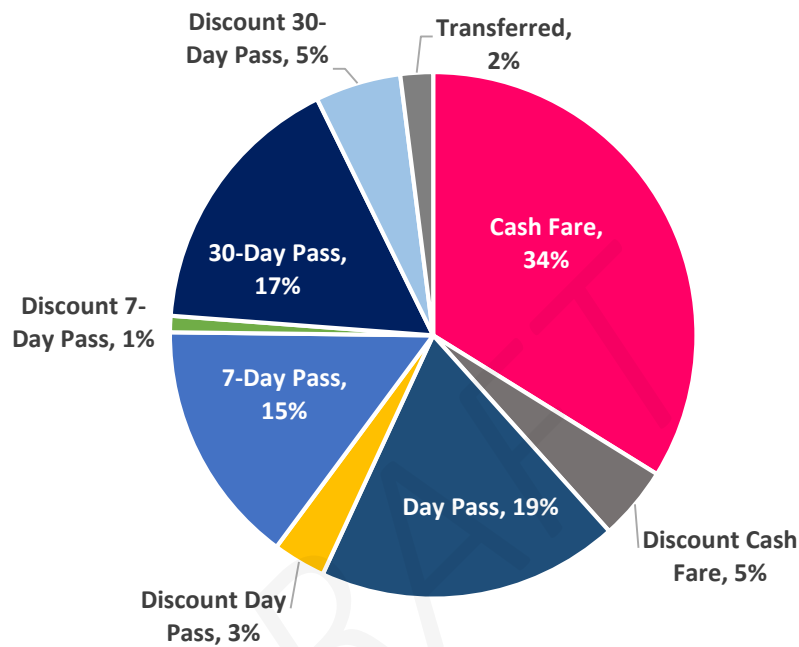


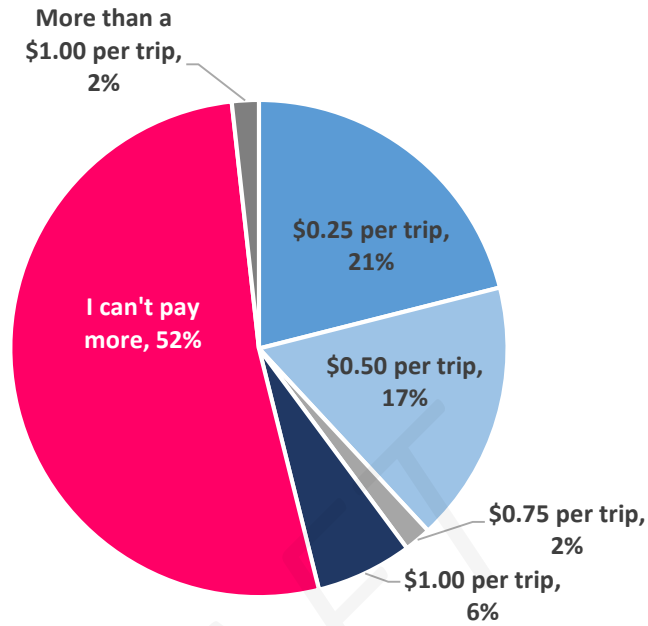
Figure 2 shows 34 percent of respondents paid the normal cash fare (\$2.00 for fixed-route/\$3.50 for express bus) and 14 percent of respondents received some form of discounted fare.

Figure 2 What type of fare did you pay when you GOT ON THE BUS?



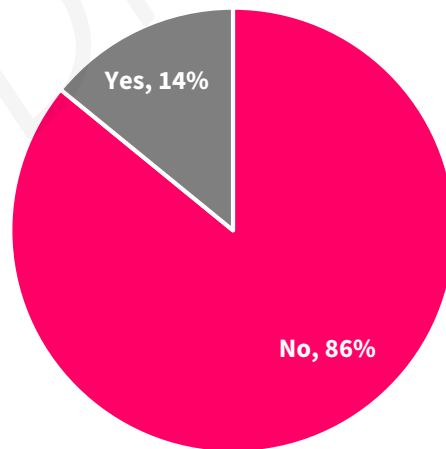
Respondents were asked what they could afford to pay if the fare was increased. More than half of the respondents said they could not pay more than what they pay now for the fare. The rest of the results are shown in Figure 3.

Figure 3 What is the most you could afford to pay if the fare was increased?



Respondents were also asked if they regularly transfer from a LYNX bus to SunRail. Figure 4 shows that about 14 percent of respondents said “Yes”.

Figure 4 Do you regularly transfer from a LYNX bus to SunRail or vice versa?



The second half of the survey asked a series of demographic questions. Figure 5 shows a breakdown in respondents' race, and Figure 6 shows the proportion of people who are of Hispanic, Latino, or Spanish origin.

Figure 5 What is your race or ethnic heritage?

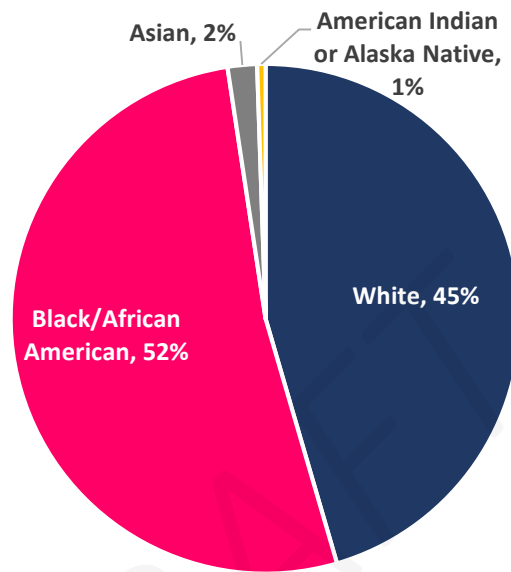


Figure 6 Are you of Hispanic, Latino, or Spanish origin?

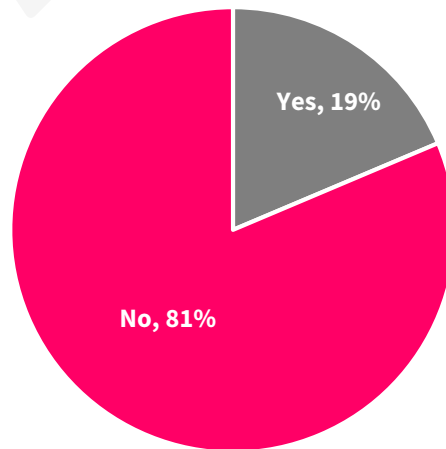
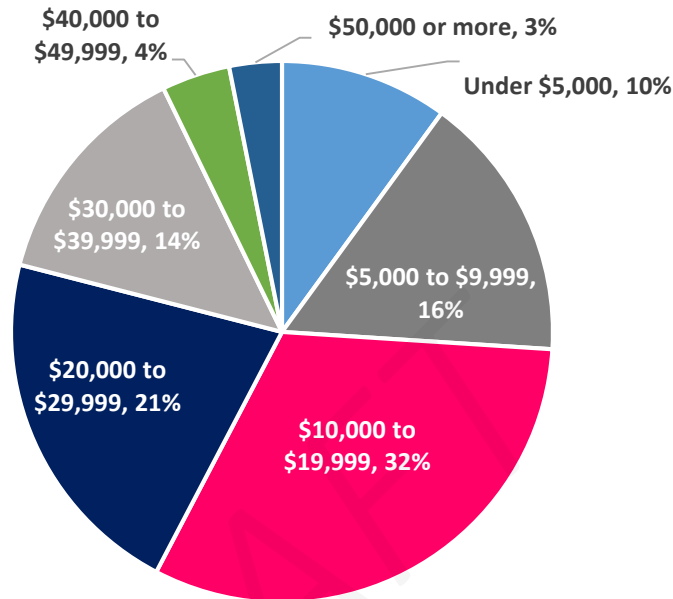


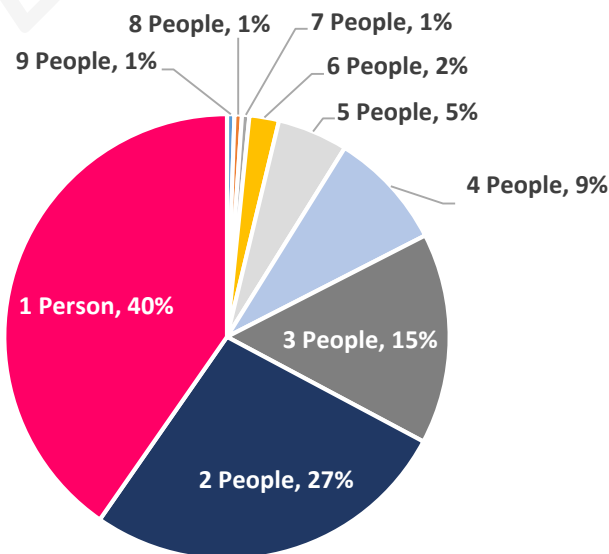
Figure 7 shows a breakdown of household incomes. Approximately 58 percent of respondents live in households where the total income is less than \$20,000.

Figure 7 What was the range of your total household income for 2015?



Respondents were also asked how many people lived in their household in 2015. Figure 8 shows a majority of respondents (67%) only had one or two people per household.

Figure 8 How many people resided in your household in 2015?



From the survey results, we can also make conclusions regarding what races and what income levels use which fare types. Figure 9 shows a breakdown of the most popular fare types for each race or ethnic heritage and Figure 10 shows a breakdown of the most popular fare types for each income range.

Figure 9 Fare Type by Race

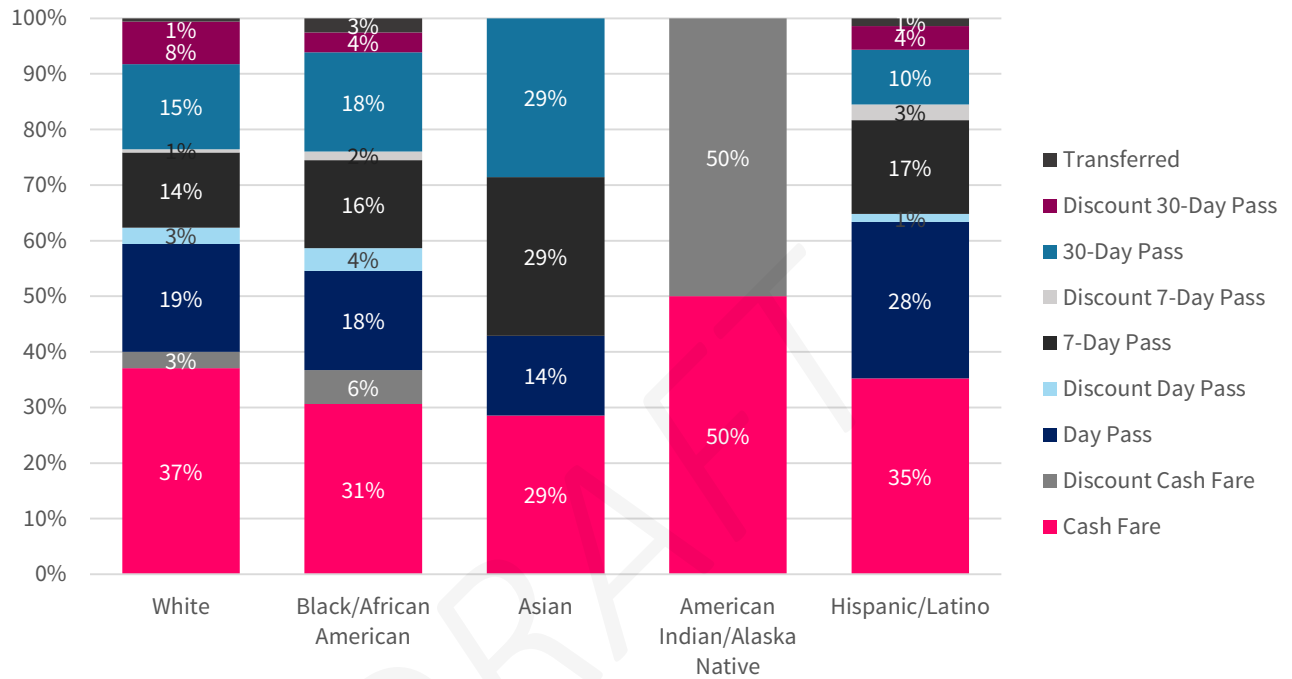
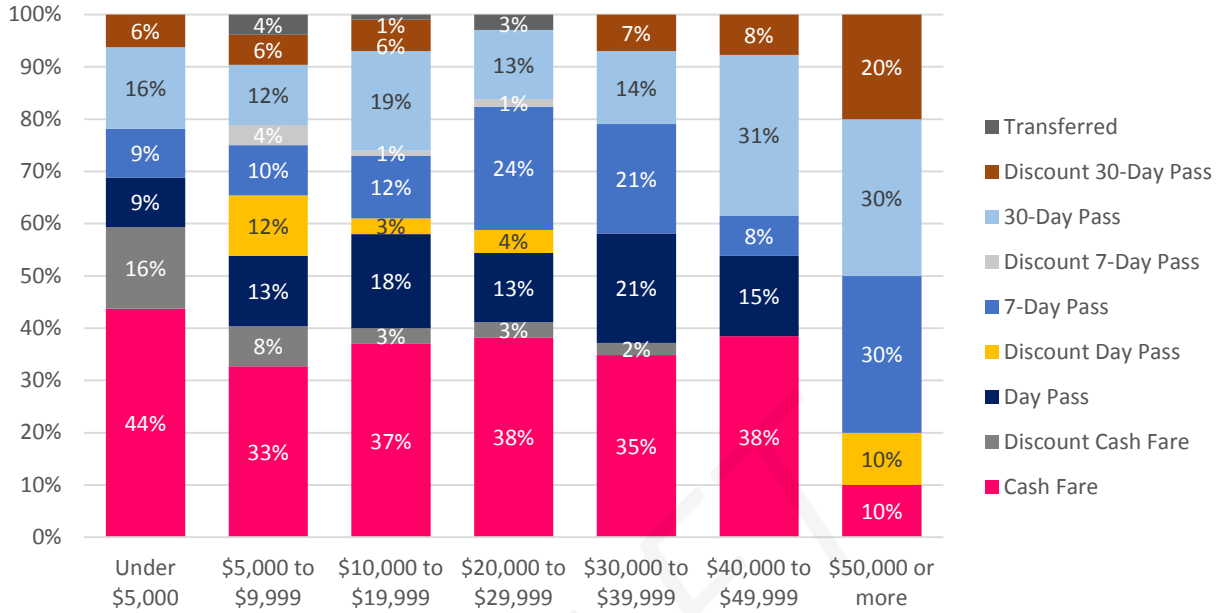


Figure 10 Fare Type by Income Range



The complete evaluation of Title VI compliance will be completed with results noted after additional public input.

Appendix B: Alternative Fare Scenarios



Appendix B: Alternative Fare Scenarios

Additional revenue pricing scenarios are shown below.

Base Fare of \$2.50 Static Ridership (Maintain Pass Discount)

Fare Type	Proposed Fare	Current Fare	Current Ridership	Purchased Media	Times Media Used	2017 Revenue
Full Fare	\$2.50	\$2.00	6,415,282	6,415,282	1.00	\$16,038,205
Discount Fare	\$1.25	\$1.00	814,214	814,214	1.00	\$1,017,768
Transfers	\$0.00	\$0.00	3,173,911	3,173,911	1.00	\$0
Daily	\$5.50	\$4.50	2,540,433	574,759	4.42	\$3,161,172
Discount Daily	\$2.75	\$2.25	868,092	164,411	5.28	\$452,131
7-Day	\$20.00	\$16.00	3,356,235	126,938	26.44	\$2,538,756
Discount 7-Day	\$10.00	\$8.00	335,088	18,084	18.53	\$180,835
30-Day	\$62.00	\$50.00	4,525,366	77,436	58.44	\$4,801,039
Discount 30-Day	\$31.00	\$25.00	1,678,267	27,841	60.28	\$863,077
Short Fare	N/A	\$0.00	168,732	168,732	1.00	(\$47,801)
Unclassified	N/A	N/A	N/A	N/A	N/A	\$1,888,444
Adjustment	N/A	N/A	N/A	N/A	N/A	(\$185,649)
Misc. Riders	N/A	N/A	1,960,481	N/A	N/A	\$0
Total Jan. '17 - Sept. '17			25,836,101			\$23,030,983
Total Oct. '16 - Dec. '16						\$5,836,156
Total FY 2017						\$28,867,139



Base Fare of \$2.50 Elastic Ridership (Maintain Pass Discount)

Fare Type	Proposed Fare	Current Fare	Current Ridership	2017 Ridership	Purchased Media	Times Media Used	2017 Revenue
Full Fare	\$2.50	\$2.00	6,415,282	5,906,892	5,906,892	1.00	\$14,767,231
Discount Fare	\$1.25	\$1.00	814,214	749,690	749,690	1.00	\$937,113
Transfers	\$0.00	\$0.00	3,173,911	2,922,389	2,922,389	1.00	\$0
Daily	\$5.50	\$4.50	2,540,433	2,358,643	533,630	4.42	\$2,934,963
Discount Daily	\$2.75	\$2.25	868,092	805,972	152,646	5.28	\$419,777
7-Day	\$20.00	\$16.00	3,356,235	3,090,265	116,878	26.44	\$2,337,568
Discount 7-Day	\$10.00	\$8.00	335,088	308,533	16,650	18.53	\$166,505
30-Day	\$62.00	\$50.00	4,525,366	4,179,148	71,512	58.44	\$4,433,730
Discount 30-Day	\$31.00	\$25.00	1,678,267	1,549,869	25,711	60.28	\$797,046
Short Fare	N/A	N/A	168,732	155,361	155,361	1.00	(\$44,013)
Unclassified	N/A	N/A	N/A	N/A	N/A	N/A	\$1,741,606
Adjustment	N/A	N/A	N/A	N/A	N/A	N/A	(\$171,213)
Misc. Riders	N/A	N/A	1,960,481	1,805,119	N/A	N/A	\$0
Total Jan. '17 - Sept. '17			25,836,101	23,831,881			\$21,240,233
Total Oct. '16 - Dec. '16							\$5,836,156
Total FY 2017							\$27,076,390





Base Fare of \$2.50 Declining Ridership Trend (Maintain Pass Discount)

Fare Type	Proposed Fare	Current Fare	Current Ridership	2017 Ridership	Purchased Media	Times Media Used	2017 Revenue
Full Fare	\$2.50	\$2.00	6,415,282	5,998,289	5,998,289	1.00	\$14,995,722
Discount Fare	\$1.25	\$1.00	814,214	761,290	761,290	1.00	\$951,613
Transfers	\$0.00	\$0.00	3,173,911	2,967,607	2,967,607	1.00	\$0
Daily	\$5.50	\$4.50	2,540,433	2,375,305	537,399	4.42	\$2,955,696
Discount Daily	\$2.75	\$2.25	868,092	811,666	153,725	5.28	\$422,743
7-Day	\$20.00	\$16.00	3,356,235	3,138,080	118,687	26.44	\$2,373,737
Discount 7-Day	\$10.00	\$8.00	335,088	313,307	16,908	18.53	\$169,081
30-Day	\$62.00	\$50.00	4,525,366	4,231,217	72,403	58.44	\$4,488,971
Discount 30-Day	\$31.00	\$25.00	1,678,267	1,569,180	26,032	60.28	\$806,977
Short Fare	N/A	N/A	168,732	157,764	157,764	1.00	(\$3,107)
Unclassified	N/A	N/A	N/A	N/A	N/A	N/A	\$1,765,695
Adjustment	N/A	N/A	N/A	N/A	N/A	N/A	(\$173,581)
Misc. Riders	N/A	N/A	1,960,481	127,431	N/A	N/A	\$0
Total Jan. '17 - Sept. '17			25,836,101	22,451,136			\$21,565,159
Total Oct. '16 - Dec. '16							\$5,836,156
Total FY 2017							\$27,401,315



Base Fare of \$2.50 Gas Based-Increase in Ridership (Maintain Pass Discount)

Fare Type	Proposed Fare	Current Fare	Current Ridership	2017 Ridership	Purchased Media	Times Media Used	2017 Revenue
Full Fare	\$2.50	\$2.00	6,415,282	6,607,740	6,607,740	1.00	\$16,519,351.15
Discount Fare	\$1.25	\$1.00	814,214	838,640	838,640	1.00	\$1,048,300.53
Transfers	\$0.00	\$0.00	3,173,911	3,269,128	3,269,128	1.00	\$0.00
Daily	\$5.50	\$4.50	2,540,433	2,616,646	592,001	4.42	\$3,256,007.45
Discount Daily	\$2.75	\$2.25	868,092	894,135	169,344	5.28	\$465,695.19
7-Day	\$20.00	\$16.00	3,356,235	3,456,922	130,746	26.44	\$2,614,918.34
Discount 7-Day	\$10.00	\$8.00	335,088	345,141	18,626	18.53	\$186,260.46
30-Day	\$62.00	\$50.00	4,525,366	4,661,127	79,759	58.44	\$4,945,070.00
Discount 30-Day	\$31.00	\$25.00	1,678,267	1,728,615	28,676	60.28	\$888,969.16
Short Fare	N/A	N/A	168,732	173,794	173,794	1.00	(\$49,234.72)
Unclassified	N/A	N/A	N/A	N/A	N/A	N/A	\$1,945,097.20
Adjustment	N/A	N/A	N/A	N/A	N/A	N/A	(\$191,218.02)
Misc. Riders	N/A	N/A	1,960,481	2,019,295	N/A	N/A	\$0.00
Total Jan. '17 - Sept. '17			25,836,101	26,611,184			\$23,721,912.56
Total Oct. '16 - Dec. '16							\$5,836,156.34
Total FY 2017							\$29,558,068.90

Base Fare of \$2.50 Static Ridership (Reduce Pass Discount)

Fare Type	Proposed Fare	Current Fare	Current Ridership	Purchased Media	Times Media Used	2017 Revenue
Full Fare	\$2.50	\$2.00	6,415,282	6,415,282	1.00	\$16,038,205
Discount Fare	\$1.25	\$1.00	814,214	814,214	1.00	\$1,017,768
Transfers	\$0.00	\$0.00	3,173,911	3,173,911	1.00	\$0
Daily	\$6.00	\$4.50	2,540,433	574,759	4.42	\$3,448,552
Discount Daily	\$3.00	\$2.25	868,092	164,411	5.28	\$493,234
7-Day	\$22.00	\$16.00	3,356,235	126,938	26.44	\$2,792,631
Discount 7-Day	\$11.00	\$8.00	335,088	18,084	18.53	\$198,919
30-Day	\$70.00	\$50.00	4,525,366	77,436	58.44	\$5,420,528
Discount 30-Day	\$35.00	\$25.00	1,678,267	27,841	60.28	\$974,442
Short Fare	N/A	\$0.00	168,732	168,732	1.00	(\$47,801)
Unclassified	N/A	N/A	N/A	N/A	N/A	\$1,974,978
Adjustment	N/A	N/A	N/A	N/A	N/A	(\$194,156)
Misc. Riders	N/A	N/A	1,960,481	N/A	N/A	\$0
Total Jan. '17 - Sept. '17			25,836,101			\$24,087,975
Total Oct. '16 - Dec. '16						\$5,836,156
Total FY 2017						\$29,924,131



