

LYNX Finance & Audit Committee Agenda

Meeting Date: 01/16/2025
Meeting Time: 1:30 PM

Central Florida Regional Transportation Authority
455 N. Garland Ave.
2nd Floor Board Room
Orlando, FL 32801

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

1. Call to Order

2. Approval of Committee Minutes

-  Finance Committee Minutes - December 5, 2024 Pg 3



3. Public Comments

- Citizens who would like to speak under Public Comments shall submit a request form to the Assistant Secretary prior to the meeting. Forms are available at the door.

4. Chief Financial Officer's Report

5. Consent Agenda






A. Award Contracts

-  Authorization to Negotiate and Award a Contract to Magnetic Ticket & Label Corporation for Printing of Fare Media for a Not to Exceed Amount of \$210,381 Pg 7
-  Authorization to Negotiate and Award a Contract to ELERTS Corporation for a Transit Safety and Security Mobile Application for a Not to Exceed Amount of \$124,950 Pg 9



B. Miscellaneous


-  Authorization to Enter into Sub-Recipient Agreements and Award Funds Under Section 5310 to Selected Human Services Agencies Pg 11
-  Authorization to Negotiate a Contract with WSP USA, Inc. for Professional Engineering Services for the I-Drive Transit Project National Environmental Policy Act (NEPA), Preliminary Engineering and Federal Transit Administration (FTA) Small Starts Project Development Pg 13

6. Action Agenda


-  Approval of the Updated LYNX Reserve Policy Pg 15
-Attachments  
-  Approval of the Funding Model Policy Pg 28
-Attachments 

7. Discussion

-  Investment Policy Pg 34
-  Southern Operations and Maintenance Facility Status Update Pg 35

C.  FY2024 Preliminary Operating Results

Pg 36

D.  FY2026 Budget Assumptions

Pg 37

8. Other Business

9. Adjourned

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 and Audit Committee Meeting Minutes

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

DATE: December 5, 2024

TIME: 1:30 p.m.

Members in Attendance:

Amanda Clavijo, Osceola County
Jose Fernandez, City of Orlando
Tim Jecks, Seminole County
Kurt Petersen, Orange County
Jamie Ledgerwood, FDOT, 5th District
Pat Christiansen, LYNX Attorney

Staff in Attendance:

Leonard Antmann, Chief Financial Officer
Michelle Daley, Director of Finance
David Vance, Manager of Financial Planning & Analysis

1. Call to Order

Chair Clavijo called the meeting to order at 1:30 p.m.

2. Approval of Minutes

A motion to approve the September 19, 2024 Finance and Audit Committee meeting minutes was made by Kurt Petersen and seconded by Tim Jecks. Motion passed unanimously.

3. Public Comments

No members of the public were present to speak.

4. Chief Financial Officer's Report

Lenny Antmann, Chief Financial Officer, provided the following updates:

- Fixed Route ridership is averaging 61-64,000 trips per day. Paratransit continues to average 54-56,000 trips per month.
- Our new PawPass app by Genfare went live in November and we launched tap to pay on the bus with a credit card, and smart devices.
- The new ERP system Phase One (all general ledger functions) went live October 1st. Payroll and HR implementation is targeted to go live in June 2025. We have started Phase Two; budgeting and contract management modules. We will then look at the learning module for tracking our training.
- Pine Hills Transfer Center is on schedule to be completed late January. We will host a grand opening and share the date as soon as it is set.
- MSL auditors are in-house this week for the start of the annual audit.
- The audit RFP will be released this week; the current five-year contract is expiring.
- House Bill 1301 added four additional requirements to Florida Statue 341.071 which we will present to the board annually and post on our website.