Base Fare of \$2.50 Elastic Ridership (Reduce Pass Discount)

Fare Type	Proposed Fare	Current Fare	Current Ridership	2017 Ridership	Purchased Media	Times Media Used	2017 Revenue
Full Fare	\$2.50	\$2.00	6,415,282	5,906,892	5,906,892	1.00	\$14,767,231
Discount Fare	\$1.25	\$1.00	814,214	749,690	749,690	1.00	\$937,113
Transfers	\$0.00	\$0.00	3,173,911	2,922,389	2,922,389	1.00	\$0
Daily	\$6.00	\$4.50	2,540,433	2,283,918	516,723	4.42	\$3,100,341
Discount Daily	\$3.00	\$2.25	868,092	780,438	147,810	5.28	\$443,431
7-Day	\$22.00	\$16.00	3,356,235	2,983,186	112,829	26.44	\$2,482,228
Discount 7-Day	\$11.00	\$8.00	335,088	297,843	16,074	18.53	\$176,809
30-Day	\$70.00	\$50.00	4,525,366	3,995,640	68,372	58.44	\$4,786,017
Discount 30-Day	\$35.00	\$25.00	1,678,267	1,481,814	24,582	60.28	\$860,376
Short Fare	N/A	N/A	168,732	155,361	155,361	1.00	(\$44,013)
Unclassified	N/A	N/A	N/A	N/A	N/A	N/A	\$1,790,980
Adjustment	N/A	N/A	N/A	N/A	N/A	N/A	(\$176,067)
Misc. Riders	N/A	N/A	1,960,481	1,805,119	N/A	N/A	\$0
Total Jan. '17 - Sept. '17			25,836,101	23,362,290			\$21,843,333
Total Oct. '16 - Dec. '16							\$5,836,156
Total FY 2017							\$27,679,490

Base Fare of \$2.50 Declining Ridership Trend (Reduce Pass Discount)

Fare Type	Proposed Fare	Current Fare	Current Ridership	2017 Ridership	Purchased Media	Times Media Used	2017 Revenue
Full Fare	\$2.50	\$2.00	6,415,282	5,998,289	5,998,289	1.00	\$14,995,722
Discount Fare	\$1.25	\$1.00	814,214	761,290	761,290	1.00	\$951,613
Transfers	\$0.00	\$0.00	3,173,911	2,967,607	2,967,607	1.00	\$0
Daily	\$6.00	\$4.50	2,540,433	2,375,305	537,399	4.42	\$3,224,396
Discount Daily	\$3.00	\$2.25	868,092	811,666	153,725	5.28	\$461,174
7-Day	\$22.00	\$16.00	3,356,235	3,138,080	118,687	26.44	\$2,611,110
Discount 7-Day	\$11.00	\$8.00	335,088	313,307	16,908	18.53	\$185,989
30-Day	\$70.00	\$50.00	4,525,366	4,231,217	72,403	58.44	\$5,068,193
Discount 30-Day	\$35.00	\$25.00	1,678,267	1,569,180	26,032	60.28	\$911,103
Short Fare	N/A	N/A	168,732	157,764	157,764	1.00	(\$3,107)
Unclassified	N/A	N/A	N/A	N/A	N/A	N/A	\$1,846,604
Adjustment	N/A	N/A	N/A	N/A	N/A	N/A	(\$181,535)
Misc. Riders	N/A	N/A	1,960,481	127,431	N/A	N/A	\$0
Total Jan. '17 - Sept. '17			25,836,101	22,451,136			\$22,553,446
Total Oct. '16 - Dec. '16							\$5,836,156
Total FY 2017							\$28,389,603

Base Fare of \$2.50 Gas Based-Increase in Ridership (Reduce Pass Discount)

Fare Type	Proposed Fare	Current Fare	Current Ridership	2017 Ridership	Purchased Media	Times Media Used	2017 Revenue
Full Fare	\$2.50	\$2.00	6,415,282	6,607,740	6,607,740	1.00	\$16,519,351
Discount Fare	\$1.25	\$1.00	814,214	838,640	838,640	1.00	\$1,048,301
Transfers	\$0.00	\$0.00	3,173,911	3,269,128	3,269,128	1.00	\$0
Daily	\$6.00	\$4.50	2,540,433	2,616,646	592,001	4.42	\$3,552,008
Discount Daily	\$3.00	\$2.25	868,092	894,135	169,344	5.28	\$508,031
7-Day	\$22.00	\$16.00	3,356,235	3,456,922	130,746	26.44	\$2,876,410
Discount 7-Day	\$11.00	\$8.00	335,088	345,141	18,626	18.53	\$204,887
30-Day	\$70.00	\$50.00	4,525,366	4,661,127	79,759	58.44	\$5,583,144
Discount 30-Day	\$35.00	\$25.00	1,678,267	1,728,615	28,676	60.28	\$1,003,675
Short Fare	N/A	N/A	168,732	173,794	173,794	1.00	(\$49,235)
Unclassified	N/A	N/A	N/A	N/A	N/A	N/A	\$2,034,227
Adjustment	N/A	N/A	N/A	N/A	N/A	N/A	(\$199,980)
Misc. Riders	N/A	N/A	1,960,481	2,019,295	N/A	N/A	\$0
Total Jan. '17 - Sept. '17			25,836,101	26,611,184			\$24,810,614
Total Oct. '16 - Dec. '16							\$5,836,156
Total FY 2017							\$30,646,770



Base Fare of \$3.00 Static Ridership (Maintain Pass Discount)

Fare Type	Proposed Fare	Current Fare	Current Ridership	Purchased Media	Times Media Used	2017 Revenue
Full Fare	\$3.00	\$2.00	6,415,282	6,415,282	1.00	\$19,245,846
Discount Fare	\$1.50	\$1.00	814,214	814,214	1.00	\$1,221,321
Transfers	\$0.00	\$0.00	3,173,911	3,173,911	1.00	\$0
Daily	\$6.50	\$4.50	2,540,433	574,759	4.42	\$3,735,931
Discount Daily	\$3.25	\$2.25	868,092	164,411	5.28	\$534,337
7-Day	\$24.00	\$16.00	3,356,235	126,938	26.44	\$3,046,507
Discount 7-Day	\$12.00	\$8.00	335,088	18,084	18.53	\$217,002
30-Day	\$75.00	\$50.00	4,525,366	77,436	58.44	\$5,807,708
Discount 30-Day	\$37.50	\$25.00	1,678,267	27,841	60.28	\$1,044,045
Short Fare	N/A	\$0.00	168,732	168,732	1.00	(\$47,801)
Unclassified	N/A	N/A	N/A	N/A	N/A	\$2,265,425
Adjustment	N/A	N/A	N/A	N/A	N/A	(\$222,709)
Misc. Riders	N/A	N/A	1,960,481	N/A	N/A	\$0
Total Jan. '17 - Sept. '17			25,836,101			\$27,635,710
Total Oct. '16 - Dec. '16						\$5,836,156
Total FY 2017						\$33,471,866



Base Fare of \$3.00 Elastic Ridership (Maintain Pass Discount)

Fare Type	Proposed Fare	Current Fare	Current Ridership	2017 Ridership	Purchased Media	Times Media Used	2017 Revenue
Full Fare	\$3.00	\$2.00	6,415,282	5,521,562	5,521,562	1.00	\$16,564,687
Discount Fare	\$1.50	\$1.00	814,214	700,785	700,785	1.00	\$1,051,178
Transfers	\$0.00	\$0.00	3,173,911	2,731,750	2,731,750	1.00	\$0
Daily	\$6.50	\$4.50	2,540,433	2,217,269	501,645	4.42	\$3,260,690
Discount Daily	\$3.25	\$2.25	868,092	757,664	143,497	5.28	\$466,365
7-Day	\$24.00	\$16.00	3,356,235	2,888,674	109,254	26.44	\$2,622,095
Discount 7-Day	\$12.00	\$8.00	335,088	288,407	15,564	18.53	\$186,772
30-Day	\$75.00	\$50.00	4,525,366	3,894,933	66,648	58.44	\$4,998,630
Discount 30-Day	\$37.50	\$25.00	1,678,267	1,444,466	23,963	60.28	\$898,598
Short Fare	N/A	N/A	168,732	145,226	145,226	1.00	(\$41,142)
Unclassified	N/A	N/A	N/A	N/A	N/A	N/A	\$1,953,186
Adjustment	N/A	N/A	N/A	N/A	N/A	N/A	(\$192,013)
Misc. Riders	N/A	N/A	1,960,481	1,687,364	N/A	N/A	\$0
Total Jan. '17 - Sept. '17			25,836,101	22,278,100			\$23,826,784
Total Oct. '16 - Dec. '16							\$5,836,156
Total FY 2017							\$29,662,940

Base Fare of \$3.00 Declining Ridership Trend (Maintain Pass Discount)

Fare Type	Proposed Fare	Current Fare	Current Ridership	2017 Ridership	Purchased Media	Times Media Used	2017 Revenue
Full Fare	\$3.00	\$2.00	6,415,282	5,998,289	5,998,289	1.00	\$17,994,866
Discount Fare	\$1.50	\$1.00	814,214	761,290	761,290	1.00	\$1,141,935
Transfers	\$0.00	\$0.00	3,173,911	2,967,607	2,967,607	1.00	\$0
Daily	\$6.50	\$4.50	2,540,433	2,375,305	537,399	4.42	\$3,493,095
Discount Daily	\$3.25	\$2.25	868,092	811,666	153,725	5.28	\$499,605
7-Day	\$24.00	\$16.00	3,356,235	3,138,080	118,687	26.44	\$2,848,484
Discount 7-Day	\$12.00	\$8.00	335,088	313,307	16,908	18.53	\$202,897
30-Day	\$75.00	\$50.00	4,525,366	4,231,217	72,403	58.44	\$5,430,207
Discount 30-Day	\$37.50	\$25.00	1,678,267	1,569,180	26,032	60.28	\$976,182
Short Fare	N/A	N/A	168,732	157,764	157,764	1.00	(\$3,107)
Unclassified	N/A	N/A	N/A	N/A	N/A	N/A	\$2,118,173
Adjustment	N/A	N/A	N/A	N/A	N/A	N/A	(\$208,233)
Misc. Riders	N/A	N/A	1,960,481	127,431	N/A	N/A	\$0
Total Jan. '17 - Sept. '17			25,836,101	22,451,136			\$25,870,578
Total Oct. '16 - Dec. '16							\$5,836,156
Total FY 2017							\$31,706,735

Base Fare of \$3.00 Gas Based-Increase in Ridership (Maintain Pass Discount)

Fare Type	Proposed Fare	Current Fare	Current Ridership	2017 Ridership	Purchased Media	Times Media Used	2017 Revenue
Full Fare	\$3.00	\$2.00	6,415,282	6,607,740	6,607,740	1.00	\$19,823,221
Discount Fare	\$1.50	\$1.00	814,214	838,640	838,640	1.00	\$1,257,961
Transfers	\$0.00	\$0.00	3,173,911	3,269,128	3,269,128	1.00	\$0
Daily	\$6.50	\$4.50	2,540,433	2,616,646	592,001	4.42	\$3,848,009
Discount Daily	\$3.25	\$2.25	868,092	894,135	169,344	5.28	\$550,367
7-Day	\$24.00	\$16.00	3,356,235	3,456,922	130,746	26.44	\$3,137,902
Discount 7-Day	\$12.00	\$8.00	335,088	345,141	18,626	18.53	\$223,513
30-Day	\$75.00	\$50.00	4,525,366	4,661,127	79,759	58.44	\$5,981,940
Discount 30-Day	\$37.50	\$25.00	1,678,267	1,728,615	28,676	60.28	\$1,075,366
Short Fare	N/A	N/A	168,732	173,794	173,794	1.00	(\$49,235)
Unclassified	N/A	N/A	N/A	N/A	N/A	N/A	\$2,333,388
Adjustment	N/A	N/A	N/A	N/A	N/A	N/A	(\$229,390)
Misc. Riders	N/A	N/A	1,960,481	2,019,295	N/A	N/A	\$0
Total Jan. '17 - Sept. '17			25,836,101	26,611,184			\$28,464,781
Total Oct. '16 - Dec. '16							\$5,836,156
Total FY 2017							\$34,300,937

Base Fare of \$3.00 Static Ridership (Reduce Pass Discount)

Fare Type	Proposed Fare	Current Fare	Current Ridership	Purchased Media	Times Media Used	2017 Revenue
Full Fare	\$3.00	\$2.00	6,415,282	6,415,282	1.00	\$19,245,846
Discount Fare	\$1.50	\$1.00	814,214	814,214	1.00	\$1,221,321
Transfers	\$0.00	\$0.00	3,173,911	3,173,911	1.00	\$0
Daily	\$7.25	\$4.50	2,540,433	574,759	4.42	\$4,167,000
Discount Daily	\$3.60	\$2.25	868,092	164,411	5.28	\$591,881
7-Day	\$25.00	\$16.00	3,356,235	126,938	26.44	\$3,173,445
Discount 7-Day	\$12.50	\$8.00	335,088	18,084	18.53	\$226,044
30-Day	\$80.00	\$50.00	4,525,366	77,436	58.44	\$6,194,889
Discount 30-Day	\$40.00	\$25.00	1,678,267	27,841	60.28	\$1,113,648
Short Fare	N/A	\$0.00	168,732	168,732	1.00	(\$47,801)
Unclassified	N/A	N/A	N/A	N/A	N/A	\$2,335,715
Adjustment	N/A	N/A	N/A	N/A	N/A	(\$229,619)
Misc. Riders	N/A	N/A	1,960,481	N/A	N/A	\$0
Total Jan. '17 - Sept. '17			25,836,101			\$28,494,276
Total Oct. '16 - Dec. '16						\$5,836,156
Total FY 2017						\$34,330,433

Base Fare of \$3.00 Elastic Ridership (Reduce Pass Discount)

Fare Type	Proposed Fare	Current Fare	Current Ridership	2017 Ridership	Purchased Media	Times Media Used	2017 Revenue
Full Fare	\$3.00	\$2.00	6,415,282	5,521,562	5,521,562	1.00	\$16,564,687
Discount Fare	\$1.50	\$1.00	814,214	700,785	700,785	1.00	\$1,051,178
Transfers	\$0.00	\$0.00	3,173,911	2,731,750	2,731,750	1.00	\$0
Daily	\$7.25	\$4.50	2,540,433	2,129,469	481,780	4.42	\$3,492,907
Discount Daily	\$3.60	\$2.25	868,092	729,527	138,168	5.28	\$497,405
7-Day	\$25.00	\$16.00	3,356,235	2,845,371	107,616	26.44	\$2,690,404
Discount 7-Day	\$12.50	\$8.00	335,088	284,083	15,331	18.53	\$191,637
30-Day	\$80.00	\$50.00	4,525,366	3,803,026	65,076	58.44	\$5,206,059
Discount 30-Day	\$40.00	\$25.00	1,678,267	1,410,382	23,397	60.28	\$935,887
Short Fare	N/A	N/A	168,732	145,226	145,226	1.00	(\$41,142)
Unclassified	N/A	N/A	N/A	N/A	N/A	N/A	\$1,990,961
Adjustment	N/A	N/A	N/A	N/A	N/A	N/A	(\$195,727)
Misc. Riders	N/A	N/A	1,960,481	1,687,364	N/A	N/A	\$0
Total Jan. '17 - Sept. '17			25,836,101	21,988,546			\$24,288,193
Total Oct. '16 - Dec. '16							\$5,836,156
Total FY 2017							\$30,124,349

Base Fare of \$3.00 Declining Ridership Trend (Reduce Pass Discount)

Fare Type	Proposed Fare	Current Fare	Current Ridership	2017 Ridership	Purchased Media	Times Media Used	2017 Revenue
Full Fare	\$3.00	\$2.00	6,415,282	5,998,289	5,998,289	1.00	\$17,994,866
Discount Fare	\$1.50	\$1.00	814,214	761,290	761,290	1.00	\$1,141,935
Transfers	\$0.00	\$0.00	3,173,911	2,967,607	2,967,607	1.00	\$0
Daily	\$7.25	\$4.50	2,540,433	2,375,305	537,399	4.42	\$3,896,145
Discount Daily	\$3.60	\$2.25	868,092	811,666	153,725	5.28	\$553,409
7-Day	\$25.00	\$16.00	3,356,235	3,138,080	118,687	26.44	\$2,967,171
Discount 7-Day	\$12.50	\$8.00	335,088	313,307	16,908	18.53	\$211,351
30-Day	\$80.00	\$50.00	4,525,366	4,231,217	72,403	58.44	\$5,792,221
Discount 30-Day	\$40.00	\$25.00	1,678,267	1,569,180	26,032	60.28	\$1,041,260
Short Fare	N/A	N/A	168,732	157,764	157,764	1.00	(\$3,107)
Unclassified	N/A	N/A	N/A	N/A	N/A	N/A	\$2,183,893
Adjustment	N/A	N/A	N/A	N/A	N/A	N/A	(\$214,694)
Misc. Riders	N/A	N/A	1,960,481	127,431	N/A	N/A	\$0
Total Jan. '17 - Sept. '17			25,836,101	22,451,136			\$26,673,338
Total Oct. '16 - Dec. '16							\$5,836,156
Total FY 2017							\$32,509,495

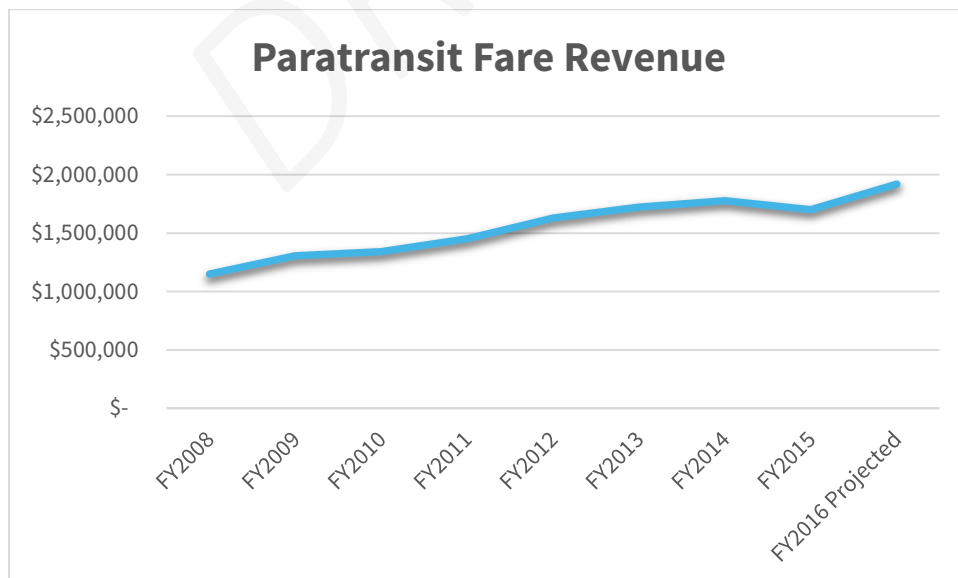
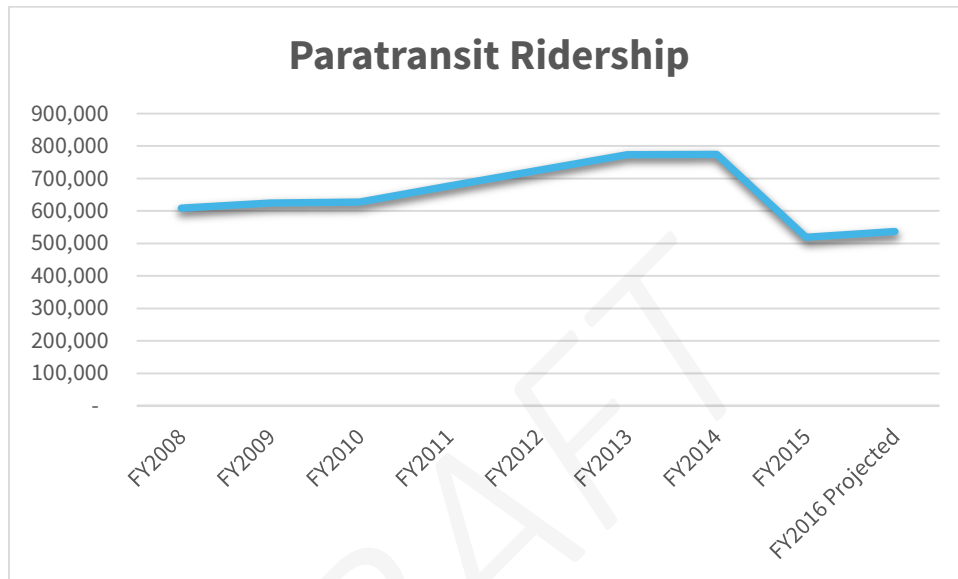
Base Fare of \$3.00 Gas Based-Increase in Ridership (Reduce Pass Discount)

Fare Type	Proposed Fare	Current Fare	Current Ridership	2017 Ridership	Purchased Media	Times Media Used	2017 Revenue
Full Fare	\$3.00	\$2.00	6,415,282	6,607,740	6,607,740	1.00	\$19,823,221
Discount Fare	\$1.50	\$1.00	814,214	838,640	838,640	1.00	\$1,257,961
Transfers	\$0.00	\$0.00	3,173,911	3,269,128	3,269,128	1.00	\$0
Daily	\$7.25	\$4.50	2,540,433	2,616,646	592,001	4.42	\$4,292,010
Discount Daily	\$3.60	\$2.25	868,092	894,135	169,344	5.28	\$609,637
7-Day	\$25.00	\$16.00	3,356,235	3,456,922	130,746	26.44	\$3,268,648
Discount 7-Day	\$12.50	\$8.00	335,088	345,141	18,626	18.53	\$232,826
30-Day	\$80.00	\$50.00	4,525,366	4,661,127	79,759	58.44	\$6,380,735
Discount 30-Day	\$40.00	\$25.00	1,678,267	1,728,615	28,676	60.28	\$1,147,057
Short Fare	N/A	N/A	168,732	173,794	173,794	1.00	(\$49,235)
Unclassified	N/A	N/A	N/A	N/A	N/A	N/A	\$2,405,786
Adjustment	N/A	N/A	N/A	N/A	N/A	N/A	(\$236,507)
Misc. Riders	N/A	N/A	1,960,481	2,019,295	N/A	N/A	\$0
Total Jan. '17 - Sept. '17			25,836,101	26,611,184			\$29,349,104
Total Oct. '16 - Dec. '16							\$5,836,156
Total FY 2017							\$35,185,261