- In September we reviewed the Reserve and Investment policies and reached a consensus on the Reserve policy. This month we come with an action item to approve the Reserve policy changes. General Counsel will lead a discussion on the Investment policy today.
- We will have a discussion today regarding the original Board Approved Funding Model.
- One Oversight/Board action item was added after our agenda published:
 - Authorization to Execute First Amendment to the Lease Agreement with City of Kissimmee for the Osceola Satellite Facility
- Next month we will present the FY2024 Preliminary Operating Results and a workshop discussion on FY2026 budget assumptions. Traditionally we take the run cut from the December service change to project out the funding partner rate. This year, we request that funding partners who are considering changes to their level of service please email proposed changes to Mr. Antmann so we can prepare the most accurate budget and funding partner rates possible by early February.
- Mr. Antmann introduced Joel Knopp with MSL to present the audit plan originally scheduled for our October meeting that was cancelled.

Mr. Joel Knopp, Shareholder MSL, provided a presentation of the audit planning communications for the fiscal year ended September 30, 2024.

5. Consent Agenda

A. Request for Proposal (RFP)

- Authorization to Release a Request for Proposal (RFP) for Bus Operator and Transportation Supervisor Uniforms
- Authorization to Release a Request for Proposal (RFP) for Pre-Employment Background Screening & Related Services

B. Invitation for Bid (IFB)

- Authorization to Issue an Invitation for Bid (IFB) for LYNX Operations Center Building B (LOC B) Bus Entrance Driveway Concrete Improvements

C. Award Contracts

- Authorization to Award Contract 25-C042 to CDM Smith, Inc. for Construction Engineering and Inspection Services to Support Existing Contracts for a Total Not to Exceed Amount of \$2,000,000
- Authorization to Award Contract 25-C043 for Architecture and Engineering Services for Window Replacement at LYNX Central Station Building and Bus Passenger Terminal to Helman Hurley Chavart Peacock Architects, Inc. for a Not to Exceed of \$920,788

D. Extension of Contracts

- Authorization to Exercise the First Option Year of Contract 22-C30 with Arthur J. Gallagher Risk Management Services, Inc. (Gallagher) and Increase the Not to Exceed to \$206,500
- Authorization to Exercise the First Option Year of Contract 22-C34 with Cannon Cochran Management Services, Inc. (CCMSI) and Increase the Not To Exceed (NTE) to \$1,733,039
- Authorization to Exercise the First Option Year of Contract 23-C46 with PYE-Barker Fire & Safety, Pg 22 LLC for Vehicle Fire Suppression System Inspection and Maintenance and Increase the Not to Exceed (NTE) to \$250,000
- Authorization to Extend Contract 20-C37 with Enterprise Leasing Company for Vanpool Management Services

E. Miscellaneous

- i. Authorization to Purchase Thirty (30) Replacement Vehicles for ACCESS LYNX Paratransit Services with a Not to Exceed (NTE) Amount of \$5,300,000
- ii. Authorization to Enter into a Cooperative Purchase Agreement with BMG Money, Inc. for Employee Voluntary Payroll Deduction Loan Services
- iii. Authorization to Transfer Five (5) Retired Buses to St. Lucie County
- iv. Authorization to Approve an Assignment of Contract 20-C80 for Audit Services with MSL, P.A. to Forvis Mazars, LLP
- v. Authorization to Dispose of Lost and Found Items
- vi. Authorization to Amend the LYNX Deferred Compensation Plan and Adoption of Resolution 24-012

Kurt Petersen made a motion to approve Consent Agenda items 5.A.i. – 5.E.vi. Second by Jamie Ledgerwood. Motion passed unanimously.

6. Action Agenda

- A. Authorization to Submit Grant Applications to the Florida Department of Transportation (FDOT) and Adoption of Resolution 24-011

Tim Jecks made a motion for Authorization to Submit Grant Applications to the Florida Department of Transportation (FDOT) and Adoption of Resolution 24-011, second by Kurt Petersen. Motion passed unanimously with Jamie Ledgerwood abstaining.

- B. Authorization to Submit the Fiscal Year 2025 Transit Development Plan Annual Update to the Florida Department of Transportation

Charles Abbatantuono, Senior Planner, provided a brief overview of the FDOT Transit Development Plan (TDP) annual update which is required to qualify for public transit block grants.

Jose Fernandez made a motion for Authorization to Submit the Fiscal Year 2025 Transit Development Plan Annual Update to the Florida Department of Transportation, second by Kurt Petersen. Motion passed unanimously with Jamie Ledgerwood abstaining.

- C. Approval of the Amended LYNX Reserve Policy

Mr. Antmann reviewed the recommended reserve policy changes based on the September 19, 2024 finance committee discussions.

- Removed the reserves for fuel stabilization
- Removed the compensated absences reserve
- Added to the reserves for catastrophic medical claims

Additionally, the finance committee recommended including a policy review every five years and annual catastrophic medical claims reserve amount review.

LYNX will update the policy with the recommended changes and distribute to the Finance Committee for review prior to going to Oversight Committee in January.

Kurt Petersen made a motion for Approval of the Amended LYNX Reserve Policy with the addition of the five-year policy review and annual catastrophic medical claims reserve amount, second by Tim Jecks. Motion passed unanimously.

- D. Approval of the LYNX Finance and Audit Committee Meeting Dates for 2025

Tim Jecks made a motion for Approval of the LYNX Finance and Audit Committee Meeting Dates for 2025, second by Kurt Petersen. Motion passed unanimously.

7. Discussion

A. Update on LYNX Investment Policy

Pat Christiansen, General Counsel, lead a discussion incorporating a brief history of LYNX's investment policy adopted in 2013 and a high-level review of LYNX funding partners' investment policies. Discussions focused on several of the more relevant issues including use of derivatives, limitation on various investments/categories, use of external financial advisor, establishment of separate investment committee and reports of investments. The committee's recommendations will be worked into a modified policy and come back to the Finance Committee for another workshop session before presenting to Oversight and Board.

B. Update on LYNX Funding Model Policy

Pat Christiansen provided a brief history of the Funding Model and an overview of Funding Model draft which establishes the formula by which LYNX's overall net operating expenses will be allocated to its funding partners.

The committee's recommendations from today's discussion or additionally submitted comments will be incorporated in the draft policy and presented in January for Finance Committee approval.

8. Other Business

None.

9. Adjourned

The meeting adjourned at 3:09 p.m.

LYNX Finance & Audit Committee Agenda

Consent Agenda Item #5.A. i

To: LYNX Finance & Audit Committee

From: **Leonard Antmann**
Chief Financial Officer
Michelle Daley
Technical Contact
Patricia Dolan
Technical Contact

Phone: 407.841.2279 ext: 6125

Item Name: Authorization to Negotiate and Award a Contract to Magnetic Ticket & Label Corporation for Printing of Fare Media for a Not to Exceed Amount of \$210,381

Date: 01/16/2025

ACTION REQUESTED:

Staff is requesting the Board of Directors' authorization for the Chief Executive Officer (CEO) or designee to negotiate and award a contract to Magnetic Ticket & Label Corporation for the printing of fare media. The amount not to exceed is \$210,381, for an initial two (2) year term.

BACKGROUND:

Through Contract 21-C24, LYNX has purchased its fare media from EDM Technologies, Incorporated (formerly Electronic Data Magnetics, Incorporated) out of Winston-Salem, North Carolina. The initial term of the agreement has concluded and on February 21, 2024, the LYNX Board of Directors authorized the release of a Solicitation for this project. The Invitation for Bid (IFB) was released, posted on DemandStar, and sent directly to interested Vendors on August 30, 2024. The deadline for submission of bids was October 16, 2024, and the following is a list of Vendors considered responsive and responsible for this IFB:

BIDDERS	BID Amount
Magnetic Ticket & Label Corp.	\$210,381
EDM Technology Inc	\$336,100
Nagels NA	\$341,700

LYNX Finance & Audit mmittee Agenda

LYNX has reviewed each bid and recommend to negotiate and award a contract for Printing of Fare Media Tickets to Magnetic Ticket & Label Corporation. The term is an initial two (2) years with one (1), two (2) year options.