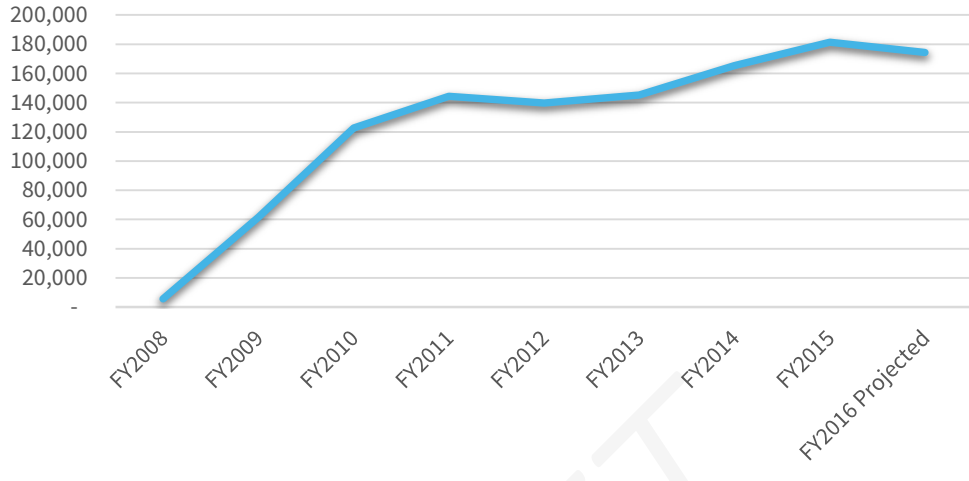
Appendix C: Additional Performance Data

Appendix C: Additional Performance Data

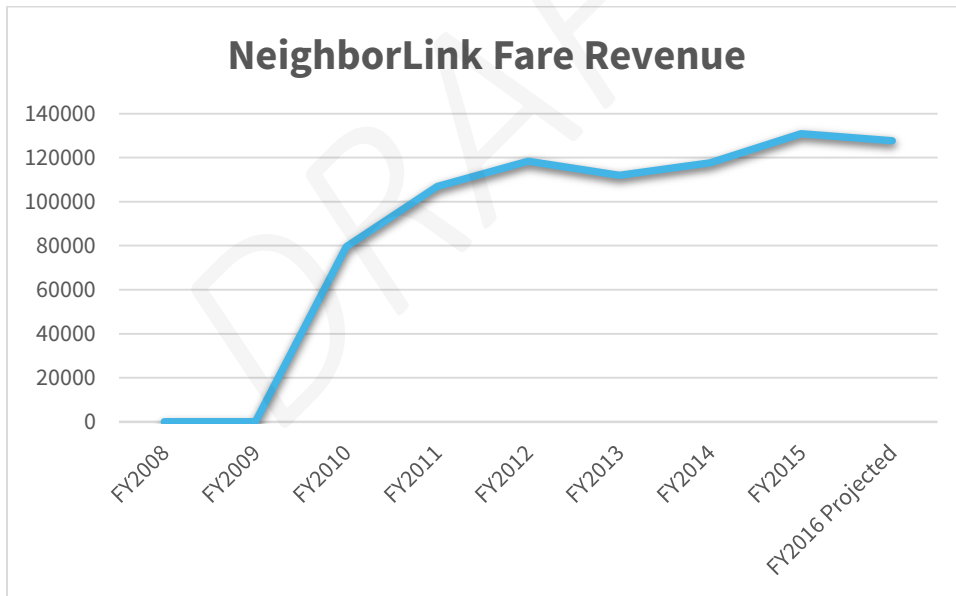
Additional graphs below depict paratransit and NeighborLink ridership and customer fare revenue. NeighborLink miles of service supplied is also provided.

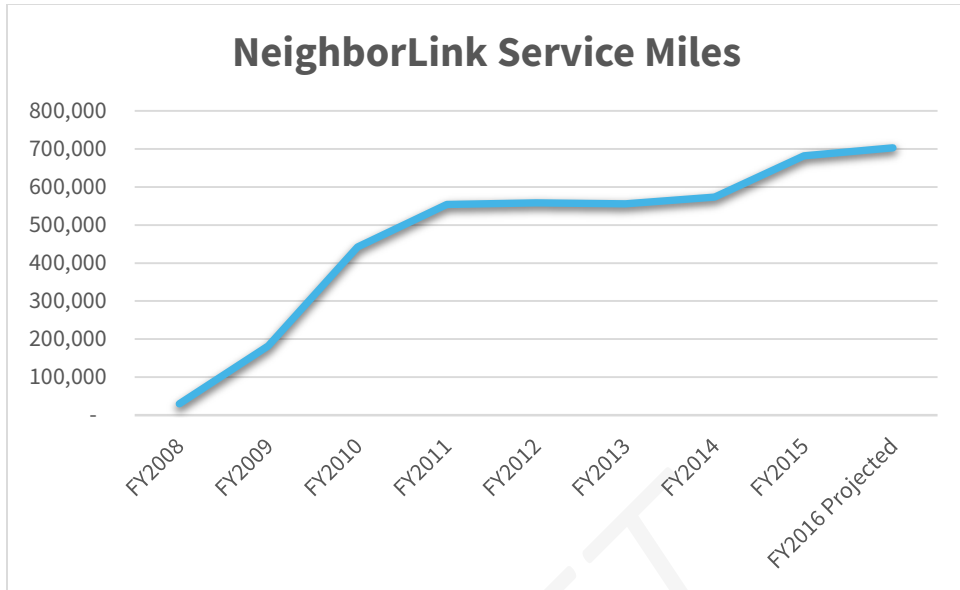


NeighborLink Ridership



NeighborLink Fare Revenue





DRAFT

Finance & Audit Committee Agenda Item # 3. C

To: LYNX Finance & Audit Committee

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

Phone: 407.841.2279 ext: 6100

Item Name: Discussion of Use of LYNX Reserves

Date: 7/20/2016

ACTION REQUESTED:

LYNX staff is requesting the Finance & Audit Committee recommendation for approval of the use of LYNX reserves, if necessary, to reduce the local funding requirements for FY2017.

BACKGROUND:

At the May 18, 2016 Finance & Audit Committee Meeting, LYNX staff provided an overview of the status of LYNX reserves. LYNX staff was requested to re-run the funding model to apply a one-time use of reserves for \$2 or \$3 million in order to see the impact on the level of increases to funding partners.

Currently, LYNX reserves are funded above the minimum requirements. Although, LYNX has actually met the target for forty-five (45) days of operating reserves, the overall reserves are not funded to the sixty (60) day maximum requirement.

In summary, the reserves are as follows:

LYNX Reserves	Minimum	Midpoint	Maximum
Operations	\$ 14,000,000	\$ 21,000,000	\$ 28,000,000
Contingency -5%	6,352,272	6,352,272	6,352,272
Capital Bus Lease	1,568,777	1,568,777	1,568,777
Articulated Buses	1,263,966	1,263,966	1,263,966
Replacement Buses	791,694	791,694	791,694
CNG Facility Improvements	2,705,733	2,705,733	2,705,733
Debt Service	797,282	797,282	797,282
Self-Insurance Programs	8,015,971	8,015,971	8,015,971
Fuel Stabilization	1,000,000	1,000,000	1,000,000
Subtotal	\$36,495,695	\$43,495,695	\$50,495,695
FY2015 \$2 Capital Funding	(2,098,684)	(2,098,684)	(2,098,684)
FY2016 \$2 Capital Funding	(2,118,590)	(2,118,590)	(2,118,590)

LYNX Board Agenda

LYNX Reserves	Minimum	Midpoint	Maximum
FY2017 \$2 Capital Funding	(2,112,896)	(2,112,896)	(2,112,896)
Self-Insurance (Long-term)	(2,676,165)	(2,676,165)	(2,676,165)
FY2014 Settlement Payout Budget	(1,200,000)	(1,200,000)	(1,200,000)
SIB Loan – Federally Funded	(797,282)	(797,282)	(797,282)
Reserve Fund Requirement	\$ 25,492,078	\$ 32,492,078	\$ 39,492,078
Unrestricted – Net Position	(43,190,768)	(43,190,768)	(43,190,768)
Net Pension Asset	6,283,485	6,283,485	6,283,485
(Excess) Shortfall Cash Reserves	\$ (11,415,205)	\$ (4,415,195)	\$ 2,584,795

Prior to FY2014, LYNX’ operating reserves had previously been utilized to support maintaining existing operations on an as needed basis as approved by the LYNX Board of Directors. Such a use of reserves to support existing operations was not sustainable. As a result, over the past few years, LYNX staff have worked diligently to build reserves to meet the requirements of the policy.

Over the past few weeks, LYNX staff have discussed with the LYNX Board Chair’s office opportunities to mitigate such a large increase from FY2016 to FY2017 by making a one-time infusion of reserve funds. It is staff’s recommendation to apply \$1,946,397 to reduce the increase from 9.21% to 6.03% for local funding requirements. Of course, this recommendation will require vetting by the LYNX Oversight Committee and approval by the full Board of Directors.

LYNX Funding Partner Contribution Information

	FY2016 Contribution	Proportion of Local Contribution	Proportion of Adopted FY2016 General Fund	FY2017 LYNX Proposed Contribution	% Increase	FY2017 Revised Proposed Contribution	% Increase	Change from Proposed
Orange	\$ 41,431,799	71%	5.1%	\$ 44,970,453	8.5%	\$ 43,503,389	5.0%	\$ (1,467,064)
Osceola	6,596,953	11%	2.5%	7,327,909	11.1%	7,088,852	7.5%	(239,057)
Seminole	6,389,083	11%	2.6%	7,365,255	15.3%	7,124,979	11.5%	(240,276)
Orlando	4,046,660	7%	N/A	4,542,603	12.3%	4,542,603	12.3%	-
Total	\$ 58,464,495	100%	N/A	\$ 64,206,220	9.8%	\$ 62,259,823	6.5%	\$ (1,946,397)

LYNX Operating and Contingency Reserve Information

LYNX Board Agenda

Operating and Contingency Reserves	Minimum	Mid-Point	Maximum	Estimated Reserve Level with Adjustment
General Operations	\$ 14,000,000	\$ 21,000,000	\$ 28,000,000	\$ 26,053,603
Contingency (5% of Budget)	6,352,272	6,352,272	6,352,272	6,352,272
Total	\$ 20,352,272	\$ 27,352,272	\$ 34,352,272	\$ 32,405,875
% of Total Budget	16%	22%	27%	26%

2016 Adopted LYNX Budget \$ 127,045,444

However, as LYNX staff continues to refine the FY2017 Preliminary Operating Budget, we have secured additional cost reductions and funding as follows:

- ✓ Over the past year, LYNX staff has worked diligently with the Federal Transit Administration (FTA) to utilize the proceeds from the sale of LYNX' South Street Facility to support funding of the CNG improvements. On December 21, 2016, FTA notified LYNX staff that the sale proceeds from the South Street facility could not be used to fund the CNG Improvements. On May 26, 2016, LYNX' Board approved the use of the available \$2 Capital Funds to cover the cost of the CNG improvements which will eliminate the \$.40 adder included in the fuel cost. It is estimated that the adder elimination would reduce the fuel budget by \$350,000.
- ✓ In addition, we have requested \$500,000 from the Florida Department of Transportation (FDOT) for rural paratransit services. It is anticipated that these funds will be awarded. As such, the additional funding will reduce the local funding requirements for paratransit services by \$500,000 for the above and beyond the three quarter mile radius ADA trips.

Also, if the Committees and the LYNX' Board of Director's decide to move forward with the fare adjustment, we will have the opportunity to potentially increase Customer Fares by \$1,014,660 to \$1,514,567, based on FY2016 revenue projections. Our efforts to further refine the FY2017 Preliminary Operating Budget will continue up until the budget is submitted for final adoption.

LYNX staff will provide a brief overview of LYNX' reserves and the above recommendations for consideration. In addition, please find attached a comparison of LYNX' Operating and Contingency Reserve requirements to other local government entities and other transit agencies.

**Central Florida Regional Transportation Authority
Contingency Reserve for Enterprise Funds
Comparison Matrix - Cities & Counties**

	<i>LYNX</i>	<i>City of Orlando</i>		<i>Orange County</i>	<i>Osceola County</i>	<i>Seminole County</i>	<i>City of Sanford</i>	<i>City of St Cloud</i>	<i>Lake County</i>
Fund Type	Enterprise	Enterprise (Self Supporting)	Enterprise Non-Self Supporting	Enterprise	Enterprise	Enterprise	Enterprise	Enterprise	Enterprise
Contingency Reserve Level	5% of adopted operating budget	10% to 20% of budgeted expenditures	0% to 10% of budgeted expenditures	5% or higher of their respective total revenue budget	minimum of 2 months of the operating budget plus transfers.	not stated	25% of budgeted expenditures	12.5% of prior year's total expenditures	0%
Minimum/Max Range	Not to exceed 5% of total operating budget	10% to 20%	0% to 10%	No less than 7% of projected revenues	see above	5% to 10%	25% of expenditures, no max range stated	12%	0%
Purpose	To maintain adequate levels of reserves to mitigate current and future risks such as revenue shortfalls, emergencies, natural disasters, and unanticipated expenditures	To maintain reserves that are adequate to protect against unforeseen events and significant decrease in demand for services being provided for the Wastewater System, Parking System, Storm water System and Solid Waste Management	To avoid volatility in the annual budgeted subsidy and to address unanticipated renewal and replacement repair for Orlando Venues and Orlando Stadium Operations	To ensure funds are available to provide citizens with services and assistance following a natural disaster such as a hurricane and to provide a safety net for unexpected expenses	Reserves shall be in addition to other reserves including, but not limited to, reserves for contingencies, landfill closure cost debt services, and/or reserves for capital. Any approved, third party agreements must be complied with as well	To ensure funds are available as a protection to taxpayers to mitigate current and future risk (revenue shortfalls and unanticipated expenditures) and to facilitate responses to emergency situations	To maintain reserves that are adequate to ensure that resources are available annually to protect against unforeseen events as related to services, for solid waste collection, storm water management and water and wastewater treatment	To expand the utility system or replace capital equipment in the system.	To protect the County's essential government programs during periods of economic downturn or other unforeseen catastrophic events that may occur.
Approval	LYNX' Board of Directors	City Council	City Council	Board of County Commissioners	Board of Commissioners	Board of County Commissioners	City Commission	City Council	Board of County Commissioners
Compliance/Authority	Board of Directors	not stated	not stated	Chapter 129.01(2)(c)1 , Florida Statutes	Chapter 129.01(2)(c)1 , Florida Statutes	Chapter 129.01(2)(c)1 , Florida Statutes	not stated	Funded in accordance with bond covenants and used in accordance with bond covenants	not stated

	<i>LYNX</i>	<i>City of Orlando</i>		<i>Orange County</i>	<i>Osceola County</i>	<i>Seminole County</i>	<i>City of Sanford</i>	<i>City of St Cloud</i>	<i>Lake County</i>
Notes/Sources	If the reserve balance falls below the stated policy amount, the Chief Executive Officer or designee shall submit a plan to the Board for expenditure reductions and/or revenue increases.	The recommended range represents a reserve of 36 to 72 days of operating expenditures	Fund requires only a minimal reserve & replenishment does not apply		It is the County's policy to maintain an adequate level of unreserved and undesignated funds which may be used at the County's discretion to address emergencies, unanticipated economic downturns, unfunded mandates and one-time capital expenditures.	Refer to Seminole County Administrative Code Section 22	In 2015, the City Commission voted a minimum operating reserve for the General Fund of 25% of expenditures.	The use of the reserve means the operating funds are not used for capital investment. If reserves fall below 12.5%, council and upper management will have to devise a plan to replace the reserves within two fiscal years.	

Central Florida Regional Transportation Authority
Operating and Contingency Reserve for Enterprise Funds
Comparison Matrix - Transit Authorities

	LYNX	Jacksonville Transportation Authority	Hillsborough Area Regional Transit	Miami-Dade Transit Department	Volusia County/ Voltran	Metro Atlanta Rapid Transit Authority	Washington Metro Transit Authority	San Francisco County Transit Authority
Fund Type	Enterprise	Enterprise	Enterprise	Enterprise	Enterprise	Enterprise	Enterprise	Enterprise
Contingency Reserve Level	5% of adopted operating budget	1 year of gasoline tax revenue	2% of budgeted expenditures	none	not stated	10% of budgeted revenue	1% of operating budget	not stated
Operating Reserve Level	15% to 20% of regular operating expenditures with a goal of forty-five to sixty days for shorter cash flow purposes	3 months for operations	90 days	none	not stated	not stated	4% of the total revenue appropriated for operating expenditures per fiscal year	5% to 15%
Minimum/Max Range	Contingency Reserve - not to exceed 5% of total operating budget. Operating Reserve - not to exceed sixty days	3 months/1 year	Contingency Reserve - 10% maximum. Operating Reserve - no maximum, but a minimum of 90 days	none	5% to 10%	not stated	1% - Contingency Reserve and 4% - Operating Reserve	5% to 15%
Purpose	Contingency Reserve -To maintain adequate levels of reserves to mitigate current and future risks such as revenue shortfalls, emergencies, natural disasters, and unanticipated expenditures. Operating Reserve - Short-term cash flow purposes	To remain a fiscally responsible organization by putting aside appropriate levels of financial reserves to account for contingencies. The Transit operations reserve responds to several business risks of JTA's transit operations including labor cost uncertainties, revenue risks and political risk.	Will maintain, at a minimum, a reserve of ninety days of operating expenditures to be used to ensure the maintenance of services to the public during non-routine and unforeseen disaster situations.	N/A	Emergency Reserves for future fiscal years of budgeted current revenue on an annual basis in all tax supporting operating funds. Maintaining adequate reserves to deal with potential emergencies or unforeseen events, such as fuel price increases, unanticipated dips in revenues or natural disasters	Used for ongoing operating expenses only in situations caused by: Acts of God, worsened economic conditions in the Atlantic region and/or terrorism	To ensure that the Authority can adjust to economic downturns, extraordinary cost increases, and other financial emergencies to preserve WMATA's ongoing ability to deliver safe and reliable service to its customers	To fund unforeseen expenditure requirements and to provide an offset to revenue fluctuations. Act as a hedge against an emergency occurring during the budgeted fiscal year.
Approval	LYNX' Board of Directors	Board of Directors	Board of Directors	Board of Commissioners	Board of County Commissioners	Board of Directors	Board of Directors	Board of Commissioners
Dedicated Funding Source	None	Net Sales and Constitutional Gas Tax & Gross Local Option Sales Tax	Ad Valorem	For CIP only, funded via \$.05 Sales Tax	None	50% of 1% Sales and Use Tax	None	Voter-approved \$.05 local sales tax and 25% of \$10 Vehicle Registration Fee
Compliance/Authority	Board of Directors	Formed by the Florida Legislature	By its Charter and its designation as a regional transportation organization established pursuant to Florida Statutes	Dade County Commission Metropolitan Transportation Ordinance	Chapter 129.01(2)(c)1, Florida Statutes	Formed via a joint public instrumentality of the City of Atlanta & the counties of Fulton, DeKalb, Cobb, Clayton & Gwinnett by action of Georgia's General Assembly	Washington Metropolitan Area Transit Authority Compact	Authority's Administrative Code, the current Proposition K Sales Tax Expenditure Plan, federal and state regulations, and general prudent accounting and financial management practices
Notes/Sources	If the reserve balance falls below the stated policy amount, the Chief Executive Officer or designee shall submit a plan to the Board for expenditure reductions and/or revenue increases.	The Sales Tax (1/2% of taxable Duval Cty sales) is used for multiple purposes (i.e., road construction & mass transit). The Gas Tax is voter approved & sunsets in 5 years.		MDT is a county department. Therefore, all reserves, other than for CIP, are maintained at the county level. MDT's funding for operations comes from the county's General Fund.	Reserve balances are restricted in nature to the fund in which they reside.	Reserves set aside for operations. Enterprise funds are used to account for specific operating activities. Enterprise funds are financed and operated similar to a private business entity where a fee is levied for the use of the product or service.	The Enterprise Fund is the sole fund. Within this Fund, funds are classified in one of six categories: passenger fares and parking, federal funds, state and local funds, business revenues, other sources and debt.	Has four Enterprise Funds

Finance & Audit Committee Agenda Item # 3. D

To: LYNX Finance & Audit Committee

From: Andrea Ostrodka
DIRECTOR OF PLAN & DEVELOPMENT
Belinda Balleras
(Technical Contact)

Phone: 407.841.2279 ext: 6008

Item Name: FY2016 Federal Transit Administration Triennial Review Report

Date: 7/20/2016

Background:

The United States Code, Chapter 53 of Title 49 (49 US.C. 5307(f)(2)) requires that “At least once every three years, the Federal Transit Administration (FTA) shall review and evaluate completely the performance of a grantee in carrying out its program, specifically referring to compliance with statutory and administrative requirements. Although not an audit, the Triennial review is the FTA’s assessment of LYNX’s compliance with federal requirements, as determined by examination of sampled grant management and program implementation practices.

The LYNX Triennial Review involved a review of compliance in 17 areas. The review concentrated on procedures and practices employed during the past three years; however, coverage was extended to earlier periods as needed to assess the policies in place and the management of grants. The LYNX 2016 Triennial Review covered the period from Sept. 2013 thru March 2016.

Process:

The Triennial Review process included the following:

Part 1: Pre-site visit

- 1) Grantee Information Request (GIR) was received by LYNX on Oct. 8, 2015 and the LYNX GIR Completed Review Package was submitted to FTA reviewers on Dec. 11, 2015.
- 2) FTA’s pre-review assessment and review scoping meeting conducted within the FTA regional office on January 13, 2016. A grantee information request and review package was sent to LYNX advising us of the site visit and indicating information that would be needed and issues that would be discussed.