Fare media includes: All fixed route magnetic tickets for monthly, weekly, daily, and single rider transportation as well as blank trim passes used in the fareboxes, and trim units located at the sales window in the main terminal.

DISADVANTAGED BUSINESS ENTERPRISE (DBE) PARTICIPATION:

A DBE participation goal is not applicable for this activity.

FISCAL IMPACT:

The FY2025 Approved Operating Budget includes \$144,000 for the printing of Fare Media.

LYNX Finance & Audit Committee Agenda

Consent Agenda Item #5.A. ii

To: LYNX Finance & Audit Committee

From: **John Burkholder**
Director Of Risk Management And Safety
Anthony Roland
Technical Contact

Phone: 407.841.2279 ext: 6167

Item Name: **Authorization to Negotiate and Award a Contract to ELERTS Corporation for a Transit Safety and Security Mobile Application for a Not to Exceed Amount of \$124,950**

Date: 01/16/2025

ACTION REQUESTED:

Staff is requesting the Board of Directors' authorization for the Chief Executive Officer (CEO) or designee to negotiate and award a contract to ELERTS Corporation for a Transit Safety and Security Mobile Application. The amount not to exceed is \$124,950, for an initial three (3) year term.

BACKGROUND:

In June 2021, LYNX awarded contract 21-C36 for a Transit Safety and Security Mobile Application to CUTCOM SOFTWARE INC. (DBA APPARMOR) for a term of two (2) years with a one (1) year extension. The current contract will expire on February 28, 2025.

The purpose of the Transit Safety and Security Mobile Application is to provide real-time two-way smartphone communication for incident reporting between users and authorized system administrators. The application will be utilized by employees, customers, and public safety departments and will be capable of quickly reporting safety, security, and operational concerns. Additionally, the application will be used to receive system messages, alerts, photos, videos, audio recordings, geospatial information, and location references and be capable of performing mass notification functions to mobile app users.

On September 26, 2024, the LYNX Board of Directors authorized the release of an Invitation for Bid (IFB) for this project. The IFB was released, posted on DemandStar, and sent directly to

LYNX Finance & Audit Committee Agenda

interested Vendors on October 9, 2024. The deadline for submission of bids was November 6, 2024, and the following is a list of Vendors considered responsive and responsible for this IFB:

Vendor	Bid Amount
ELERTS Corporation	\$124,950
SONDA USA, Inc.	\$319,090
EITACIES, Inc.	\$380,000
HubSpire Corporation	\$720,000

LYNX has reviewed each bid and recommend to negotiate and award a contract for the Transit Safety and Security Mobile Application to ELERTS Corporation. The term is an initial three (3) years with one (1), two (2) year option.

DISADVANTAGED BUSINESS ENTERPRISE (DBE) PARTICIPATION:

No DBE Goal has been established for this contract. LYNX encourages the Contractor to make every attempt to obtain participation of certified DBEs and other small businesses.

FISCAL IMPACT:

The FY2025 Approved Operating Budget has \$25,000 for the “See Something” application within the Information Technology operating budget for this project.

LYNX Finance & Audit Committee Agenda

Consent Agenda Item #5.B. i

To: LYNX Finance & Audit Committee

From: James Boyle
Interim Chief Planning And Development Officer
Prahallad Vijayvargiya
Technical Contact

Phone: 407.841.2279 ext: 6036

Item Name: Authorization to Enter into Sub-Recipient Agreements and Award Funds Under Section 5310 to Selected Human Services Agencies

Date: 01/16/2025

ACTION REQUESTED:

Staff is requesting the Board of Directors' authorization for the Chief Executive Officer (CEO) or designee to enter into sub-recipient agreements and award funds to selected Human Services Agencies under Section 5310 Funding, a Federal Transit Administration (FTA) Program for the Enhanced Mobility of Seniors and Individuals with Disabilities.