Part 2: FTA Triennial Review Site Visit

The LYNX site visit occurred on March 7-9, 2016. The onsite portion of the review began with an entrance conference and the remaining time was spent on reviews of administrative and statutory requirements and sample documents. Of the 17 compliance areas of the triennial

review, 6 areas were cleared (in compliance) prior to the site visit: Legal, Half Fare, Security, Public Comment on Fare Increases and Service Reductions, Planning/Program of Projects and School Bus.

The following LYNX facilities were toured to provide an overview of activities related to FTA-funded projects:

- LYNX Central Station: 455 N. Garland Avenue, Orlando, FL 32801
- LYNX Operations Center: 2500 LYNX Lane, Orlando, FL 32804
- Paratransit Operations Facility: 4950 L. B. McLeod Road, Orlando, FL 32811

The reviewers examined a sample of maintenance records for FTA-funded vehicles, facilities, and equipment.

Metrics:

The metrics used to evaluate whether a grantee is meeting the requirements for each of the areas reviewed are:

- Not Deficient*: An area is considered not deficient if, during the review, no findings were noted with the grantee's implementation of the requirements.
- Deficient*: An area is considered deficient if any of the requirements within the area reviewed were not met.
- Not Applicable*: An area can be deemed not applicable if, after an initial assessment, the grantee does not conduct activities for which the requirements of the respective area would be applicable.

Results of the Triennial Review:

Upon completion of the review, FTA and the reviewers provided a summary of preliminary findings to LYNX at an exit conference, summarized as follows:

- Of the 17 compliance areas of the triennial review, 6 areas were cleared (in compliance) prior to the site visit: Legal, Half Fare, Security, Public Comment on Fare Increases and Service Reductions, Planning/Program of Projects and School Bus.
- Of the 11 areas reviewed during the site visit, no deficiencies were found in 7 areas: Financial Management and Capacity, Technical Capacity, Title VI, Disadvantaged Business Enterprise, Satisfactory Continuing Control, Charter Bus, and Equal Employment Opportunity.
- Deficiencies were found in four areas: Maintenance, Americans with Disabilities Act (ADA), Procurement, and Drug-Free Workplace/Drug and Alcohol Program.

The attached presentation summarizes the findings from the FTA FY 2016 Triennial Review Final Report dated May 11, 2016.

As of July 7, 2016 the LYNX Safety, Security and Risk Management submitted the required corrective action documentation. The updated procedures have been cleared and were being finalized for close-out. A contractual arrangement between the Orlando Police Department and LYNX for security was being reviewed with FTA guidance. The remaining corrective action

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items will be submitted in a timely manner by the August 9, 2016 deadline. The ADA items have been cleared and closed as of July 6, 2016.

CONCLUSION:

Staff assures the Board that the necessary corrective action procedures will be implemented and reviewed by respective departments to bring the areas of Maintenance, ADA, Procurement and Drug Free Workplace and Drug and Alcohol Program in compliance with the FTA's statutory and administrative requirements.

LYNX FY16 FTA TRIENNIAL REVIEW

FTA FINAL REPORT

FTA Triennial Purpose and Need



- One of several FTA oversight reviews
- FTA's assessment of LYNX's compliance with federal requirements.
- 17 Review Areas
 - 249 Composite Questions plus supporting Documents
- Part 1: Pre-site Visit
 - Grantee Information Request - October 8th, 2015
 - Review Package submitted to Reviewers – December 11th, 2015
- Part 2: Site Visit
 - March 7, 8, 9, 2016
- Six review areas cleared prior to site visit.
 - Legal - Planning/Program of Projects
 - Half Fare - School Bus
 - Security
 - Public Comment on Fare Increases and Service Reductions

FY 16 Triennial Review Findings



Areas in Compliance:

- Financial Management & Capacity
- Technical Capacity
- Title VI
- Disadvantaged Business Enterprise
- Legal
- Satisfactory Continuing Control
- Planning/Program of Project
- Public Comment of Fare Increases...
- Half Fare
- Charter Bus
- School Bus – Not applicable
- Security
- Equal Employment Opportunity

Areas with Deficiencies:

- Facilities Maintenance
- Americans with Disabilities Act (ADA)
- Procurement
- Drug Free Workplace / Drug and Alcohol Program

Deficiencies and Corrective Action Plan



- Facilities Maintenance

Deficiency	Corrective Action	Response Date
Facility/ Equipment maintenance program lacking or inadequate	Facility/Equipment Maintenance Program <ul style="list-style-type: none"> Identify mission critical and safety items System periodic inspection and preventive maintenance 	8/9/2016

- ADA

Deficiency	Corrective Action	Response Date
Improper complementary paratransit eligibility determination process	Submit revised procedures <ul style="list-style-type: none"> Written explanation to denied paratransit applicants 	6/10/2016 Submitted March 2016
Insufficient no-show policy	Submit revised no-show policy	6/10/2016 Submitted 3/2016

Deficiencies and Corrective Action Plan



- Procurement

Deficiency	Corrective Action	Response Date
No verification excluded parties are not participating; lacking independent cost estimate (ICE); lacking required cost/price analysis; responsibility determination deficiencies	Submit procurement procedure <ul style="list-style-type: none"> 2 CFR 200 FTA C4220.1F “Third Party Contracting” Master Agreement Checklists 	8/9/2016

- Drug and Alcohol Program

Deficiency	Corrective Action	Response Date
FTA drug & alcohol testing program not applied to all sensitive positions	Submit evidence <ul style="list-style-type: none"> Contractor has developed & implemented D&A testing program 	7/10/2016
Random testing below required level	Submit procedure to ensure required level is met in future	7/10/2016
Improper post-accident determination	Submit a process for making proper post-accident determination including a procedure to document decision-making process and a training schedule for supervisors	8/9/2016

Finance & Audit Committee Agenda Item # 3. E

To: LYNX Finance & Audit Committee

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

Phone: 407.841.2279 ext: 6100

Item Name: FY2015 Florida Transportation Commission (FTC) Annual Oversight Report

Date: 7/20/2016

BACKGROUND:

In 2007, the legislature passed House Bill 985 amending Section 20.23(2) (b) 8, Florida Statutes, to expand the oversight role of the Florida Transportation Commission. In addition to the responsibility for oversight and monitoring of the Florida Department of Transportation, Section 20.23(2) (b) 8, Florida Statutes, requires the Commission to monitor the efficiency, productivity, and management of the authorities created under Chapters 348 and 349, including any authority formed under Chapter 343 which is not monitored under Subsection (3), Florida Statutes. The Commission shall also conduct periodic reviews of each authority's operations and budget, acquisition of property, management of revenue and bond proceeds, and compliance with applicable laws and generally accepted accounting principles.

To that end, the Commission, in concert with the authorities, adopted performance measures and objectives, operating indicators, and governance criteria that allow the Commission to assess the overall responsiveness of each authority in meeting their respective responsibilities to their customers and the public. The Commission prepares an annual report on its findings and progress made by the authorities and submits it to the Governor and legislature.

LYNX staff will review the highlights of the Fiscal Year 2015 Annual Report a copy of which is attached.

LYNX FTC Performance Measures FY2015 – FY2014

Presented to the
LYNX Finance & Audit Committee

by Blanche W. Sherman, CPA

Director of Finance

July 20, 2016

Summary of Performance Measures- FY2015



Table 38
Central Florida Regional Transportation Authority
Summary of Performance Measures
FY 2015¹

<i>Performance Measure</i>	<i>Detail</i>	<i>Objective</i>	<i>Actual Results</i>	<i>Meets Objective</i>
Average Headway	Average time for vehicle to complete its portion of total route miles one time	<30 minutes	26.7	✓
Operating Expense per Revenue Mile	Operating expenses divided by revenue miles	<\$5.30	\$6.51	X
Operating Expense per Revenue Hour	Operating expenses divided by revenue hours	<\$75	\$88.43	X
Operating Revenue per Operating Expense	Revenue generated through operation of the transit authority divided by operating expenses	>30%	44.4%	✓
Operating Expense per Passenger Trip	Operating expenses divided by annual ridership	<\$3	\$3.40	X
Operating Expense per Passenger Mile	Operating expenses divided by passenger miles	<\$0.47	\$0.59	X
Revenue Miles between Safety Incidents	Annual revenue miles divided by safety incidents	>124,513	132,067	✓
Revenue Miles between Failures	Revenue miles divided by revenue vehicle system failures ²	>10,500	12,055	✓
Revenue Miles versus Vehicle Miles	Revenue miles divided by vehicle miles ³	>.90	0.898	X
Customer Service	Average time from complaint to response	14 days	20 days	X
Customer Service	Customer complaints divided by boardings	<1 per 5,000 boardings	0.8	✓
On-time Performance	% trips end to end on time "less than 5 minutes late"	>80%	80.8%	✓

¹Fiscal Year 2015 represents 12 months of data from October 1, 2014 through September 30, 2015.

²A failure is classified as the breakdown of either a major or minor element of the revenue vehicle's mechanical system.

³Total annual vehicle miles include: deadhead miles, vehicle miles from the end of service to the garage, driver training and other miscellaneous miles not considered to be in direct revenue service.

Summary of Performance Measures- FY2014



Table 38
Central Florida Regional Transportation Authority
Summary of Performance Measures
FY 2014¹

<i>Performance Measure</i>	<i>Detail</i>	<i>Objective</i>	<i>Actual Results</i>	<i>Meets Objective</i>
Average Headway	Average time for vehicle to complete its portion of total route miles one time	<30 minutes	27.3	✓
Operating Expense per Revenue Mile	Operating expenses divided by revenue miles	<\$5.30	\$6.67	X
Operating Expense per Revenue Hour	Operating expenses divided by revenue hours	<\$75	\$91.07	X
Operating Revenue per Operating Expense	Revenue generated through operation of the transit authority divided by operating expenses	>30%	42.8%	✓
Operating Expense per Passenger Trip	Operating expenses divided by annual ridership	<\$3	\$3.34	X
Operating Expense per Passenger Mile	Operating expenses divided by passenger miles	<\$0.47	\$0.60	X
Revenue Miles between Safety Incidents	Annual revenue miles divided by safety incidents	>124,513	131,498	✓
Revenue Miles between Failures	Revenue miles divided by revenue vehicle system failures ²	>10,500	8,912	X
Revenue Miles versus Vehicle Miles	Revenue miles divided by vehicle miles ³	>.90	0.902	✓
Customer Service	Average time from complaint to response	14 days	16 days	X
Customer Service	Customer complaints divided by boardings	<1 per 5,000 boardings	0.6	✓
On-time Performance	% trips end to end on time "less than 5 minutes late"	>80%	78.1%	X

¹ Fiscal Year 2014 represents 12 months of data from October 1, 2013 through September 30, 2014.

² A failure is classified as the breakdown of either a major or minor element of the revenue vehicle's mechanical system.

³ Total annual vehicle miles include: deadhead miles, vehicle miles from the end of service to the garage, driver training and other miscellaneous miles not considered to be in direct revenue service.

**Transit Authority Performance Measures
Data Needs**

Transit Authority Name: CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY (LYNX)

Official Reporting Period: October 1 through September 30

Income Statement Information*:	2011	2012	2013	2014	2015
Total Operating Revenue	\$ 37,238,587	\$ 36,771,242	\$ 39,143,688	\$ 41,301,500	\$ 42,734,827
Annual Passenger Fare Revenue, including feeder service	\$ 24,660,216	\$ 25,992,945	\$ 27,673,255	\$ 27,304,503	\$ 26,523,751
Annual Operating Budget	\$ 92,622,004	\$ 93,383,208	\$ 97,011,387	\$ 104,677,816	\$ 108,410,098
Total Operating Expense	\$ 86,069,842	\$ 88,727,930	\$ 92,663,107	\$ 96,499,805	\$ 96,340,963
Total Capital Expenditures	\$ 24,222,341	\$ 12,910,079	\$ 30,204,891	\$ 35,357,613	\$ 19,670,180
Capital Expenditures on System Preservation	\$ 17,741,340	\$ 5,935,128	\$ 20,160,862	\$ 18,170,627	\$ 15,231,297
Capital Expenditures on System Expansion	\$ 6,481,001	\$ 6,974,951	\$ 10,044,029	\$ 17,186,986	\$ 4,438,883
Unrestricted Cash Balance (Financial Statement)	\$ 25,402,118	\$ 29,110,185	\$ 22,530,314	\$ 35,228,849	\$ 42,316,042
Operating Information:	2011	2012	2013	2014	2015
Service Area Population	1,837,359	1,878,762	1,913,779	1,960,634	2,003,626
Service Area Population Density	723.9	740.0	754.1	772.5	789.5
Annual Revenue Miles	14,714,555	14,649,104	14,468,719	14,464,800	14,791,484
Annual Vehicle Miles	16,572,925	16,384,778	16,058,513	16,040,104	16,470,661
Annual Revenue Hours	1,029,656	1,046,880	1,052,451	1,059,575	1,089,453
Annual Passenger Trips	26,996,158	28,184,740	28,801,893	28,868,418	28,327,951
Annual Passenger Boardings	26,996,158	28,184,740	28,801,893	28,868,418	28,327,951
Average Weekday Ridership	85,473	92,319	91,587	92,049	88,600
Total Revenue Vehicles	270	273	290	296	308
Vehicles Operated in Peak Service	225	225	232	248	252
Directional Route Miles	1,379.5	1,293.3	1,355.5	1,540.4	1,523.5
Average Age of Fleet in Years	4.4	5.7	5.9	5.9	5.6
Weekday Span of Service (hours)	23.0	23.0	23.0	23.0	23.0
Average Trip Length	5.2	5.4	5.5	5.6	5.7
On-time Performance (<6 min. rail / <5 min. bus)	82%	79.7%	78.4%	78.1%	80.8%
Safety Incidents	135	102	103	110	112
Revenue Vehicle System Failures	1,048	972	1,481	1,623	1,227
Average Time from Customer Complaint to Response (days)	11	10	20	16	20
Customer Complaints	3,732	3,949	2,907	3,266	4,509
Available Intermodal Transfer Points	5	5	6	6	6

* from Statements of Revenues and Expenses

Five Year Trend for Transit Authority Performance Measures and Reportable Indicators

Transit Authority Name: **CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY (LYNX)**
 Official Reporting Period: October 1 through September 30

Performance Measures						
	Objective	2011	2012	2013	2014	2015
Average Headway (minutes)						
Average time for vehicle to complete its portion of total route miles one time	<30 Minutes	25.7	24.6	25.5	27.3	26.7
Operating Expense Per Revenue Mile						
Operating expense divided by revenue miles	<\$5.30	\$ 5.85	\$ 6.06	\$ 6.40	\$ 6.67	\$ 6.51
Operating Expense Per Revenue Hour						
Operating expense divided by revenue hours	<\$75	\$ 83.59	\$ 84.75	\$ 88.05	\$ 91.07	\$ 88.43
Operating Revenue Per Operating Expense						
Revenue generated through operation of the transit authority divided by operating expense	>30%	43.3%	41.4%	42.2%	42.8%	44.4%
Operating Expense Per Passenger Trip						
Operating expenses divided by annual ridership	<\$3	\$ 3.19	\$ 3.15	\$ 3.22	\$ 3.34	\$ 3.40
Operating Expense Per Passenger Mile						
Operating expenses divided by passenger miles	<\$0.47	\$ 0.61	\$ 0.58	\$ 0.58	\$ 0.60	\$ 0.59
Revenue Miles Between Safety Incidents						
Revenue miles divided by safety incidents	>5% above 2009 (124,513)	108,997	143,619	140,473	131,498	132,067
Revenue Miles Between Failures						
Revenue miles divided by revenue vehicle system failures. A failure is classified as the breakdown of either a major or minor element of the revenue vehicle's mechanical system	>10,500	14,041	15,071	9,770	8,912	12,055
Revenue Miles versus Vehicle Miles						
Revenue miles divided by vehicle miles	>.90	0.89	0.89	0.90	0.90	0.90
Customer Service						
Average time from complaint to response	14 days	11	10	20	16	20
Customer complaints divided by boardings	<1 per 5,000 boardings	0.7	0.7	0.5	0.6	0.8
On-time Performance						
% trips end to end on time < 5 minutes late	>80%	82%	79.7%	78.4%	78.1%	80.8%
Reportable Indicators						
	2011	2012	2013	2014	2015	
Operating Expense Per Capita (Potential Customer)						
Annual operating budget divided by the service area population	\$ 46.84	\$ 47.23	\$ 48.42	\$ 49.22	\$ 48.08	
Farebox Recovery Ratio						
Passenger fares divided by operating expenses	28.7%	29.3%	29.9%	28.3%	27.5%	
Service Area Population						
Approximation of overall market size	1,837,359	1,878,762	1,913,779	1,960,634	2,003,626	
Service Area Population Density						
Persons per square mile based on the service area population and size	723.9	740.0	754.1	772.5	789.5	
Operating Expense						
Spending on operations, including administration, maintenance, and operation of service vehicles	\$ 86,069,842	\$ 88,727,930	\$ 92,663,107	\$ 96,499,805	\$ 96,340,963	
Operating Revenue						
Revenue generated through the operation of the transit authority	\$ 37,238,587	\$ 36,771,242	\$ 39,143,688	\$ 41,301,500	\$ 42,734,827	
Total Annual Revenue Miles						
Vehicle miles operated in active service (available to pick up revenue passengers)	14,714,555	14,649,104	14,468,719	14,464,800	14,791,484	
Total Annual Revenue Hours						
Vehicle hours operated in active service	1,029,656	1,046,880	1,052,451	1,059,575	1,089,453	
Total Revenue Vehicles						
Vehicles available to meet annual maximum service requirements	270	273	290	296	308	
Peak Vehicles						
Vehicles operated to meet annual maximum (peak) service requirements	225	225	232	248	252	

Five Year Trend for Transit Authority Performance Measures and Reportable Indicators

Transit Authority Name:

CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY (LYNX)

Official Reporting Period: October 1 through September 30

Reportable Indicators

	2011	2012	2013	2014	2015
Ratio of Revenue Vehicles to Peak Vehicles (spare ratio)					
Revenue vehicles, including spares, out-of-service vehicles, and vehicles in/awaiting maintenance, divided by the number of vehicles operated in maximum service	16.7%	17.6%	20.0%	16.2%	18.2%
Annual Passenger Trips					
Passenger boardings on transit vehicles	26,996,158	28,184,740	28,801,893	28,868,418	28,327,951
Average Trip Length					
Average length of passenger trip, generally derived through sampling	5.2	5.4	5.5	5.6	5.7
Annual Passenger Miles					
Passenger trips multiplied by average trip length	140,380,022	152,197,596	158,410,412	161,663,141	162,035,880
Weekday Span of Service (hours)					
Hours of transit service on a representative weekday from first service to last service for all modes	23.0	23.0	23.0	23.0	23.0
Average Fare					
Passenger fare revenues divided by passenger trips	\$ 0.91	\$ 0.92	\$ 0.96	\$ 0.95	\$ 0.94
Passenger Trips Per Revenue Mile					
Passenger trips divided by revenue miles	1.83	1.92	1.99	2.00	1.92
Passenger Trips Per Revenue Hour					
Passenger trips divided by revenue hours	26.2	26.9	27.4	27.2	26.0
Passenger Trips Per Capita					
Passenger trips divided by service area population	14.7	15.0	15.0	14.7	14.1
Average Age of Fleet in Years					
Average age of fleet in years	4.4	5.7	5.9	5.9	5.6
Unrestricted Cash Balance - Financial Indicator					
End of year cash balance from financial statement	\$ 25,402,118	\$ 29,110,185	\$ 22,530,314	\$ 35,228,849	\$ 42,316,042
Weekday Ridership					
Average ridership on weekdays	85,473	92,319	91,587	92,049	88,600
Capital Commitment to System Preservation and System Expansion					
% of capital spent on system preservation	73%	46%	67%	51%	77%
% of capital spent on system expansion	27%	54%	33%	49%	23%
Intermodal Connectivity					
Number of intermodal transfer points available	5	5	6	6	6

Central Florida Regional Transportation Authority (CFRTA/LYNX)



LYNX

Background

The Central Florida Regional Transportation Authority (CFRTA) (doing business as (dba) LYNX) is an agency of the State of Florida, created in 1989 by Chapter 343.61, Florida Statutes. Amended legislation in 1993 enabled CFRTA to assume the former Central Florida Commuter Rail Authority's operations and provided an opportunity for a merger with the Orange-Seminole-Osceola Transportation Authority (OSOTA), commonly known as LYNX. The CFRTA/OSOTA merger became effective in October 1994 after the two agencies ratified the merger through formal action in March 1994. CFRTA chose to continue the use of the LYNX name in its business operations.

CFRTA is authorized to “own, operate, maintain, and manage a public transportation system in the area of Seminole, Orange, and Osceola Counties.” CFRTA is empowered to formulate the manner in which the public transportation system and facilities are developed through construction, purchase, lease or another type of acquisition in addition to development of policies necessary for the operation and promotion of the public transportation system and adoption of rules necessary to govern operation of the public transportation system and facilities.

CFRTA is authorized to issue revenue bonds through the Division of Bond Finance of the State Board of Administration. In addition, the 2010 Legislature amended Section 343.64 (2)(q), Florida Statutes, that allows CFRTA to borrow up to

Highlights

- LYNX met or exceeded 6 of the 12 fixed route objectives established for performance measures. The six measures not met were Operating Expense per Revenue Mile, Operating Expense per Revenue Hour, Operating Expense per Passenger Trip, Operating Expense per Passenger Mile, Revenue Miles versus Vehicle Miles, and Customer Service Complaint Response Time.
- FY 2015 operating expenses decreased \$0.2 million, or 0.2 percent, while operating revenues increased \$1.4 million, or 3.5 percent, over FY 2014.
- Phase 1 (32.5 miles) of the SunRail commuter rail system opened for service on May 1, 2014. LYNX is providing fixed route feeder bus service and complementary paratransit service to the 12 SunRail stations.
- LYNX entered into an Interlocal Agreement with the Department to use the Smart Card System as a method of cashless fare collection on the LYNX fixed route services and paratransit services, SunRail, and for patron transfer between transportation systems for seamless interoperability.
- John Lewis resigned his position as Chief Executive Officer (CEO) of LYNX, effective August 31, 2015. Susan Black, who served as General Manager, was named as Interim CEO until the Board conducted a national search and selected Edward L. Johnson as their new CEO, effective May 9, 2016 (FY 2016).
- LYNX entered into a Fuel Purchase Agreement for compressed natural gas (CNG) fuel, training for LYNX employees on CNG fueling and maintenance procedures, and royalty payments on all third party sales made at the CNG fueling station. LYNX ordered 35 CNG buses and anticipates purchasing a total of 150 CNG buses over five years. The CNG station opened in April 2016 (FY 2016).