BACKGROUND:

LYNX is the designated recipient of Section 5310 program funds for the Urbanized Orlando and Kissimmee areas. LYNX received Board authorization on May 23, 2024, to solicit Human Services Agencies for Section 5310 Program funds for the Orlando and Kissimmee Urbanized areas.

LYNX conducted a Section 5310 Virtual Grant Workshop on July 11, 2024, and each interested applicant was required to coordinate projects activities with ACCESS LYNX as the Community Transportation Coordinator (CTC). Project proposals were due August 15, 2024, and a multi-disciplinary team comprised by the Florida Department of Transportation, MetroPlan Orlando and LYNX Planning Division met to evaluate them.

APPLICATION EVALUATION:

A total of seven (7) proposals were received and advanced for evaluation. LYNX recommends awarding funds to six (6) agencies as described in the table below.

LYNX Finance & Audit Committee Agenda

Proposals were prioritized and notices of intent to the award were issued. A pre-award monitoring phase will be conducted to ensure compliance with federal regulations and LYNX requirements. These projects will support the travel needs of the elderly and individuals with disabilities in the LYNX service area, targeted to provide cost-effective transportation options beyond paratransit and supporting regional transportation coordination while reducing resource demands on ACCESS LYNX.

LYNX proposes to provide Section 5310 sub-recipient funding, subject to Federal Transit Administration (FTA) grant awards for the respective agencies below, based on the Evaluation Committee recommendation:

Agency Name	Operating Funds	Vanpool Funds	Total
Aspire Health Partners, Inc.	\$ 137,420.00	\$ 12,600.00	\$ 150,020.00
Primrose Center, Inc.	\$ 120,000.00	\$ 37,260.00	\$ 157,260.00
Quest, Inc.	\$ 60,000.00	\$ -	\$ 60,000.00
Seniors First, Inc.	\$ -	\$ 8,280.00	\$ 8,280.00
Special Hearts Farm, Inc.	\$ -	\$ 4,140.00	\$ 4,140.00
The Opportunity Center, Inc.	\$ 108,000.00	\$ 16,560.00	\$ 124,560.00
	\$ 425,420.00	\$ 78,840.00	\$ 504,260.00

Funds will be provided to sub-recipients at 50% federal share under the Section 5310 Grant Program for Operating and Vanpool service costs.

DISADVANTAGED BUSINESS ENTERPRISE (DBE) PARTICIPATION:

A DBE participation goal is not applicable for this activity.

FISCAL IMPACT:

LYNX staff will include the Section 5310 project award in future operating and capital budgets as appropriate.

LYNX Finance & Audit Committee Agenda

Consent Agenda Item #5.B. ii

To: LYNX Finance & Audit Committee

From: **James Boyle**
Interim Chief Planning And Development Officer
Myles O'Keefe
Technical Contact
Patricia Whitton
Technical Contact

Phone: 407.841.2279 ext: 6036

Item Name: **Authorization to Negotiate a Contract with WSP USA, Inc. for Professional Engineering Services for the I-Drive Transit Project National Environmental Policy Act (NEPA), Preliminary Engineering and Federal Transit Administration (FTA) Small Starts Project Development**

Date: 01/16/2025

ACTION REQUESTED:

Staff is requesting the Board of Directors' authorization for the Chief Executive Officer (CEO) or designee to negotiate a contract with the top ranked firm, WSP USA, Inc. for professional engineering services for the I-Drive Transit Project National Environmental Policy Act (NEPA), preliminary engineering (at least 30 percent), and requesting entry into the Federal Transit Administration (FTA) Capital Investment Grants (CIG) Small Starts program.

BACKGROUND:

On April 25, 2024, the LYNX Board of Directors granted authorization to proceed with a Request for Proposal (RFP) for professional services for the I-Drive Transit Project to advance the recommendations from the International Drive Transit Feasibility and Alternative Technology Assessment (TFATA) that was completed by Orange County in 2021.

The TFATA study recommended the implementation of a premium transit service as an urban circular operating within the International Drive (I-Drive) District along International Drive from Sand Lake Road to Destination Parkway and Sea Harbor Drive.