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\$10 million in any calendar year to refinance all or part of the costs or obligations of the authority, including, but not limited to, obligations of the authority as a lessee under a lease.

CFRTA is an Independent Special District of the State of Florida and subject to the provisions of Chapter 189, Florida Statutes (Uniform Special District Accountability Act) and other applicable Florida Statutes.

The governing body of LYNX, consists of five voting members. The chairs of the county commissions of Orange, Osceola, and Seminole Counties, or another member of the commission designated by the county chair, each serves on the board for the full extent of his or her term. The mayor of the City of Orlando, or a member of the Orlando City Council designated by the mayor, serves on the board for the full extent of his or her term. The District Five Secretary of the Florida Department of Transportation (Department), or his or her designee, also serves on the Board as a voting member. A vacancy during a term must be filled in the same manner as the original appointment and only for the balance of the unexpired term.

Table 37
Central Florida Regional Transportation Authority
Current Board Members

<i>Name</i>	<i>Appointment</i>	<i>Position</i>
Teresa Jacobs	Orange County Mayor	Chair
Viviana Janer	Osceola County Commissioner	Vice-Chair
Noranne Downs, P.E.	District Five Secretary	Secretary
Buddy Dyer	Mayor of Orlando	Board Member
Carlton Henley	Seminole County Commissioner	Board Member

The board of directors (Board) generally meets on a bi-monthly basis to conduct Authority business. Responsibility for managing day-to-day operations rests with the Chief Executive Officer (CEO). John Lewis resigned his position as LYNX CEO, effective August 31, 2015. Susan Black, who serves as LYNX General Manager, was named by the Board

as Interim CEO until a permanent CEO could be selected. After conducting a national search, the Board negotiated a contract with Edward L. Johnson to be the new LYNX CEO, effective May 9, 2016 (FY 2016). Mr. Johnson has more than 20 years experience in the transportation industry including 13 prior years with LYNX. During his previous tenure at LYNX, he served as the Interim CEO, Chief Administrative Officer, Chief of Staff, and the Manager of Operations and Development.

LYNX provides transportation services to the general public in the Orlando metropolitan area and throughout Orange, Osceola, and Seminole Counties in the form of fixed route bus service, bus rapid transit, paratransit service, NeighborLink (Flex) service and carpools/vanpools. In FY 2015, LYNX also provided fixed route service on one route in Lake County and fixed route service on two routes in Polk County. LYNX operates within a service area of 2,500 square miles that is home to approximately 2.0 million residents. The FY 2015 annual operating budget totaled approximately \$127.4 million, a decrease of 1.2 percent from the previous year. Approximately 28.3 million passenger trips were provided for LYNX fixed route services in FY 2015.

LYNX receives significant financial support from its funding partners. For FY 2015 operating funding, the Orange County Commission approved \$40.9 million for LYNX (an 8.2 percent increase from FY 2014), the Seminole County Commission approved \$6.4 million for LYNX (a 4.9 percent increase from FY 2014), and the Osceola County Commission approved \$5.5 million in funding for LYNX (a 1.9 percent increase from FY 2014).

Over the past few fiscal years, LYNX, through the effective leadership of its Governing Board, has continued to enhance public transportation in Central Florida. In FY 2015, LYNX finalized contract

Central Florida Regional Transportation Authority (CFRTA/LYNX)

negotiations with Nopetro for the Compressed Natural Gas (CNG) bus maintenance facility retrofit. Nopetro designed, built, operates and maintains a fast-fill CNG fueling station on land owned by Nopetro adjacent to the LYNX facility on John Young Parkway. LYNX also completed the SR 50/University of Central Florida (UCF) Connector Alternative Analysis Study which focused on identifying the issues, opportunities, and recommended improvements related to transportation in the SR 50 Corridor with a focus on transit. A locally preferred alternative for Bus Rapid Transit (BRT) that operates within general traffic lanes was approved.

Also in FY 2015, LYNX and the City of Orlando extended the LYMMO Orange Line to serve the North Corridor which includes stops along Rosalind Avenue, Marks Street and Orange Avenue to connect several new multi-housing and commercial developments located just north of Colonial Drive (SR 50). In September 2015, the LYNX Board also authorized the conversion of the Cigna Health Insurance Plan from a fully-insured to a self-insured plan for employee health insurance beginning January 1, 2016. LYNX staff believes that modifying the insurance to self-insurance will provide long-term financial benefits and would also allow for plan stability over continuing with a fully-insured plan.

LYNX continued to provide several human service agencies with operating funding from the Federal Transit Administration Job Access and Reverse Commute and New Freedom grants to pay for fifty percent of new or expanded transportation service or service for job access. Agencies receiving funding under these programs included the Opportunity Center, ITN Orlando, Osceola Mental Health, Osceola Council on Aging, Primrose Center and Meals on Wheels.



LYNX Downtown LYMMO Service.

On August 9, 2012, the Board ratified the Transit Development Plan (TDP) major update, containing capital and service improvements necessary to meet projected demands for public transportation throughout Central Florida from FY 2013 through FY 2022. In November 2014, LYNX completed its update to the TDP for the period from FY 2015 through FY 2024. This serves as a progress report of the major TDP update and identifies FY 2014 achievements and updates future year plans and services. The TDP's are currently posted on the Authority's website www.golynx.com.

SunRail

By law, CFRTA must develop and adopt a plan for the development of the Central Florida Commuter Rail that includes CFRTA's plan for the development of public and private revenue sources, funding of capital and operating costs, the service to be provided, and the extent to which counties within the area of operation of the Authority are to be served. An Interlocal Governance Agreement establishing the creation of the Central Florida Commuter Rail Commission (CFCRC) was approved and recorded in July 2007. The CFCRC consists of a five-member governing board: Chairman Buddy Dyer, Mayor of the City of Orlando, Vice Chairman Carlton Henley, Seminole

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County Commissioner, Secretary Viviana Janer, Osceola County Commissioner, Teresa Jacobs, Mayor of Orange County, and Pat Patterson, Vice Chairman of the Volusia County Council. Pursuant to an Interlocal Operating Agreement, the duties of the governing board are in an advisory capacity to the Department for the first seven years of system operation and will include assisting the Department with policy direction as the Department moves forward with planning, design, construction, and implementation of the system. After the first seven years of operation, the Department will turn the system over to the governing board. Detailed information about the CFCRC and CFCRC's commuter rail transit project SunRail, including meeting minutes, current status, and contractual documents can be found on the following website: www.corporate.sunrail.com.

SunRail is a 61.5 mile commuter rail system that will extend from the DeLand station in Volusia County to the Poinciana station in Osceola County. Phase 1, a 32.5-mile segment from the DeBary station in Volusia County to the Sand Lake station in Orange County, opened for service on May 1, 2014, and features 12 stations. Phase 2 will extend further north from DeBary to Deland in Volusia County and south from Sand Lake Road to Poinciana in Osceola County. The 29-mile Phase 2 project will feature 5 stations and is expected to be up and running by late 2017. SunRail currently runs 36 train trips per day, Monday through Friday excluding holidays, on 30 minute intervals during the morning and evening peak hours, and less frequently during the mid-day.

LYNX will be responsible for the provision of fixed route feeder bus service and complementary paratransit service to SunRail stations, while the Department will assist in funding additional fleet buses as well as providing an incremental operating subsidy for the first seven years of

service. LYNX has worked closely with the Department and Votran to develop a SunRail Fare Policy, Equipment, and Implementation Plan to assist with the seamless operation and implementation of the SunRail project. LYNX has collaborated with the Department on the SunRail Feeder Plan, which generally outlines how certain existing routes will change to serve SunRail stations within the LYNX service area, how schedules will likely change, how operating costs will be affected, and how many additional buses will be necessary to meet the needs as outlined in the Plan. In order to avoid duplicative procurement efforts and to assure consistency and interoperability between LYNX and SunRail systems, a joint solicitation between LYNX and the Department was released for the purchase of Fare Collection System Equipment.



SunRail Station Adjacent to LYNX Central Station.

In November 2012, the CFRTA Board authorized an agreement with Rida Development Corporation for the joint use and/or development of a 60 foot strip of CFRTA land located adjacent to the LYNX Central Station (LCS) in Orlando and to the east side of the new SunRail station at the LCS. The LCS will be incorporated into the design and construction of Rida's proposed multiuse Transit Oriented Development (TOD) project that will occupy an entire city block. In addition to the

Central Florida Regional Transportation Authority (CFRTA/LYNX)

connectivity to public transportation, the development will include a mix of residential, retail, office, hotel and meeting space, and will include green space and a pedestrian breezeway for easy access for SunRail and LYNX patrons.

In April 2014, the CFRTA Board approved to enter into an Interlocal Agreement with the Department to use the Smart Card System as a method of cashless fare collection on the LYNX fixed route services and paratransit services; the Department's SunRail commuter rail service; and for patron transfer among both transportation systems. The Department is responsible for operation of the central system and the clearinghouse that will recognize revenue when a fare is presented to a fare device and transmit the necessary data in order to properly deposit revenue to the appropriate Department or LYNX bank accounts. However, each party is responsible for the provision of fare card customer service, including managing card sales, customer inquiries, account management, refunds, and other services that may be provided to their customers. The Board also approved to enter into a Joint Participation Agreement with the Department for feeder bus service that will provide access to SunRail stations.

Compressed Natural Gas (CNG)

In November 2014, the CFRTA Board finalized negotiations on the CNG Unsolicited Proposal from Nopetro. Under the 20 year Fuel Purchase Agreement, Nopetro will design, build, operate and maintain a fast-fill CNG fueling station on land owned by Nopetro adjacent to the LYNX facility on John Young Parkway; train LYNX employees on CNG fueling and CNG bus maintenance procedures; and provide LYNX with royalty payments on all third party sales made at the station. LYNX ordered 35 CNG buses and anticipates purchasing a total of 150 CNG buses

over the first five year period pursuant to the terms of the agreement. Currently, LYNX has received, and placed into revenue service, all of the 35 CNG buses that were ordered. While a CNG bus is more expensive than a normal diesel bus, it also runs much cleaner and has substantially reduced fuel costs. LYNX indicated that the price of CNG is consistently lower than diesel by approximately \$1.50 per diesel gallon equivalent. For the first 15 years of the agreement, LYNX is obligated to purchase from Nopetro annually a minimum volume of CNG fuel, which equates to what the initial 35 CNG buses are estimated to use in the calendar year. Pricing for the CNG fuel is based on the New York Exchange commodity price, a volume based compression fee (indexed to CPI) to compensate Nopetro for all of its costs and expenses, and an employee adder charge for Nopetro employees who man the fueling station and fill up the LYNX buses. A separate construction contract was entered into for renovations to the LYNX facilities at John Young Parkway so that CNG buses can be maintained and serviced there. The facility, which is the nation's largest public-private partnership (P3) CNG fueling facility, opened in April 2016 (FY 2016),

Unless otherwise indicated, all statistics and performance measures in the following section of this document refer only to LYNX fixed route service and do not include LYNX paratransit services, NeighborLink (Flex) services or commuter services.

Performance Measures

Pursuant to the Florida Transportation Commission's (Commission) expanded role in providing oversight to specified Authorities, the Commission conducts periodic reviews of each Authority's operations and budget, acquisition of property, management of revenue and bond

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proceeds, and compliance with applicable laws and Generally Accepted Accounting Principles (GAAP). Consequently, the Commission, in concert with the Authorities, developed performance measures and management objectives that establish best practices across the industry to improve the overall delivery of services to the traveling and freight moving communities that are critical to the overall economic well-being and

quality of life in Florida. FY 2015 results, as reported by LYNX, are provided in Table 38. Results for the last five fiscal years are included in Appendix A.

LYNX was an active participant in the development of performance measures and in establishing objectives to measure its performance. Every attempt was made to ensure that the objectives

Table 38
Central Florida Regional Transportation Authority
Summary of Performance Measures
FY 2015¹

<i>Performance Measure</i>	<i>Detail</i>	<i>Objective</i>	<i>Actual Results</i>	<i>Meets Objective</i>
Average Headway	Average time for vehicle to complete its portion of total route miles one time	<30 minutes	26.7	✓
Operating Expense per Revenue Mile	Operating expenses divided by revenue miles	<\$5.30	\$6.51	X
Operating Expense per Revenue Hour	Operating expenses divided by revenue hours	<\$75	\$88.43	X
Operating Revenue per Operating Expense	Revenue generated through operation of the transit authority divided by operating expenses	>30%	44.4%	✓
Operating Expense per Passenger Trip	Operating expenses divided by annual ridership	<\$3	\$3.40	X
Operating Expense per Passenger Mile	Operating expenses divided by passenger miles	<\$0.47	\$0.59	X
Revenue Miles between Safety Incidents	Annual revenue miles divided by safety incidents	>124,513	132,067	✓
Revenue Miles between Failures	Revenue miles divided by revenue vehicle system failures ²	>10,500	12,055	✓
Revenue Miles versus Vehicle Miles	Revenue miles divided by vehicle miles ³	>.90	0.898	X
Customer Service	Average time from complaint to response	14 days	20 days	X
Customer Service	Customer complaints divided by boardings	<1 per 5,000 boardings	0.8	✓
On-time Performance	% trips end to end on time "less than 5 minutes late"	>80%	80.8%	✓

¹ Fiscal Year 2015 represents 12 months of data from October 1, 2014 through September 30, 2015.

² A failure is classified as the breakdown of either a major or minor element of the revenue vehicle's mechanical system.

³ Total annual vehicle miles include: deadhead miles, vehicle miles from the end of service to the garage, driver training and other miscellaneous miles not considered to be in direct revenue service.

Central Florida Regional Transportation Authority (CFRTA/LYNX)

that were selected would be a true measure of each of the Authority's effectiveness and efficiency in each of the applicable areas. LYNX performance data used for this report represent information collected during FY 2015, which spans from October 1, 2014 through September 30, 2015 (LYNX reports on a federal fiscal year). LYNX was successful in achieving 6 of the 12 objectives for performance.

Each measure is discussed in terms of achievement of the objective, prevailing trends, and future corrective action.

Average Headway

In FY 2015, LYNX achieved the performance measure objective for average headway of less than 30 minutes with actual results of 26.7 minutes. This was a decrease of 0.6 minutes, or 2.2 percent, versus FY 2014. Operating 10 to 15 minute headways on major corridors with small vehicles circulating through neighborhoods and feeding into workforce routes is a long-term goal.

As a customer convenience, in addition to fixed route service, LYNX operates Flex services called NeighborLink in a number of defined areas within the LYNX service area. NeighborLink provides scheduled service between fixed points not on LYNX fixed-route and designated points on LYNX fixed-route. NeighborLink also provides curbside service to any address within a defined service area. Passengers who want to use the NeighborLink service to go anywhere within the NeighborLink service area can call to make a reservation at least two hours ahead of their requested pick up time.

Operating Expense per Revenue Mile

The relationship between operating expenses and revenue miles provides a measure of the cost efficiency related to the provision of service. LYNX

operating cost per revenue mile of \$6.51 was higher than the objective of \$5.30 by \$1.21 (22.8 percent) but decreased from the \$6.67 reported in FY 2014. FY 2015 operating expenses decreased 0.2 percent while revenue miles increased 2.3 percent from FY 2014. The decrease in operating expenses is primarily attributed to a decline in fuel prices.

LYNX fell short of this performance objective and three other expense related objectives (operating expense per revenue hour, per passenger trip, and per passenger mile). LYNX incurred a \$2.0 million increase in wages and benefits primarily due to contractual increases. Additionally, purchased transportation services costs increased \$0.3 million due to a contracted express route in support of the Sunrail start-up. Conversely, LYNX fuel costs decreased by \$1.9 million primarily due to lower fuel prices. Professional services and casualty and liability insurance costs also decreased \$0.4 million and \$0.2 million, respectively. LYNX identified the following activities to reduce operating costs moving forward:

- Restructuring service to eliminate low productivity service
- Increasing recruitment efforts for bus operators and mechanics to reduce overtime costs
- Run-cutting (rescheduling operators' shifts) for improved efficiency and reducing overtime
- Continually reviewing fuel prices and utilizing "hedging" options to curb price volatility

Other measures to assist with operating cost reductions include the fuel hedging program, CNG buses and the successful negotiation of union contracts. Beginning in July 2011, LYNX entered into several fuel hedging contracts with a counterparty to cover a significant portion of

Transportation Authority Monitoring and Oversight

planned fuel purchases for current and future FY's. The objective is to smooth out the fluctuation in fuel prices and to limit the extent to which the price paid for fuel could increase during the FY. As of September 30, 2014, the maturity dates of the open contracts are September 2015. As previously noted, LYNX ordered and placed into service 35 CNG buses and anticipates purchasing a total of 150 CNG buses over the first five year period of the CNG contract. LYNX indicated that the price of CNG is consistently lower than diesel by approximately \$1.50 per diesel gallon equivalent.

Operating Expense per Revenue Hour

The relationship between operating expenses and revenue hours provides a measure of the cost efficiency of the service provided relative to the time expended in the provision of the service. LYNX operating cost per revenue hour of \$88.43 exceeded the objective of less than \$75.00 per hour by \$13.43 (17.9 percent). FY 2015 operating expenses decreased 0.2 percent while revenue hours increased 2.8 percent. Improvement was noted from the \$91.07 reported in FY 2014.

Operating Revenue per Operating Expense

The relationship between operating revenue and operating expense provides a measure of the effectiveness of the use of revenue. Unlike the two previous objectives, where the goal was to achieve a lower cost per revenue mile or revenue hour, the goal for this objective is to be higher than the objective because the higher the revenue per unit of expense, the more efficient the operation is. With operating revenue being 44.4 percent of operating expense, LYNX surpassed the objective (greater than 30 percent) by 48.0 percent. Compared to FY 2014, FY 2015 operating revenues increased 3.5 percent while operating expenses decreased 0.2 percent.

Operating Expense per Passenger Trip

The relationship between operating expenses and passenger trips provides a measure of the cost efficiency to transport passengers. The lower the cost per passenger trip, the more cost efficient the operation is. The LYNX operating cost per passenger trip of \$3.40 was higher than the objective of less than \$3.00 by \$0.40 (13.3 percent). This compares to \$3.34 reported for FY 2014. FY 2015 operating expenses decreased 0.2 percent over FY 2014, while ridership (passenger trips) decreased 1.9 percent, thereby negatively impacting FY 2015 results.

Operating Expense per Passenger Mile

The relationship between operating expenses and passenger miles also provides a measure of the general cost efficiency of the service provided. LYNX operating cost per passenger mile of \$0.59 exceeded the objective of less than \$0.47 by \$0.12, and was slightly lower than the \$0.60 reported for FY 2014. Passenger miles increased 0.2 percent in FY 2015, while operating expenses decreased 0.2 percent.

LYNX indicated that improvement in performance related to this objective would be difficult due to the operating costs associated with the long distance of non-revenue travel that is required to maintain system connectivity for a widely dispersed passenger base within a service area of 2,500 square miles. Nonetheless, efforts on the part of LYNX to eliminate inefficient services throughout the service area by reducing inefficient interlining between routes, placing additional buses along routes that were deficient in meeting their on-time performance and focusing on primary corridors should positively impact this area of performance moving forward. In December 2010, LYNX took a major step with respect to meeting this objective by opening a satellite operating facility in the southern portion of its service area in

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the City of Kissimmee. This facility reduces the amount of non-revenue travel associated with operations in Osceola County. LYNX is also pursuing a similar opportunity in the northern portion of its service area in Seminole County.

Revenue Miles between Safety Incidents

The span of revenue miles between incidents is a measure of safe customer service. Significant revenue miles between safety incidents results in infrequent exposure of customers to safety hazards. LYNX achieved the greater than 124,513 revenue miles between safety incidents objective with 132,067 revenue miles between safety incidents reported in FY 2015 (6.1 percent above the target). In FY 2015, revenue miles increased 2.3 percent, while safety incidents increased 1.8 percent (from 110 in FY 2014 to 112 in FY 2015).

LYNX policies require a criminal record and driving record background check for any prospective employee who will operate LYNX vehicles (buses and paratransit vehicles). Driving records are checked annually for all current employees. All safety sensitive employees are subjected to mandatory random drug testing under Federal law. Safety sensitive employees involved in a collision with injuries are tested for drugs and alcohol. In



LYNX Articulated Bus.

addition, safety training is provided during each new hire orientation. In May 2012, the CFRTA Board authorized the implementation of Revised Substance Abuse Program Policies for Non-Safety Sensitive Positions as well as For Safety Sensitive Positions.

Revenue Miles between Revenue Vehicle System Failures

The span of revenue miles between revenue vehicle system failures (defined as the breakdown of either a major or minor element of the revenue vehicle's mechanical system) is a measure of maintenance effectiveness in keeping the fleet in good condition. A significant number of revenue miles between revenue vehicle system failures can serve to reinforce customer confidence in on-time bus performance. LYNX achieved the performance measure objective of greater than 10,500 revenue miles between revenue vehicle system failures with 12,055 revenue miles between failures reported in FY 2015. This compares to 9,770 and 8,912 revenue miles between failures reported in FY 2013 and FY 2014, respectively. Revenue vehicle system failures increased 52.4 percent in FY 2013 (from 972 in FY 2012 to 1,481 in FY 2013) and totaled 1,623 and 1,227 in FY 2014 and FY 2015, respectively.

LYNX management indicated that the significant increase in revenue vehicle system failures in FY 2013 and FY 2014 is primarily attributed to fuel contamination with microbes that caused an increase in road calls due to fuel filters plugged. LYNX attributed the 24.4 percent decrease in revenue vehicle system failures in FY 2015 to improved maintenance reporting and preventative maintenance programs.

Revenue Miles versus Vehicle Miles

The relationship between revenue miles and vehicle miles provides a measure of the

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effectiveness of fleet assignment given that vehicle miles include non-revenue miles, such as deadhead miles (from operations facility to start of a route and vehicle miles from the end of the route to the operations facility). LYNX just missed meeting the performance measure objective of greater than 0.900 with 0.898 for FY 2015. This compares to the 0.902 reported for FY 2014.

LYNX continues to explore ways to improve fixed-route services in order to better serve its customers. LYNX plans to improve service during the upcoming fiscal year through continued evaluation of route performance, service modifications and implementing alternative vehicle sizes resulting from the route evaluation. LYNX will also continue to determine the applicability of Flex services to allow greater community penetration of public transit, while at the same time, making corridor routes more efficient by eliminating their deviation into neighborhoods.

Customer Service – Average Time from Complaint to Response

LYNX did not achieve the performance measure objective of timely response to customer complaints within 14 days of receipt of the complaint with actual response time of 20 days in FY 2015. This compares to 16 days reported in FY 2014. Customer complaints increased 38.1 percent in FY 2015, from 3,266 in FY 2014 to 4,509 in FY 2015. The increase in average time for response to customer complaints is due to system issues in the customer complaint tracking system. Once the system issues were corrected, the average days to response dropped below 10 days.

Customer Service – Number of Complaints per Boarding

LYNX achieved the performance objective of less than one complaint per 5,000 boardings with 0.8 complaints.

On-time Performance

LYNX reported 80.8 percent on-time performance, meeting the on-time performance objective of greater than 80 percent of trips end-to-end on-time. On-time is defined as less than five minutes late arriving at a fixed route schedule time point. This compares to 78.1 percent on-time performance reported in FY 2014.

LYNX implemented steps to increase its on-time performance throughout the service area by adjusting the scheduled times of existing routes to better reflect the actual route running times documented for the route by its AVL system. The agency also implemented the use of pull-out bus relief for poorly-performing routes instead of car relief to insure a route starts on-time. LYNX has also initiated a program of bus stop consolidation starting with its highest ridership routes to reduce the number of stops a bus has to make along its route.

Operating Indicators

The Commission, in concert with the authorities, developed indicators that provide meaningful operational and financial data that supplement performance measures in evaluating and monitoring organizational performance. The Commission did not establish objectives or goals for these indicators, as various authorities have unique characteristics. FY 2015 operating indicators, as reported by LYNX are provided in Table 39. In order to observe current trends, operating indicators for FY 2013 and FY 2014 are also provided. Results for the last five fiscal years are included in Appendix A.

FY 2015 operating expenses decreased \$0.2 million, or 0.2 percent, while operating revenues increased \$1.4 million, or 3.5 percent, over FY

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Table 39
Central Florida Regional Transportation Authority
Summary of Operating Indicators
FY 2013 through FY 2015

Operating Indicator	Detail	Actual 13 Results	Actual 14 Results	Actual 15 Results
Operating Expense per Capita (Potential Customer)	Annual operating budget divided by service area population	\$48.42	\$49.22	\$48.08
Farebox Recovery Ratio	Ratio of passenger fares ¹ to total operating expenses	29.9%	28.3%	27.5%
Service Area Population	Approximation of overall market size	1,913,779	1,960,634	2,003,626
Service Area Population Density	Persons per square mile based on service area population and size	754.1	772.5	789.5
Operating Expense	Spending on operations, including administration, maintenance, and operation of service vehicles	\$92,663,107	\$96,499,805	\$96,340,963
Operating Revenue ²	Revenue generated through operations of transit authority	\$39,143,688	\$41,301,500	\$42,734,827
Total Annual Revenue Miles	Miles vehicles operated in active service ³	14,468,719	14,464,800	14,791,484
Total Annual Revenue Hours	Hours vehicles operated in active service	1,052,451	1,059,575	1,089,453
Total Revenue Vehicles ⁴	Vehicles available to meet annual maximum service requirement	290	296	308
Peak Vehicles	Vehicles operated to meet annual maximum (peak) service requirements	232	248	252
Ratio of Revenue Vehicles to Peak Vehicles ⁵ (spare ratio)	Revenue vehicles, including spares, out-of-service vehicles, and vehicles in/awaiting maintenance, divided by the number of vehicles operated in maximum service	20.0%	16.2%	18.2%
Annual Passenger Trips ⁶	Passenger boardings on transit vehicles	28,801,893	28,868,418	28,327,951
Average Trip Length	Average length of passenger trip, generally derived through sampling	5.5	5.6	5.7
Annual Passenger Miles	Passenger trips multiplied by average trip length (in miles)	158,410,412	161,663,141	162,035,880
Weekday Span of Service (hours)	Hours of transit service on a representative weekday from first service to last service for all modes	23.0	23.0	23.0
Average Fare	Passenger fare revenues divided by passenger trips	\$0.96	\$0.95	\$0.94
Passenger Trips per Revenue Mile	Passenger trips divided by revenue miles	1.99	2.00	1.92
Passenger Trips per Revenue Hour	Passenger trips divided by revenue hours	27.4	27.2	26.0
Passenger Trips per Capita	Passenger trips divided by service area population	15.0	14.7	14.1
Average Age of Fleet	Age of fleet (in years) average	5.9	5.9	5.6
Unrestricted Cash Balance	End of year cash balance from financial statement	\$22,530,314	\$35,228,849	\$42,316,042
Weekday Ridership	Average ridership on weekdays	91,587	92,049	88,600
Capital Commitment to System Preservation	% of capital spent on system preservation	67.0%	51.0%	77.0%
Capital Commitment to System Expansion	% of capital spent on system expansion	33.0%	49.0%	23.0%
Intermodal Connectivity	Intermodal transfer points available	6	6	6

¹ Passenger fares are revenues generated annually from carrying passengers in regularly scheduled service, including payment from jurisdictions for feeder bus service.

² Operating revenue includes passenger fares, special transit fares, school bus service revenues, freight tariffs, charter service revenues, auxiliary transportation revenues, subsidy from other sectors of operations, and non-transportation revenues.

³ Active service refers to vehicle availability to pick up revenue passengers.

⁴ Total revenue vehicles include spares, out-of-service vehicles, and vehicles in or awaiting maintenance, but exclude vehicles awaiting sale and emergency contingency vehicles.

⁵ Vehicles awaiting sale and emergency contingency vehicles are not included as revenue vehicles in this calculation.

⁶ A passenger trip is counted each time a passenger boards a transit vehicle.

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2014. LYNX logged 0.5 million, or 1.9 percent, fewer passenger trips and the average trip length increased by 0.1 miles to 5.7 miles in FY 2015. As a result, passenger miles increased by 0.4 million to 162.0 million (an increase of 0.2 percent). FY 2015 revenue miles and revenue hours increased 2.3 percent and 2.8 percent, respectively, from FY 2014. The farebox recovery ratio decreased from 28.3 percent in FY 2014 to 27.5 percent in FY 2015 and the average fare slightly decreased from \$0.95 in FY 2014 to \$0.94 in FY 2015. Average weekday ridership decreased 3.7 percent (from 92,048 in FY 2014 to 88,600 in FY 2015). LYNX attributed this decrease in ridership to a decline in fuel prices in FY 2015.

Passenger trips decreased 1.9 percent and the average trip length increased by 0.1 miles, resulting in a 0.2 percent increase in passenger miles in FY 2015.

FY 2015 revenue miles and revenue hours increased 2.3 percent and 2.8 percent, respectively.

FY 2015 average weekday ridership decreased 3.7 percent as compared to FY 2014. This decrease is attributed to a decline in fuel prices in FY 2015.

The average age of the fleet decreased from 5.9 years to 5.6 years and the operating spare ratio increased from 16.2 percent to 18.2 percent allowing the Authority flexibility in terms of providing expanded service in the future. The unrestricted cash balance increased \$7.1 million (from \$35.2 to \$42.3 million) and LYNX committed 77 percent of capital investment to system preservation and 23 percent to system expansion. Investments in system expansion include funding for rolling stock, bus rapid transit, passenger amenities, technology, security, facilities, support equipment and ARRA projects.

Intermodal Connections

LYNX currently provides intermodal connections that include connections to airports, circulator bus systems, park and ride lots, and the new SunRail Commuter Rail system. The LYNX Central Station SunRail Station is an Intermodal Connection which is served by 32 LYNX fixed routes and one LYNX Bus Rapid Transit route. The Church Street SunRail Station is an Intermodal Connection served by one LYNX Bus Rapid Transit route. The Kissimmee Intermodal Station is an Intermodal Connection with AMTRAK and the Greyhound bus line which is served by nine LYNX fixed routes and one LYNX NeighborLink route.

Airport Connections

Five LYNX fixed routes provide direct service to Orlando International Airport. In Osceola County, one route runs adjacent to the Kissimmee Municipal Airport. In Seminole County, one route runs adjacent to the Orlando Sanford International Airport.

Circulator Connections

The University of Central Florida (UCF) Superstop is located centrally on campus and serves as a transfer point between six LYNX fixed routes and the UCF-provided circulators serving the campus, surrounding apartments and businesses.

The Walt Disney World Resort complex has the Disney Springs Transfer Center and the Transportation and Ticket Center. These locations serve as transfer points for nine LYNX fixed routes to the Disney World Transportation Circulator system.

Park & Ride Connections

LYNX provides service to three Park & Ride locations: the Econolockhatchee Park & Ride Lot on SR 50 in Orange County, the Chuluota Park &

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Ride Lot on SR 50 in Orange County, and the Kissimmee/St. Cloud Turnpike Park & Ride Lot at US 192 and Shady Lane in Osceola County.

Governance

In addition to establishing performance measures and operating indicators for transportation authorities, the Commission developed “governance” criteria for assessing each authority’s adherence to statutes, policies and procedures. To that end, the Commission monitored compliance in the areas of ethics, conflicts of interest, audits, public records, open meetings, procurement, consultant contracts and compliance with bond covenants.

Ethics and Conflict of Interest

On January 22, 2009, the LYNX Board amended and modified Administrative Rule 5, Code of Ethics, to establish additional rules and policies pertaining to the conduct of all officers, managers, employees, or agents of the Authority and Members of the Board pursuant to Part III, Chapter 343, Florida Statutes. The Authority elected to apply certain provisions of the State Code of

Ethics, Part III of Chapter 112, Florida Statutes. “The declared policy of this law is to prohibit any Member, Officer or Employee from having any interest in, or engaging in, any obligation “which is in substantial conflict with the proper discharge of his duties in the public interest” § 112.311, Florida Statutes (2005). All Members, Officers and Employees of the Authority shall familiarize themselves with and comply with all applicable provisions of Part III of Chapter 112, Florida Statutes.” Administrative Rule 5 details provisions related to the use of official position to secure special privileges or exemptions, disclosure of confidential information, transacting business in an official capacity, and personal investments. In order to comply with financial disclosure and gift reporting requirements, Administrative Rule 5 requires that “the Authority shall maintain current lists of reporting individuals as required by State law, and provides additional requirements to assure ethical conduct of Members, Officers and Employees of the Authority, and shall be, wherever possible, construed as supplemental to Part III of Chapter 112, Florida Statutes.” Administrative Rule 5 incorporates the use of Form 8B, Memorandum of Voting Conflict for County, Municipal, and Other Local Public Officers. In the event any Member of the Board is presented with a voting conflict of interest under Section 112.3143, Florida Statutes, that person must abstain from voting on such a matter (but may participate in the discussion of such a matter) by first disclosing said conflict. In addition, said Member must complete and file with the Secretary of the Board the Form 8B before making any attempt to influence the decision.

LYNX reported no ethics or conflict of interest violations during the past year and no Memorandum of Voting Conflict (Form 8B) were provided.



LYNX Central Station at Night.

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Audit

The CFRTA Board amended its Bylaws in September 2014 by re-designating the Audit and Oversight Committee as the Oversight Committee and established the Finance and Audit Committee and the Risk Management Committee. The Finance and Audit Committee is responsible for recommending to the Oversight Committee and Authority staff financial policies, goals and budgets that support the mission, values and strategic goals of the Authority, and for overseeing the annual audit of CFRTA's financial statements. CFRTA Board members, or their designated representatives, comprise the Oversight Committee membership which reviews matters prior to making recommendations to the CFRTA Board for official action. Detailed minutes of the Committee and the Board meetings are posted on the LYNX website www.golynx.com along with a schedule of future meetings.

An annual independent audit of the Central Florida Regional Transportation Authority's financial statements for the fiscal year ended September 30, 2015 was performed. The Independent Auditor's Report (dated March 17, 2016) indicated that the financial statements were prepared in conformity with GAAP and received an unmodified opinion. The Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards did not identify any deficiencies in internal control that were considered material weaknesses, and the results of audit tests did not disclose instances of noncompliance required to be reported under Government Auditing Standards. The Independent Auditor's Report on Compliance for Each Major Program and State Financial Assistance Project and on Internal Control Over Compliance Required by OMB Circular A-133 and Chapter 10.550, Rules



LYNX Operations Center.

of the Auditor General indicated no issues related to compliance, internal control, findings or questioned costs required to be reported under applicable standards. The Independent Auditor's Management Letter did not have any findings or recommendations for improvement.

Public Records and Open Meetings

On August 24, 2006, LYNX issued Administrative Rule 9 Public Records, pursuant to Article 1, Section 24, Florida Constitution and Chapter 119, Florida Statutes that applies to all officers, managers, employees or agents of the Authority and members of the Board. The Rule defines public records and outlines provisions related to public access, format of public records, information concerning the public records office, public record requests, including fees and charges, and public record exemptions.

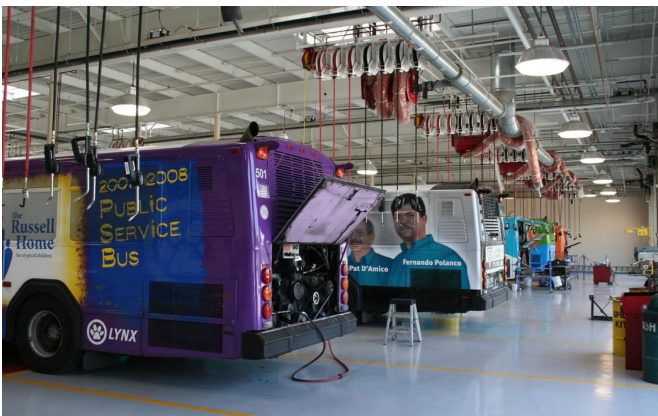
On January 19, 2006, LYNX established Administrative Rule 2, Board Governance (Bylaws). On July 28, 2010 and September 25, 2014, the Board amended and restated the Bylaws. The Bylaws delineate the rules that govern the affairs and conduct of the business of LYNX including the authority and composition of the Board, meetings of the Board, as well as the roles and

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responsibilities of Board officers and members. Meetings of the Board are administered in accordance with Robert's Rules of Order. Notice of and public access to all meetings must be given in the manner required by applicable law as well as by LYNX Bylaws. Public notices are posted at the LYNX main administration building and are published on the LYNX website. An agenda must be prepared prior to each meeting. LYNX is also subject to the provisions of Section 189.015, Florida Statutes and Chapter 286, Florida Statutes, for open meetings.

LYNX implemented a Public Participation Program Policy, effective September 2008, which applies to all officers, employees, and agents of LYNX. "It shall be the policy of LYNX to proactively inform and involve the Central Florida public in the planning and implementation of new services, routing adjustments, passenger fare adjustments, new facility construction, and planning activities in accordance with Federal and State Regulations."

The Commission reviewed agendas and notices of public meetings available on the LYNX website, and public meeting notices published in the Orlando Sentinel newspaper. Based on this limited review, it appears that LYNX is operating within procedure and statute.



LYNX Operations Maintenance Center.

Procurement

On May 22, 2014, the LYNX Board amended and restated Administrative Rule 4, Procurement and Contract Administration, which "applies to the process by which the Authority contracts for labor, services, goods, and materials for its business, both in the normal and ordinary course of business and in emergency situations. It establishes the process and procedure to be followed by the Authority, the Governing Board, and Authority Staff in regard to said matters."

Administrative Rule 4 delineates contracting Authority for eight distinct types of contracts, including major contracts, options for major contracts, minor contracts, bus advertising contracts, emergency purchases, fuel purchases, short-term bus service agreements, and financially exigent agreements. Board approval is required for all major contracts over \$150 thousand, and the governing board does have the authority when it approves the contract to delegate authority. If the Board does not specifically authorize staff to exercise options for major contracts, options must go before the Board for approval. Minor contracts are defined as contracts with a value of \$150 thousand or less that are approved in the budget. Minor contracts may be approved by the CEO or delegated by the CEO to the Chief Financial Officer (CFO) and/or the General Manager (GM) (value of \$150 thousand or less), any Senior Officer including the Director of Procurement (value of \$50 thousand or less), the Procurement/Contracts Manager (value of \$25 thousand or less), Contract Administrator/Buyer (value of \$5 thousand or less), or to other LYNX employees (purchases of \$3 thousand or less) and must be noticed to the Board as an information item at the next scheduled meeting, if the contract exceeds \$25 thousand.

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Bus advertising contracts are defined as Level 1, Level 2, and Level 3. Level 1 contracts may be approved by the CEO, GM and the CFO and include contracts that do not exceed \$180 thousand in the aggregate, where the term does not exceed 12 months. If the Level 1 contract is less than \$150 thousand, the CEO can further delegate authority to approve the contract pursuant to the rules governing minor contracts. Level 2 consists of those contracts that exceed \$180 thousand but are less than \$300 thousand or have a term greater than 12 months. The CEO may approve Level 2 contracts provided that the contracts receive prior approval of the Authority's General Counsel; however, the CEO may not delegate approval authority for Level 2 contracts. Level 3 contracts include all bus advertising contracts that fall outside of Levels 1 and 2. Level 3 contracts must be approved by the Board, reviewed by the General Counsel, and approval authority may not be delegated. In addition, if the bus advertising contract involves a bus trade, which refers to a transaction involving a bus advertising contract where LYNX provides third party advertising in exchange for payment in kind, the bus trade must be approved by the CEO. A summary of new advertising contracts is required to be provided as information items to the Board at its next meeting.

Contracts involving emergency purchases must be reported to the Board at its next scheduled meeting as a discussion item. The CEO may approve an emergency purchase of \$150 thousand or less without approval of the Board and may delegate approval authority to any senior officer. If the amount exceeds \$150 thousand, the CEO shall attempt to contact the Chairman or Vice Chairman for approval and oversight. If the Chairman and Vice Chairman are unavailable, and the situation necessitates immediate action, the CEO will have authority to approve and execute the contract. The CEO may not delegate approval authority for amounts in excess of \$150 thousand.

Authority for approval is also provided to the Chairman of the Board, or in his absence, the Vice Chairman of the Board. In the absence of the CEO, approval authority may be granted to any senior officer by the Chairman or Vice Chairman.

Board approval is required for contracts with vendors to supply fuel to the Authority. The selection of vendors is by the competitive bid process and different vendors can be selected for different types of fuels to be purchased. For example, fuel contracts are either based upon the Oil Price Information Service (OPIS) pricing, U.S. Gulf Coast Platts Index, or spot market pricing. Board approval of the fuel contracts and their execution does not constitute any obligation by LYNX to purchase fuel but allows LYNX to purchase fuel, if it chooses, in accordance with the terms therein. If the Board approved contract utilizes OPIS or spot market pricing, the CEO, other Senior Officer, or the Director of Procurement is authorized to purchase fuel under the contract provided the fuel is for the present use of the Authority (used within seven days). If the Board approved fuel contract utilizes future contracts, the CEO is authorized to purchase fuel under the contract provided that the price for the fuel is within the Board approved budget for fuel purchases for that particular year. The governing board would generally establish guidelines for fuel purchases every two years.

The CEO may approve short-term bus service agreements, if the dollar value of the agreement does not exceed \$500 thousand, and may delegate approval authority, but must report the agreement to the Board at its next scheduled meeting. The CEO may also approve financially exigent agreements if the agreement or renewal is less than \$150 thousand. The CEO may delegate approval authority for financially exigent agreements and must report the agreement to the governing board at its next scheduled meeting.

Central Florida Regional Transportation Authority (CFRTA/LYNX)

Administrative Rule 4 also mandates that the procurement of certain consultant or professional services shall be conducted in accordance with provisions of law, including Florida Statutes 287.055, or any successor provision thereof (the “Consultants Competitive Negotiations Act”) or to 40 U.S.C. 541, where applicable. In addition, Administrative Rule 6, Dispute Resolution, requires that the Authority notify the FTA of any protests related to procurements involving federal funds and keep the FTA informed of the status of any such protests.

Disadvantaged Business Enterprise Policy

LYNX has established a Disadvantaged Business Enterprise (DBE) program in accordance with regulations of the U.S. Department of Transportation (USDOT), 49 CFR Part 26. As a recipient of federal financial assistance from

USDOT and as a condition of receiving this assistance, LYNX has signed an assurance that it will comply with 49 CFR Part 26. It is the policy of LYNX to ensure DBEs, as defined in Part 26, have an equal opportunity to receive and participate in USDOT-assisted contracts.

Consultant Contract Reporting

LYNX provided a list of all “General Consulting” contracts and those sub contracts that exceeded \$25 thousand in FY 2015. As indicated in Table 40, 15 sub consultants were used by the general consulting firms for a total cost of \$10.2 million in FY 2015.

Compliance with Bond Covenants

LYNX has no outstanding revenue bonds issued at this time. LYNX does have one outstanding State Infrastructure Bank (SIB) Loan Agreement with the Department.

Table 40
Central Florida Regional Transportation Authority
Summary of General Consultant Sub Consultant Activity
FY 2015

<i>Consulting Contract</i>	<i>Description</i>	<i>Sub Consultants >\$25k</i>
AECOM Technical Services, Inc.	Construction Management, Engineering and Inspection	
AED Florida LLC	Electrical, Mechanical (Heating/AC) Engineering Design	\$106
Buchheit Associates	Electrical, Mechanical (Heating/AC) Engineering Design	\$100
SWS Environmental SE	Electrical, Mechanical (Heating/AC) Engineering Design	\$388
WBQ Design & Engineering	Electrical, Mechanical (Heating/AC) Engineering Design	\$37
Balfour Beatty	Construction Management, Engineering and Inspection	
JCB Construction, Inc.	General Construction Services - Pavement	\$3,891
ValleyCrest Landscape Development	Landscape and Hardscape	\$2,416
The New Florida Industrial Electric	Signalization & Electrical	\$1,762
Central Florida Underground, Inc.	Utilities	\$810
HDR Engineering, Inc.	TSP Timing Design	\$93
Anderson and Associates, P.A.	DBE Consultant and Community Outreach	\$27
L&S Diversified, LLC	Survey and Asbuilts	\$47
Cardno, Inc.	ISRP Implementation & Health, Safety	\$289
Twin City Welding	Shelter Installation	\$32
PCL Construction Services, Inc.	Construction Management, Engineering and Inspection	
Spencer Fabrications	Passenger Amenities	\$36
Clever Devices LTD	Real Time Passenger Information & On Board	\$192
Total Sub Consultants >\$25k		\$10,226

Transportation Authority Monitoring and Oversight

Loans Payable

On June 9, 2004, the Authority entered into a State Infrastructure Bank (SIB) Loan Agreement, allowing draws of up to \$7.6 million for the construction of the new Operating Base Facility. This loan matures in 2016, was non-interest bearing until October 1, 2007, and bears an interest rate of two percent, thereafter. LYNX committed its FTA 5307 grant funds as the source to fund the payment obligations of the loans, pursuant to the SIB Loan Agreement. Loans payable activity for fiscal year ended September 30, 2015 is as follows:

Table 41
Central Florida Regional Transportation Authority
Loans Payable
September 30, 2015

Loan	Beginning		Ending		Amounts
	Balance	Payments	Balance	Due Within	One Year
SIB	\$ 2,392,156	\$ 781,649	\$ 1,610,507	\$ 797,282	
Total	\$ 2,392,156	\$ 781,649	\$ 1,610,507	\$ 797,282	

Website Compliance

The 2014 Legislature passed, and Governor Scott signed into law, Senate Bill 1632 that significantly amended Chapter 189, Florida Statutes (Uniform Special District Accountability Act). A new Section 189.069, Florida Statutes, requires special districts to maintain an official internet website by October 1, 2015 (FY 2016). The website must contain information including contact information and the term and appointing authority for each member of the governing body, public purpose, fiscal year, the district’s charter and statutes under which it operates, service area and services provided, fees and charges imposed and collected, adopted code of ethics, budget, and complete audit report. LYNX management indicated that it conducted a review of its website to ensure compliance with the new statutory requirements.