The professional services contract will assist with entering the next phase of the I-Drive Transit Project: that is the request to enter into the FTA CIG Small Starts program for federal funding. The professional services contract will include two phases. The first phase of the contract will include the preliminary work needed to prepare the request for entry into the Small Starts

LYNX Finance & Audit Committee Agenda

program. The second phase of the contract will proceed with approval from LYNX and Orange County following the FTA determination. Phase 2 will include the appropriate NEPA review and preliminary design of at least 30 percent.

The RFP was released on July 24, 2024. All proposals were due on September 10, 2024. A Source Evaluation Committee (SEC) was held on November 18, 2024, to rank the firms. The SEC was instructed to rank all three (3) firms that submitted proposals, with the top-ranked firm being selected to negotiate a contract pursuant to the Consultant’s Competitive Negotiation Act. The following three (3) submissions were received.

Vendors
WSP USA, Inc.
H.W. Lochner, Inc.
Kimley-Horn and Associates, Inc.

The ordinal rankings of the proposers were:

Proposers	Ordinal Ranking
WSP USA, Inc.	7
Kimley-Horn and Associates, Inc.	10
H.W. Lochner, Inc.	13

LYNX staff recommends negotiation of the contract with WSP USA, Inc. Upon successful completion of negotiations, LYNX staff will bring back the contract for Board approval.

DISADVANTAGED BUSINESS ENTERPRISE (DBE) PARTICIPATION:

No DBE project goal will be established for this solicitation.

FISCAL IMPACT:

There is no fiscal impact for LYNX for this International Drive Transit Project. LYNX will be reimbursed by Orange County as per the MOU for any expenses incurred.

LYNX Finance & Audit Committee Agenda

Action Item #6.A

To: LYNX Finance & Audit Committee

From: Michelle Daley
Director Of Finance
Michelle Daley
Technical Contact

Phone: 407.841.2279 ext: 6014

Item Name: Approval of the Updated LYNX Reserve Policy

Date: 01/16/2025

ACTION REQUESTED:

Staff is requesting approval of the updated LYNX Reserve Policy and recommendation to bring forward to the Oversight Committee.

BACKGROUND:

LYNX's Reserve Policy is based on sound fiscal principles designed to allow the Authority's continuity of operations during uncertain conditions. LYNX must maintain an adequate level of reserve to mitigate revenue shortfalls, emergencies, natural disasters, and unanticipated expenditures.

The funding provided during the COVID Pandemic, combined with current funding from the funding partners, allowed LYNX to create a budget stabilization fund for future operations. This was formally incorporated into the reserve policy on September 27, 2020.

During the Finance Committee meetings on September 19, 2024, and December 5, 2024, the policy was reviewed and minor changes recommended for approval.

The following updates/changes were discussed and incorporated in the updated policy:

- Added to the reserves for catastrophic medical claims, with the clause that the amount for reserve would be reviewed annually with the Finance Committee.
- Removed the reserves for fuel stabilization
- Removed the compensated absences reserve
- Added a clause to review the policy every 5 years with the Finance Committee

LYNX Finance & Audit Committee Agenda

DISADVANTAGED BUSINESS ENTERPRISE (DBE) PARTICIPATION:

A DBE participation goal is not applicable for this activity.

FISCAL IMPACT:

There is no fiscal impact.



Policy: Reserve Policy

Approved By: LYNX Board of Directors

Issuing Dept.: Finance

Effective Date: [____]

SCOPE

To document the reserve policy which applies to the LYNX reserves in order to formalize the process and appropriately address the establishment and use of reserves. LYNX' Reserve Policy is based on sound fiscal principles designed to allow LYNX to maintain continuation of operations in adverse conditions. The LYNX Board realizes that it is essential for governments to maintain adequate levels of reserves to mitigate current and future risks such as revenue shortfalls, emergencies, natural disasters, and unanticipated expenditures.