Summary

LYNX is a full service public transportation authority operating within a 2,500 square mile service area in the Orlando metropolitan area and throughout Orange, Seminole, and Osceola Counties. LYNX continues to expand its service parameters and relies on fare revenues, federal and state grants, and financial support from its local partners to fund operations, including fixed route bus service, bus rapid transit, paratransit service, flex service and carpools/vanpools.

LYNX actively participated in and cooperated with the Commission’s review, and the Commission relied heavily on documentation and clarifications provided by LYNX management.

LYNX met or exceeded 6 of the 12 fixed route objectives established for performance measures. The six fixed route measures that were not met include: operating expense per revenue mile, operating expense per revenue hour, operating expense per passenger trip, operating expense per passenger mile, revenue miles versus vehicle miles, and customer service complaint response time. Four of the six objectives not met include operating expense components.

LYNX provides significant public transit service to the community it serves and does so with a great deal of consistency over a variety of operating parameters. FY 2015 operating expenses decreased \$0.2 million, or 0.2 percent, while operating revenues increased \$1.4 million, or 3.5 percent, over FY 2014. LYNX logged 0.5 million, or 1.9 percent, fewer passenger trips and the average trip length increased by 0.1 miles to 5.7 miles in FY 2015. As a result, passenger miles increased by 0.4 million to 162.0 million (an increase of 0.2 percent). FY 2015 revenue miles

Central Florida Regional Transportation Authority (CFRTA/LYNX)

and revenue hours increased 2.3 percent and 2.8 percent, respectively, from FY 2014. The farebox recovery ratio decreased from 28.3 percent in FY 2014 to 27.5 percent in FY 2015 and the average fare slightly decreased from \$0.95 in FY 2014 to \$0.94 in FY 2015. Average weekday ridership decreased 3.7 percent (from 92,048 in FY 2014 to 88,600 in FY 2015). LYNX attributed this decrease in ridership to a decline in fuel prices in FY 2015. The average age of the fleet decreased from 5.9 years to 5.6 years and the operating spare ratio increased from 16.2 percent to 18.2 percent allowing the Authority flexibility in terms of providing expanded service in the future.

In the area of governance, John Lewis resigned his position as Chief Executive Officer (CEO) of LYNX, effective August 31, 2015. Susan Black, who serves as General Manager for LYNX, was named by the Board as Interim CEO until a permanent CEO could be selected. After conducting a national search, the Board negotiated a contract with Edward L. Johnson to be the new LYNX CEO, effective May 9, 2016 (FY 2016). Mr. Johnson has more than 20 years in the transportation industry including 13 prior years with LYNX.

The FY 2015 Independent Auditor's Report expressed an unmodified opinion on CFRTA's financial statements. No issues related to compliance, internal control, findings or questioned costs were reported by the auditors. In the Independent Auditor's Management Letter, the auditors did not have any findings or recommendations for improvement.

Phase 1 of the SunRail commuter rail system opened for service on May 1, 2014. This 32.5-mile segment runs from the DeBary station in Volusia County to the Sand Lake station in Orange County, and features 12 stations. LYNX entered into a Joint

Participation Agreement with the Department for feeder bus service that will provide access to SunRail stations. LYNX also entered into an Interlocal Agreement with the Department to use the Smart Card System as a method of cashless fare collection on the LYNX fixed route services and paratransit services, SunRail, and for patron transfer between transportation systems for seamless interoperability.

In November 2014, the CFRTA Board finalized negotiations on the Compressed Natural Gas (CNG) Unsolicited Proposal from Nopetro and entered into a Fuel Purchase Agreement whereby Nopetro will design, build, operate and maintain a fast-fill CNG fueling station on land owned by Nopetro adjacent to the LYNX facility on John Young Parkway; train LYNX employees on CNG fueling and CNG bus maintenance procedures; and provide LYNX with royalty payments on all third party sales made at the station. While a CNG bus is more expensive than a normal diesel bus, it also runs much cleaner and has substantially reduced fuel costs. LYNX indicated that the price of CNG is consistently lower than diesel by approximately \$1.50 per diesel gallon equivalent. LYNX ordered 35 CNG buses and anticipates purchasing a total of 150 CNG buses over the first five year period of the contract. A separate construction contract was entered into for renovations to the LYNX facilities so that CNG buses can be maintained and serviced there. The facility, which is the nation's largest public-private partnership (P3) CNG fueling facility, opened in April 2016 (FY 2016). Currently, LYNX has received, and placed into revenue service, all of the 35 CNG buses that were ordered.

Based on the Commission's review of LYNX policies and procedures, Florida Statutes, financial statements, and other documentation provided by LYNX, there were no instances noted of

Transportation Authority Monitoring and Oversight

noncompliance with applicable laws or regulations in the areas of ethics, conflicts of interest, public records, open meetings, bond compliance and other governance criteria established by the Commission.

The Commission encourages LYNX to develop and establish a course of action focused on improving

performance to achieve objectives. In addition, the Commission acknowledges with appreciation the cooperation and assistance on the part of LYNX in providing the resources necessary to complete this review.

Finance & Audit Committee Agenda Item # 3. F

To: LYNX Finance & Audit Committee

From: Edward Johnson
CHIEF EXECUTIVE OFFICER
Blanche Sherman
(Technical Contact)
CRAIG CHARRETTE
(Technical Contact)

Phone: 407.841.2279 ext: 6017

Item Name: Discussion regarding Authorization to Negotiate and Executive a Purchase Contract with NoPetro to Purchase the Property Adjacent to NoPetro's Compressed Natural Gas (CNG) Facility and the LYNX Maintenance Facility

Date: 7/20/2016

ACTION REQUESTED:

Staff is requesting the Finance & Audit Committee recommendation to Oversight Committee for Board of Directors' authorization for the Chief Executive Officer (CEO) or designee to begin negotiations with and enter into a contract with NoPetro-Orlando, LLC (or its appropriate affiliate) ("**NoPetro**"), of the Compressed Natural Gas (CNG) Unsolicited Proposal, to purchase approximately six (6) acres of vacant land which is adjacent to both NoPetro's CNG Fueling Facility and the LYNX Maintenance Facility. Said authorization would further authorize the CEO or designee to enter into a Purchase Agreement (or similar document) to acquire said property on behalf of LYNX in an amount not-to-exceed of \$1,300,000, along with customary and reasonable costs associated with any such purchase. In addition, LYNX staff is requesting to amend the FY2016 Amended Capital Budget accordingly in the amount of \$1,300,000, contingent upon securing federal funding to support the land acquisition.

With respect to the authorization requested above for the negotiation by the CEO and the subsequent entering into and executing of the Purchase Agreement, to the extent there are any material changes from those set forth in the respective Land Purchase Agreement, staff will return and discuss with the Chairman of the LYNX Board for final approval of any such material changes.

BACKGROUND:

On January 27, 2015, LYNX enter into a (i) CNG Vehicle Fuel Purchase Agreement with NoPetro to purchase CNG fuel, and (ii) a Construction Contract with NoPetro dated February 6, 2015 regarding modification to LYNX' Bus Depot and Maintenance Facility.

NoPetro was contracted to provide the following services for LYNX:

- 1) Under the Fuel Purchase Agreement, to, among other matters,:
 - a. Design, finance, build, operate and maintain a fast-fill CNG fueling station adjacent to the LYNX facility on John Young Parkway;
 - b. Train LYNX' employees on CNG fueling and CNG bus maintenance procedures; and
 - c. Provide LYNX with royalty payments on all third party sales made at the station.
- 2) Under the Construction Agreement to undertake the necessary improvements to LYNX's John Young facility in order to make LYNX' maintenance facility CNG compliant.

The foundation of NoPetro's proposal to provide the above services was the purchase by NoPetro of a 13.5 acre tract of land immediately adjacent to the LYNX Bus Depot and Maintenance Facility, and to be used by NoPetro for the construction of NoPetro's CNG Fueling Station. LYNX began fueling from NoPetro's CNG Fueling Station in February 2016. Also, the facility modifications were substantially completed in May 2016.

The 13.5 acre tract of land has been subdivided into separate plats, lots 1 and 2 with approximately 3 acres apportioned for a shared stormwater pond. Under Section 12.3 of the Fuel Purchase Agreement, in the event NoPetro receives a bona fide offer to purchase or lease from a third party a portion of the land (premises) that is not required for the construction, operation and maintenance of the fueling station (which is Lot 2), LYNX has the "right of first refusal" to purchase or lease such property.

NoPetro has advised LYNX recently that it expects to receive a bona fide purchase offer from a national company that wants to buy the available land to build a new commercial/industrial facility to be used for storage purposes. NoPetro has advised LYNX that the purchase price is \$1.3 million. While LYNX has not yet received from NoPetro a copy of the purchase agreement, NoPetro is negotiating the purchase agreement and advises that a contract would include the customary terms and conditions, including the purchase price and:

- 30 day due diligence period, then closing
- typical commercial property land transaction rights and obligations of buyer and seller

The acreage of the parcel that is available for sale is 6.045 acres and it is adjoining the CNG Fueling Station as well as the LYNX Maintenance Facility. Separately, LYNX was considering approaching NoPetro for the purchase of that excess land for anticipated uses by LYNX including the need for additional space to park buses, employee cars, as well as move the paratransit facility. LYNX staff would like to begin negotiations with NoPetro to purchase this property for a future site for LYNX' Paratransit Operations and ancillary parking.

LYNX is currently under a facility lease located on at 4950 L.B. McLeod Road, Orlando, Florida. The lease has an initial term of five (5) years commencing on October 2, 2014, with a one five (5) year option. Also, the lease includes an option to cancel the lease during the initial term, with a ninety (90) written notice, but no earlier than September 30, 2016.

Prior to securing the lease, LYNX staff prepared a lease versus buy analysis to determine the capital outlay associated with both options. At the time, the present value for leasing for ten (10) year period and buying a facility with an existing structure was, \$4.2 and \$10.8 million, respectively. The lease payment under the LB McLeod facility is \$\$252,000 on an annual basis, which is federally funded.

LYNX staff will continue to evaluate the future use of the site for Paratransit services, current and excess capacity needs for bus expansion, with the intent of gaining economies of scale because of the location. LYNX' staff is working with FTA to identify and secure the funding to purchase the land.

As LYNX has not yet been presented by NoPetro with a copy of the submitted purchase contract, LYNX has not yet had an opportunity to review the terms, but it is anticipated that NoPetro will present the contract to LYNX under the right of first refusal by which LYNX would then have to purchase the property under those terms. In a preliminary meeting, LYNX has discussed possible modifications to the contract. NoPetro has already obtained a Phase I Environmental Report and is completing a Phase II Environmental Report. The property was previously platted by LYNX, and it would be a platted Lot 2 that would be the subject of this transaction.

FISCAL IMPACT:

Upon approval and securing of the federal funding, LYNX staff will amend the FY2016 Amended Capital Budget accordingly in the amount of \$1,300,000 to purchase the land, along with customary and reasonable costs associated with any such purchase.

Finance & Audit Committee Information Item # 4. A

To: LYNX Finance & Audit Committee

From: Blanche Sherman
DIRECTOR OF FINANCE
CRAIG CHARRETTE
(Technical Contact)

Phone: 407.841.2279 ext: 6100

Item Name: Monthly Financial Reports - April 30, 2016

Date: 7/20/2016

Please find attached the monthly financial report for the seven months ending April 30, 2016. LYNX Preliminary Statement of Revenues, Expenses, and Changes in Net Assets (Operating Statement) for the seven months ending April 30, 2016 reflect total revenue earned in the amount of \$70,041,047 and total expenses incurred in the amount of \$65,341,670 resulting in a net operating profit of \$4,699,377.

- Fixed route, Vanpool, and Neighborlink services resulted in an operating profit of \$4,488,906 for the first seven months of the fiscal year.
- Paratransit services resulted in an operating profit of \$210,471 for the first seven months of the fiscal year.

Fixed Route Operations:

The year-to-date Operating Revenues are 90% budgeted whereas Month to date for April is 95%. Customer fares are 89% budgeted, and 11% lower than the budgeted amount year-to-date.

Advertising revenue is at 64% of the amount budgeted for the month of April 2016 and year-to-date is 13% lower than the budgeted amount. Actual revenues through April 30, 2016, for advertising on buses, shelters, and in-kind (trade) transactions are \$556,498, \$305,441, and \$0, respectively. Direct Media's staff continues to enhance LYNX' advertising program and to increase the advertising revenue stream. Direct Media's sales staff is actively seeking new clients and working with existing clients to offer an attractive and affordable advertising program.

In an attempt to stabilize fuel cost in the future, LYNX staff entered into a fuel hedging arrangement with Merrill Lynch Commodities, Incorporated. During the month of April 2016, LYNX locked in eighty-eight percent (88%) of the total monthly purchases, resulting in the cap (LYNX locked) prices higher than the future (float) prices. At this time, LYNX is 33% under budget year-to-date. In the month of April, LYNX paid an average price of \$1.35 (net) per gallon for diesel fuel and \$1.40 (net) per gallon for bio-diesel, plus fuel hedging losses which is

lower than the budgeted price per gallon of \$2.24 (net). The national diesel fuel price for the month of March 2016 was \$1.81 (net).

LYNX staff proactively seeks ways to maximize operational efficiencies and improve services. As a result, fixed route operating expenses for salaries, wages and fringe benefits are 6% and 16% respectively under budget due to various vacancies as of April 30, 2016. Other materials and supplies expenses are 10% under budget. Professional service expenses are 63% under budget due to various planning projects that will commence later in the fiscal year. Expenditures associated with other services, contract maintenance and other miscellaneous expenses are less than budgeted.

Paratransit Operations:

The operating profit from Paratransit operations as of April 30, 2016 is due to Customer Fares being 18% over budget. Contract Services are on target at 100% of budgeted amount. The year-to-date cost of unleaded fuel is 35% lower than budgeted. During the month of April 2016, LYNX locked in forty six percent (42%) of the total monthly purchases, resulting in cap (LYNX locked) prices higher than the future (float) prices. The fuel is budgeted at a net price of \$2.37 (net) per gallon in the FY2016 budget. LYNX is currently paying \$1.42 (net) per gallon, plus fuel hedging losses. The national unleaded fuel price for the month of April 2016 was \$1.88 (net). An analysis of year-to-date purchased transportation trips and costs is as follows:

ACCESS LYNX			
FY2016	Trips (Year-to-Date)	Blended Trip Rate	Costs
Actual (with est.)	292,072	\$27.55	\$8,046,584
Budget (rounding)	288,870	\$27.86	\$8,047,918
Trips / Costs Over (Under) Budget	3,202	(\$.31)	(\$993)

CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY
BALANCE SHEETS
April 30, 2016 and 2015
(UNAUDITED)

	2016	2015
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 37,268,278	39,093,343
Receivables:		
Local, trade and operating assistance	10,652,943	10,846,677
Federal grants	14,302,008	9,152,547
State grants	8,536,948	8,040,246
Inventory	1,921,516	1,927,851
State fuel tax refund	98,460	142,558
Prepaid expenses and other assets	1,365,865	1,238,764
	74,146,019	70,441,986
NONCURRENT ASSETS:		
Restricted cash and cash equivalents	4,855,898	2,183,768
Property and equipment:		
Land	8,161,465	8,571,465
Buildings and shelters	91,534,127	96,541,410
BRT Roadway	6,499,619	6,404,069
Revenue vehicles	166,497,572	155,996,438
Furniture, Fixtures & Equipment	39,856,344	37,321,182
Leasehold improvements	110,109	110,109
Total property and equipment	312,659,236	304,944,673
Less: accumulated depreciation	(173,149,515)	(163,662,656)
Construction in progress	20,859,577	10,477,850
Net property and equipment	160,369,299	151,759,866
Other assets	6,283,485	234,450
Total noncurrent assets	171,508,682	154,178,084
TOTAL ASSETS	245,654,701	224,620,070
DEFERRED OUTFLOW OF RESOURCES		
Pension Contributions	3,315,057	-
Accumulated decrease in fair value of fuel hedge instrument	821,949	828,151
	4,137,006	828,151

CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY
BALANCE SHEETS
April 30, 2016 and 2015
(UNAUDITED)

	2016	2015
LIABILITIES AND NET POSITION		
CURRENT LIABILITIES:		
Accounts payable	\$ 11,666,241	9,165,638
Accrued salaries and related taxes	2,287,429	1,462,955
Accrued compensated absences, current	4,170,615	3,967,050
Accrued self-insurance liability, current	2,097,048	2,103,398
Leases payable, current	551,466	-
Loans payable, current	813,225	797,282
Unearned operating revenue	10,335,551	10,385,420
Unearned capital	4,853,961	3,439,967
Derivative instrument - fuel hedge	821,949	828,151
Total current liabilities	37,597,485	32,149,862
NONCURRENT LIABILITIES:		
Leases payable, long-term	4,440,501	-
Loans payable	-	813,225
Net OPEB Obligation	1,683,525	1,424,525
Accrued compensated absences, long-term	538,035	523,380
Accrued self-insurance liability, long-term	2,676,165	6,699,104
Total noncurrent liabilities	9,338,226	9,460,234
Total liabilities	46,935,711	41,610,096
DEFERRED INFLOW OF RESOURCES		
Pension Contributions	1,318,794	-
Accumulated increase in fair value of fuel hedge instrument	-	-
	1,318,794	-
NET POSITION:		
Invested in capital assets, net of related debt	153,644,876	148,543,256
Restricted	-	-
Unrestricted	47,892,326	35,294,869
Total net position	201,537,202	183,838,125
TOTAL LIABILITIES AND NET POSITION	\$ 248,472,913	\$ 225,448,221

CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY
STATEMENT OF REVENUES AND EXPENSES
FOR THE MONTH OF APRIL 2016 AND THE SEVEN MONTHS ENDED APRIL 30, 2016
(UNAUDITED)

	Year to Date			Month of April		
	Budget	Actual	%	Budget	Actual	%
OPERATING REVENUES						
Customer Fares	\$ 17,180,806	15,513,269	90%	\$ 2,455,066	\$ 2,282,084	93%
Contract Services:						
Local Financial Assistance	8,236,626	7,634,361	93%	1,176,661	1,127,805	96%
Other Contractual Services	2,181,028	2,247,413	103%	311,575	324,991	104%
Advertising	1,213,333	1,049,836	87%	173,333	110,233	64%
Other Operating Income	248,756	300,206	121%	35,537	156,780	441%
Total Operating Revenues	<u>29,060,550</u>	<u>26,745,086</u>	92%	<u>4,152,172</u>	<u>4,001,893</u>	96%
NONOPERATING REVENUES						
Operating assistance grants:						
State of Florida	6,041,594	5,993,010	99%	863,085	856,144	99%
Local	27,088,721	27,165,634	100%	3,873,958	3,869,128	100%
Planning and other assistance grants:						
Federal - Other	9,652,509	8,373,051	87%	1,398,841	1,232,188	88%
State of Florida - Other	1,955,399	1,685,809	86%	291,987	223,461	77%
Local Matching - Other	-	666	N/A	-	-	N/A
Interest Income	21,241	13,392	63%	3,034	1,844	61%
Gain / (Loss) on Sale of Assets	-	64,399	N/A	-	56	N/A
Total Nonoperating Revenues	<u>44,759,464</u>	<u>43,295,961</u>	97%	<u>6,430,906</u>	<u>6,182,822</u>	96%
Total Revenues	<u>73,820,014</u>	<u>70,041,047</u>	95%	<u>10,583,078</u>	<u>10,184,714</u>	96%
OPERATING EXPENSES						
Salaries and Wages	27,209,303	25,506,159	94%	3,887,043	3,778,891	97%
Fringe Benefits	15,531,854	13,127,868	85%	2,218,836	1,929,771	87%
Purchased Transportation Services	9,555,283	9,990,621	105%	1,387,898	1,658,327	119%
Fuel	7,915,291	5,337,563	67%	1,130,756	786,704	70%
Other Materials and Supplies	4,832,358	4,367,473	90%	690,337	743,826	108%
Professional Services	2,558,905	931,754	36%	380,062	80,664	21%
Other Services	3,370,422	2,738,073	81%	481,489	449,546	93%
Lease and Miscellaneous Expenses	692,710	604,974	87%	98,959	76,298	77%
Casualty and Liability Insurance	1,301,123	1,588,642	122%	185,875	402,398	216%
Utilities	848,500	746,495	88%	121,214	88,515	73%
Taxes and Licenses	265,186	331,463	125%	37,884	45,724	121%
Interest Expense	72,495	70,585	97%	10,356	2,315	22%
Total Operating Expenses	<u>74,153,431</u>	<u>65,341,670</u>	88%	<u>10,630,709</u>	<u>10,042,979</u>	94%
OPERATING GAIN / (LOSS)	<u>\$ (333,417)</u>	<u>\$ 4,699,377</u>	N/A	<u>\$ (47,631)</u>	<u>\$ 141,736</u>	N/A

CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY
FIXED-ROUTE, VANPOOL AND NEIGHORLINK SEGMENT
STATEMENT OF REVENUES AND EXPENSES
FOR THE MONTH OF APRIL 2016 AND THE SEVEN MONTHS ENDED APRIL 30, 2016
(UNAUDITED)

	Year to Date			Month of April		
	Budget	Actual	%	Budget	Actual	%
OPERATING REVENUES						
Customer Fares	\$ 16,232,939	\$ 14,390,265	89%	\$ 2,319,656	\$ 2,107,665	91%
Contract Services:						
Local Financial Assistance	8,236,626	7,634,361	93%	1,176,661	1,127,805	96%
Other Contractual Services	-	65,176	N/A	-	12,791	N/A
Advertising	1,213,333	1,049,836	87%	173,333	110,233	64%
Other Operating Income	<u>248,756</u>	<u>300,206</u>	121%	<u>35,537</u>	<u>156,780</u>	441%
Total Operating Revenues	<u>25,931,655</u>	<u>23,439,845</u>	90%	<u>3,705,187</u>	<u>3,515,274</u>	95%
NONOPERATING REVENUES						
Operating assistance grants:						
Federal	-	-	N/A	-	-	
State of Florida	6,041,594	5,993,010	99%	863,085	856,144	99%
Local	21,823,288	21,900,199	100%	3,121,753	3,116,923	100%
Planning and other assistance grants:						
Federal - Other	7,651,845	6,498,291	85%	1,099,121	962,052	88%
State of Florida - Other	1,926,232	1,685,809	88%	287,820	223,461	78%
Local Matching - Other	-	666	N/A	-	-	N/A
Interest Income	21,241	13,392	63%	3,034	1,844	61%
Gain / (Loss) on the Sale of Assets	<u>-</u>	<u>64,399</u>	N/A	<u>-</u>	<u>56</u>	N/A
Total Nonoperating Revenues	<u>37,464,200</u>	<u>36,155,767</u>	97%	<u>5,374,814</u>	<u>5,160,480</u>	96%
Total Revenues	<u>63,395,855</u>	<u>59,595,611</u>	94%	<u>9,080,001</u>	<u>8,675,754</u>	96%
OPERATING EXPENSES						
Salaries and Wages	26,967,476	25,283,947	94%	3,852,497	3,746,346	97%
Fringe Benefits	15,374,625	12,991,146	84%	2,196,375	1,911,384	87%
Purchased Transportation Services	1,420,564	1,322,804	93%	211,884	195,311	92%
Fuel	6,427,801	4,376,724	68%	918,257	635,725	69%
Other Materials and Supplies	4,821,018	4,357,975	90%	688,717	743,726	108%
Professional Services	2,407,122	879,363	37%	358,379	73,379	20%
Other Services	3,224,480	2,622,167	81%	460,640	430,780	94%
Lease and Miscellaneous Expenses	689,210	603,371	88%	98,459	76,298	77%
Casualty and Liability Insurance	1,301,123	1,588,642	122%	185,875	402,398	216%
Utilities	818,009	719,237	88%	116,858	84,928	73%
Taxes and Licenses	224,500	290,746	130%	32,071	38,625	120%
Interest Expense	<u>72,495</u>	<u>70,585</u>	97%	<u>10,356</u>	<u>2,315</u>	22%
Total Operating Expenses	<u>63,748,424</u>	<u>55,106,705</u>	86%	<u>9,130,368</u>	<u>8,341,214</u>	91%
OPERATING GAIN / (LOSS)	<u>\$ (352,569)</u>	<u>\$ 4,488,906</u>	N/A	<u>\$ (50,367)</u>	<u>\$ 334,540</u>	N/A

**CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY
PARATRANSIT SEGMENT
STATEMENT OF REVENUES AND EXPENSES
FOR THE MONTH OF APRIL 2016 AND THE SEVEN MONTHS ENDED APRIL 30, 2016
(UNAUDITED)**

	Year to Date			Month of April		
	Budget	Actual	%	Budget	Actual	%
OPERATING REVENUES						
Customer Fares	\$ 947,867	\$ 1,123,004	118%	\$ 135,410	\$ 174,420	129%
Contract Services:						
Local Financial Assistance	-	-	N/A	-	-	N/A
Other Contractual Services	2,181,028	2,182,237	100%	311,575	312,200	100%
Advertising	-	-	N/A	-	-	N/A
Other Operating Income	-	-	N/A	-	-	N/A
Total Operating Revenues	<u>3,128,895</u>	<u>3,305,241</u>	106%	<u>446,985</u>	<u>486,620</u>	109%
NONOPERATING REVENUES						
Operating assistance grants:						
Federal	-	-	N/A	-	-	N/A
State of Florida	-	-	N/A	-	-	N/A
Local	5,265,433	5,265,435	100%	752,205	752,205	100%
Planning and other assistance grants:						
Federal - Other	2,000,665	1,874,759	94%	299,721	270,136	90%
State of Florida - Other	29,167	-	N/A	4,167	-	N/A
Local Matching - Other	-	-	N/A	-	-	N/A
Interest Income	-	-	N/A	-	-	N/A
Gain / (Loss) on the Sale of Assets	-	-	N/A	-	-	N/A
Total Nonoperating Revenues	<u>7,295,264</u>	<u>7,140,194</u>	98%	<u>1,056,092</u>	<u>1,022,341</u>	97%
Total Revenues	<u>10,424,159</u>	<u>10,445,435</u>	100%	<u>1,503,077</u>	<u>1,508,961</u>	100%
OPERATING EXPENSES						
Salaries and Wages	241,827	222,212	92%	34,547	32,545	94%
Fringe Benefits	157,229	136,722	87%	22,461	18,387	82%
Purchased Transportation Services	8,134,719	8,667,817	107%	1,176,014	1,463,016	124%
Fuel	1,487,490	960,839	65%	212,499	150,979	71%
Other Materials and Supplies	11,340	9,498	84%	1,620	101	6%
Professional Services	151,783	52,391	35%	21,683	7,285	34%
Other Services	145,942	115,905	79%	20,849	18,766	90%
Lease and Miscellaneous Expenses	3,499	1,603	46%	500	-	0%
Casualty and Liability Insurance	-	-	N/A	-	-	N/A
Utilities	30,491	27,259	89%	4,356	3,587	82%
Taxes and Licenses	40,686	40,717	100%	5,812	7,099	122%
Interest Expense	-	-	N/A	-	-	N/A
Total Operating Expenses	<u>10,405,007</u>	<u>10,234,964</u>	98%	<u>1,500,341</u>	<u>1,701,764</u>	113%
OPERATING GAIN / (LOSS)	<u>\$ 19,152</u>	<u>\$ 210,471</u>	N/A	<u>\$ 2,736</u>	<u>\$ (192,804)</u>	N/A

Finance & Audit Committee Information Item # 4. B

To: LYNX Finance & Audit Committee

From: Blanche Sherman
DIRECTOR OF FINANCE
CRAIG CHARRETTE
(Technical Contact)

Phone: 407.841.2279 ext: 6100

Item Name: Monthly Financial Reports - May 31, 2016

Date: 7/20/2016

Please find attached the preliminary monthly financial report for the eight months ending May 31, 2016. LYNX' Preliminary Statement of Revenues, Expenses, and Changes in Net Assets (Operating Statement) for the Eight months ending May 31, 2016 reflect total revenue earned in the amount of \$79,831,799 and total expenses incurred in the amount of \$75,056,152 resulting in a net operating profit of \$4,775,647.

- Fixed route, Vanpool, and Neighbor Link services resulted in an operating profit of \$4,644,806 for the eight months of the fiscal year.
- Paratransit services resulted in an operating profit of \$130,842 for the eight months of the fiscal year.

Fixed Route Operations:

The year-to-date Operating Revenues are lower than the budget at 88%. Customer fares are 12% lower than the budgeted amount year-to-date.

Advertising revenue is 107% of the amount budgeted for the month of May 2016 and year-to-date is 11% lower than the budgeted amount. Actual revenues through May 31, 2016, for advertising on buses, shelters, and in-kind (trade) transactions are \$768,611, \$390,086, and \$0, respectively. Direct Media's staff continue to enhance LYNX' advertising program and to increase the advertising revenue stream. Direct Media's sales staff is actively seeking new clients and working with existing clients to offer an attractive and affordable advertising program.

In an attempt to stabilize fuel cost in the future, LYNX' staff entered into a fuel hedging arrangement with Merrill Lynch Commodities, Incorporated. During the month of May 2016, LYNX locked in eighty-six percent (86%) of the total monthly purchases, resulting in the cap (LYNX locked) prices higher than the future (float) prices. At this time, LYNX is 31% under budget year-to-date. In the month of May LYNX paid an average price of \$1.55 (net) per gallon for diesel fuel and \$1.36 (net) per gallon for bio-diesel, plus fuel hedging losses which is lower

than the budgeted price per gallon of \$2.24 (net). The national diesel fuel price for the month of May 2016 was \$1.97 (net).

LYNX' staff proactively seeks ways to maximize operational efficiencies and improve services. As a result, fixed route operating expenses for salaries, wages and fringe benefits are 6% and 14% respectively under budget due to various vacancies as of May 31, 2016. Other materials and supplies expenses are 10% under budget. Professional service expenses are 66% under budget due to various planning projects that will commence later in the fiscal year. Expenditures associated with other services, contract maintenance and other miscellaneous expenses are less than budgeted.

Paratransit Operations:

The operating profit from Paratransit operations as of May 31, 2016 is due to Customer Fares is 19% over budget. Contract Services are on target at 100% of budgeted amount. The year-to-date cost of unleaded fuel is 33% lower than budgeted. During the month of May 2016, LYNX locked in forty percent (40%) of the total monthly purchases, resulting in cap (LYNX locked) prices higher than the future (float) prices. The fuel is budgeted at a net price of \$2.37 (net) per gallon in the FY2016 budget. LYNX is currently paying \$1.58 (net) per gallon, plus fuel hedging losses. The national unleaded fuel price for the month of May 2016 was \$2.03 (net). An analysis of year-to-date purchased transportation trips and costs is as follows:

ACCESS LYNX			
FY2016	Trips (Year-to-Date)	Blended Trip Rate	Costs
Actual (with est.)	333,931	\$29.80	\$9,950,264
Budget (rounding)	330,137	\$27.86	\$9,196,607
Trips / Costs Over (Under) Budget	3,794	\$1.94	\$753,657

CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY
BALANCE SHEETS
May 31, 2016 and 2015
(UNAUDITED)

	2016	2015
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 38,425,247	45,069,927
Receivables:		
Local, trade and operating assistance	9,337,802	10,849,368
Federal grants	14,175,440	9,992,611
State grants	8,667,258	3,208,333
Inventory	1,881,038	1,876,655
State fuel tax refund	148,121	159,097
Prepaid expenses and other assets	1,138,302	1,004,071
	73,773,208	72,160,062
NONCURRENT ASSETS:		
Restricted cash and cash equivalents	4,855,898	2,183,874
Property and equipment:		
Land	8,161,465	8,571,465
Buildings and shelters	91,481,725	96,541,410
BRT Roadway	6,499,619	6,404,069
Revenue vehicles	162,888,018	155,579,401
Furniture, Fixtures & Equipment	39,237,631	37,093,648
Leasehold improvements	110,109	110,109
Total property and equipment	308,378,567	304,300,102
Less: accumulated depreciation	(171,097,357)	(163,238,073)
Construction in progress	21,091,623	10,719,005
Net property and equipment	158,372,833	151,781,034
Other assets	6,283,485	234,450
Total noncurrent assets	169,512,216	154,199,358
TOTAL ASSETS	243,285,424	226,359,420
DEFERRED OUTFLOW OF RESOURCES		
Pension Contributions	3,315,057	-
Accumulated decrease in fair value of fuel hedge instrument	821,949	828,151
	4,137,006	828,151

CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY
BALANCE SHEETS
May 31, 2016 and 2015
(UNAUDITED)

	2016	2015
LIABILITIES AND NET POSITION		
CURRENT LIABILITIES:		
Accounts payable	\$ 9,813,575	9,206,813
Accrued salaries and related taxes	2,466,328	2,169,144
Accrued compensated absences, current	4,170,615	3,967,050
Accrued self-insurance liability, current	2,097,048	2,103,398
Leases payable, current	551,466	-
Loans payable, current	813,225	797,282
Unearned operating revenue	11,023,109	10,910,187
Unearned capital	4,633,024	3,614,337
Derivative instrument - fuel hedge	821,949	828,151
Total current liabilities	36,390,339	33,596,362
NONCURRENT LIABILITIES:		
Leases payable, long-term	4,440,501	-
Loans payable	-	813,225
Net OPEB Obligation	1,683,525	1,424,525
Accrued compensated absences, long-term	538,035	523,380
Accrued self-insurance liability, long-term	2,676,165	6,699,104
Total noncurrent liabilities	9,338,226	9,460,234
Total liabilities	45,728,565	43,056,596
DEFERRED INFLOW OF RESOURCES		
Pension Contributions	1,318,794	-
Accumulated increase in fair value of fuel hedge instrument	-	-
	1,318,794	-
NET POSITION:		
Invested in capital assets, net of related debt	152,406,475	148,562,960
Restricted	-	-
Unrestricted	47,968,596	35,568,015
Total net position	200,375,071	184,130,975
TOTAL LIABILITIES AND NET POSITION	\$ 246,103,636	\$ 227,187,571

CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY
STATEMENT OF REVENUES AND EXPENSES
FOR THE MONTH OF MAY 2016 AND THE EIGHT MONTHS ENDED MAY 31, 2016
(UNAUDITED)

	Year to Date			Month of May		
	Budget	Actual	%	Budget	Actual	%
OPERATING REVENUES						
Customer Fares	\$ 19,635,872	17,704,312	90%	\$ 2,455,066	\$ 2,191,043	89%
Contract Services:						
Local Financial Assistance	9,413,287	8,765,719	93%	1,176,661	1,131,357	96%
Other Contractual Services	2,492,603	2,571,377		311,575	323,964	
Advertising	1,386,667	1,235,861	89%	173,333	186,024	107%
Other Operating Income	284,293	300,613	106%	35,537	408	1%
Total Operating Revenues	<u>33,212,722</u>	<u>30,577,882</u>	92%	<u>4,152,172</u>	<u>3,832,796</u>	92%
NONOPERATING REVENUES						
Operating assistance grants:						
State of Florida	6,904,679	6,849,155	99%	863,085	856,144	99%
Local	30,962,679	31,034,762	100%	3,873,958	3,869,128	100%
Planning and other assistance grants:						
Federal - Other	11,051,351	9,543,937	86%	1,398,841	1,170,887	84%
State of Florida - Other	2,247,386	1,755,393	78%	291,987	69,584	24%
Local Matching - Other	-	666	N/A	-	-	N/A
Interest Income	24,275	15,886	65%	3,034	2,495	82%
Gain / (Loss) on Sale of Assets	-	54,118	N/A	-	(10,281)	N/A
Total Nonoperating Revenues	<u>51,190,370</u>	<u>49,253,917</u>	96%	<u>6,430,906</u>	<u>5,957,956</u>	93%
Total Revenues	<u>84,403,092</u>	<u>79,831,799</u>	95%	<u>10,583,078</u>	<u>9,790,753</u>	93%
OPERATING EXPENSES						
Salaries and Wages	31,096,346	29,169,370	94%	3,887,043	3,663,211	94%
Fringe Benefits	17,750,690	15,208,380	86%	2,218,836	2,080,512	94%
Purchased Transportation Services	10,943,181	11,486,752	105%	1,387,898	1,496,131	108%
Fuel	9,046,047	6,192,641	68%	1,130,756	855,078	76%
Other Materials and Supplies	5,522,695	4,942,146	89%	690,337	574,673	83%
Professional Services	2,938,967	1,008,320	34%	380,062	76,566	20%
Other Services	3,851,911	3,178,672	83%	481,489	440,599	92%
Lease and Miscellaneous Expenses	791,668	717,178	91%	98,959	112,204	113%
Casualty and Liability Insurance	1,486,997	1,839,558	124%	185,875	250,916	135%
Utilities	969,714	851,129	88%	121,214	104,634	86%
Taxes and Licenses	303,070	381,025	126%	37,884	49,562	131%
Interest Expense	82,851	80,979	98%	10,356	10,394	100%
Total Operating Expenses	<u>84,784,140</u>	<u>75,056,152</u>	89%	<u>10,630,709</u>	<u>9,714,482</u>	91%
OPERATING GAIN / (LOSS)	<u>\$ (381,048)</u>	<u>\$ 4,775,647</u>	N/A	<u>\$ (47,631)</u>	<u>\$ 76,270</u>	N/A

CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY
FIXED-ROUTE, VANPOOL AND NEIGHORLINK SEGMENT
STATEMENT OF REVENUES AND EXPENSES
FOR THE MONTH OF MAY 2016 AND THE EIGHT MONTHS ENDED MAY 31, 2016
(UNAUDITED)

	Year to Date			Month of May		
	<u>Budget</u>	<u>Actual</u>	<u>%</u>	<u>Budget</u>	<u>Actual</u>	<u>%</u>
OPERATING REVENUES						
Customer Fares	\$ 18,552,595	\$ 16,412,229	88%	\$ 2,319,656	\$ 2,021,965	87%
Contract Services:						
Local Financial Assistance	9,413,287	8,765,719	93%	1,176,661	1,131,357	96%
Other Contractual Services	-	77,264	N/A	-	12,088	N/A
Advertising	1,386,667	1,235,861	89%	173,333	186,024	107%
Other Operating Income	<u>284,293</u>	<u>300,613</u>	106%	<u>35,537</u>	<u>408</u>	1%
Total Operating Revenues	<u>29,636,842</u>	<u>26,791,686</u>	90%	<u>3,705,187</u>	<u>3,351,842</u>	90%
NONOPERATING REVENUES						
Operating assistance grants:						
Federal	-	-	N/A	-	-	
State of Florida	6,904,679	6,849,155	99%	863,085	856,144	99%
Local	24,945,041	25,017,122	100%	3,121,753	3,116,923	100%
Planning and other assistance grants:						
Federal - Other	8,750,965	7,400,239	85%	1,099,121	901,948	82%
State of Florida - Other	2,214,052	1,755,393	79%	287,820	69,584	24%
Local Matching - Other	-	666	N/A	-	-	N/A
Interest Income	24,275	15,886	65%	3,034	2,495	82%
Gain / (Loss) on the Sale of Assets	<u>-</u>	<u>54,118</u>	N/A	<u>-</u>	<u>(10,281)</u>	N/A
Total Nonoperating Revenues	<u>42,839,014</u>	<u>41,092,579</u>	96%	<u>5,374,814</u>	<u>4,936,813</u>	92%
Total Revenues	<u>72,475,855</u>	<u>67,884,265</u>	94%	<u>9,080,001</u>	<u>8,288,655</u>	91%
OPERATING EXPENSES						
Salaries and Wages	30,819,972	28,913,284	94%	3,852,497	3,629,337	94%
Fringe Benefits	17,571,000	15,052,702	86%	2,196,375	2,061,556	94%
Purchased Transportation Services	1,632,448	1,506,072	92%	211,884	183,268	86%
Fuel	7,346,059	5,060,478	69%	918,257	683,754	74%
Other Materials and Supplies	5,509,735	4,932,279	90%	688,717	574,304	83%
Professional Services	2,765,501	942,000	34%	358,379	62,637	17%
Other Services	3,685,121	3,044,001	83%	460,640	421,834	92%
Lease and Miscellaneous Expenses	787,669	715,575	91%	98,459	112,204	114%
Casualty and Liability Insurance	1,486,997	1,839,558	124%	185,875	250,916	135%
Utilities	934,867	819,348	88%	116,858	100,112	86%
Taxes and Licenses	256,571	333,184	130%	32,071	42,439	132%
Interest Expense	<u>82,851</u>	<u>80,979</u>	98%	<u>10,356</u>	<u>10,394</u>	100%
Total Operating Expenses	<u>72,878,792</u>	<u>63,239,459</u>	87%	<u>9,130,368</u>	<u>8,132,754</u>	89%
OPERATING GAIN / (LOSS)	<u>\$ (402,936)</u>	<u>\$ 4,644,806</u>	N/A	<u>\$ (50,367)</u>	<u>\$ 155,901</u>	N/A

CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY
PARATRANSIT SEGMENT
STATEMENT OF REVENUES AND EXPENSES
FOR THE MONTH OF MAY 2016 AND THE EIGHT MONTHS ENDED MAY 31, 2016
(UNAUDITED)

	Year to Date			Month of May		
	Budget	Actual	%	Budget	Actual	%
OPERATING REVENUES						
Customer Fares	\$ 1,083,277	\$ 1,292,083	119%	\$ 135,410	\$ 169,079	125%
Contract Services:						
Local Financial Assistance	-	-	N/A	-	-	N/A
Other Contractual Services	2,492,603	2,494,113	100%	311,575	311,876	100%
Advertising	-	-	N/A	-	-	N/A
Other Operating Income	-	-	N/A	-	-	N/A
Total Operating Revenues	<u>3,575,880</u>	<u>3,786,196</u>	106%	<u>446,985</u>	<u>480,955</u>	108%
NONOPERATING REVENUES						
Operating assistance grants:						
Federal	-	-	N/A	-	-	N/A
State of Florida	-	-	N/A	-	-	N/A
Local	6,017,637	6,017,640	100%	752,205	752,205	100%
Planning and other assistance grants:						
Federal - Other	2,300,385	2,143,698	93%	299,721	268,939	90%
State of Florida - Other	33,333	-	N/A	4,167	-	N/A
Local Matching - Other	-	-	N/A	-	-	N/A
Interest Income	-	-	N/A	-	-	N/A
Gain / (Loss) on the Sale of Assets	-	-	N/A	-	-	N/A
Total Nonoperating Revenues	<u>8,351,356</u>	<u>8,161,338</u>	98%	<u>1,056,092</u>	<u>1,021,144</u>	97%
Total Revenues	<u>11,927,236</u>	<u>11,947,534</u>	100%	<u>1,503,077</u>	<u>1,502,099</u>	100%
OPERATING EXPENSES						
Salaries and Wages	276,374	256,086	93%	34,547	33,874	98%
Fringe Benefits	179,690	155,679	87%	22,461	18,957	84%
Purchased Transportation Services	9,310,733	9,980,680	107%	1,176,014	1,312,863	112%
Fuel	1,699,989	1,132,163	67%	212,499	171,324	81%
Other Materials and Supplies	12,960	9,867	76%	1,620	369	23%
Professional Services	173,467	66,321	38%	21,683	13,929	64%
Other Services	166,791	134,671	81%	20,849	18,766	90%
Lease and Miscellaneous Expenses	3,999	1,603	40%	500	-	0%
Casualty and Liability Insurance	-	-	N/A	-	-	N/A
Utilities	34,847	31,781	91%	4,356	4,522	104%
Taxes and Licenses	46,499	47,841	103%	5,812	7,123	123%
Interest Expense	-	-	N/A	-	-	N/A
Total Operating Expenses	<u>11,905,348</u>	<u>11,816,692</u>	99%	<u>1,500,341</u>	<u>1,581,728</u>	105%
OPERATING GAIN / (LOSS)	<u>\$ 21,888</u>	<u>\$ 130,842</u>	N/A	<u>\$ 2,736</u>	<u>\$ (79,630)</u>	N/A