SUMMARY

The Reserve Policy is essential to maintain adequate levels of reserves to mitigate current and future risks and is based on sound fiscal principles. LYNX' Reserves categories are as follows:

- **Reserves for Operations (Cash Reserves)** to be used for short term cash flow purposes.
- **Reserves for Contingency (Emergencies)** to be used in the case of a major storm or other unforeseen disaster. This contingency may also be used to protect the Authority from unexpected cost increases or significant revenue declines which may impact on-going operations.
- **Reserves for Capital Funds and Debt Service** to fund the future infrastructure pertaining to items and/or projects included in the annual capital budget.
- **Reserves for Self-Insurance Programs** to ensure financial viability for Workers Compensation, General Liability Claims, and Catastrophic Medical Claims.
- **Budget Stabilization Fund** to offset the impact of revenue decline or cost increase during periods of economic uncertainty, natural disaster, pandemic or a declared state of emergency.

AUTHORITY:

Board of Directors

OBJECTIVE: To create a Reserve Fund Policy.



**Central Florida Regional Transportation Authority
Policies and Procedures**

POLICY: This Reserve Fund Policy applies to reserves of the Central Florida Regional Transportation Authority ("LYNX" or "Authority").

WHEREAS, the LYNX Board of Directors realize that it is essential for LYNX to maintain adequate levels of reserves to mitigate current and future risks such as revenue shortfalls, natural disasters, unanticipated expenditures, and to ensure stable customer fares; and

WHEREAS, LYNX' reserve policies are based on sound fiscal principles designed to allow LYNX to maintain continuity of operations in adverse conditions while being mindful of our fiduciary responsibility to Federal, State, and local funding partners; and

WHEREAS, LYNX realizes that adequate reserve fund balance levels are an essential component of LYNX' overall financial management strategy and a key factor in external agencies' measurement of LYNX' financial strength; and

WHEREAS, the Government Finance Officers Association of the United States and Canada (GFOA) recommends a minimum general fund reserve of no less than five to fifteen percent of operating revenues, or no less than one to two months of regular operating expenditures; and

WHEREAS, LYNX lies within a central zone susceptible to hurricane and storm damage; and

WHEREAS, there exists uncertainty in the economic markets around the world, especially in regards to the cost of fuel, taxes, personnel costs, medical insurance costs, and general inflation; and

WHEREAS, LYNX' facilities and fleet require increasing repair and replacement; and

WHEREAS, LYNX wishes to mitigate other forms of uncertainty such as:

- Unanticipated changes in taxes and spending policies of federal, state, and county governments;
- Imposition of mandates by federal, state, and county governments or the courts;
- Financial impacts of labor agreements, particularly those stemming from collective bargaining;
- Financial impacts of workers compensation, general liability, and medical claims;
- Unforeseen increases in energy and fuel costs; and

WHEREAS, clarification is needed as to the amounts to be set forth in each reserve fund balance, reserves, stabilization funds, and rainy day funds, are all used interchangeably, thus leading to misinterpretations.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF LYNX, AS FOLLOWS:



SECTION 1. The LYNX Board of Directors hereby establishes the following Reserves Fund Policy, pursuant to this Rule and as set forth below. The use of such reserves must be approved by the LYNX Board of Directors.

SECTION 2. Enterprise Fund

The components of the Enterprise Fund Reserves are the following:

1. Reserves for Operations (Cash Reserves)

This Reserve Fund should maintain a reserve of forty-five to sixty days of regular operating expenditures, or fifteen to twenty percent of regular operating expenditures, and can be used for short term cash flow purposes, or to ensure adequate resources for operating purposes at the beginning of the LYNX fiscal year. The cash reserve also helps to protect LYNX in the event it must respond to a natural or man-made disaster. This reserve may also be used to fund one-time capital outlay.

2. Reserves for Contingency (Emergencies)

This Reserve Fund should maintain a contingency reserve at a not to exceed 5% of the total LYNX annual budget. The contingency is commonly known as the emergency reserve to be used in the case of a major storm or other unforeseen disaster. The contingency reserve may also be used to cover unanticipated expenditures of a non-recurring nature, to meet unexpected immediate increases in service delivery costs, and to temporarily maintain service levels in the event that an economic downturn should cause a shortfall in revenues.

3. Reserve for Capital Funds and Debt Service

In the event that the Operating Reserve balance exceeds the amount set forth in this policy, the excess will be transferred to Reserves for Capital. The goal of this Reserve will be to fund future infrastructure that are included in LYNX' annual capital budget. To the extent LYNX is required to maintain any debt service reserves as a part of any loan covenants, this Reserve for Capital could also be used to meet those requirements.

4. Reserve for Self-Insurance Programs

A. Workers Compensation and General Liability Claims

LYNX should maintain, in regard to workers compensation and general liability claims, a reserve equal to 80% to 90% undiscounted confidence level of the annual actuarial study. Risk management programs include workers compensation, bus and auto liability, general liability, and property claims. Due to the nature of workers compensation claims, i.e. extended time frames and uncertainty regarding resolution, the actuary must develop recommended reserves for the fund based on percentage levels of confidence. Because of the inherent risk of catastrophic losses associated with the operation of vehicles, a conservative approach should be taken when establishing the amount of reserves. LYNX holds to the conservative side of the recommendations, 80%. In addition, should a claim be made against LYNX that is



identified subsequent to the actuarial report and prior to the issuance of the Comprehensive Annual Financial Report that is financially material to the fund and highly likely to succeed, additional monies should be added to these reserves to provide adequate funds in reserve. Insurance and safety industry best practices will be employed to militate against these risks.

B. Medical Benefit Claims

Recent history has shown that medical costs for LYNX are escalating at a rate beyond normal growth. The reserve for Medical Benefits Claims should be maintained in accordance with the annual actuarial analysis to ensure financial viability. The State of Florida reserve for self-insured plans is two months (or 16.67%) of projected claims. LYNX should establish a reserve to assist in offsetting the increasing cost of health insurance, with the reserve to be funded via reserving excess revenues to meet the minimum of two months of projected claims. LYNX will procure an actuarial study annually and will take a conservative approach when establishing the amount of reserves required.

C. Catastrophic Medical Claims

LYNX started raising the limits on the stop-loss policy and put the savings from the lower policy premiums into a reserve. LYNX will review this amount annually with the finance committee to approve reserve amount.

5. Replenishment of Reserve Balance

If the reserves are less than the amounts per this Policy, the Chief Executive Officer or designee shall submit a plan to the Board for expenditure reductions and/or revenue increases. The Board shall review and amend the plan as a part of the annual budget review.

All corresponding calculations and interpretation of calculations of a definitive nature will be determined by the Chief Executive Officer or designee.

The policy will be reviewed every five years with the finance committee and if necessary amendments presented to the Board for adoption.

8. Budget Stabilization Fund

The Budget Stabilization Fund balance equals the aggregate unrestricted net position adjusted for long term liabilities greater than the annual fully funded Authority Reserve (denoted as sections 1-7 above). This stabilization fund was created to:

- Provide liquid financial reserves which could be drawn upon to counteract the risk of serious disturbance to the United States economy or its supporting financial systems,



**Central Florida Regional Transportation Authority
Policies and Procedures**

- Limit the need for LYNX to request funding partner payment advances or borrow operating capital under distressed circumstances with unfavorable repayment terms,
- Allow the budget stabilization fund’s resources to remain in interest bearing accounts along with any investment returns which may help to decrease future funding partner annual budgetary contributions,
- Promote a permanent framework which will allow critical operations to continue in the event of natural disaster, pandemic, war or other act of God. This framework should consider possible outcomes from increased reliance on public transportation during and after a root causation event, and after a root causation event, and
- Provide flexibility to make emergency purchases to support the essential nature of the Authority’s business for the traveling public and LYNX staff; pending Board of Director approval.

By establishing a separate fund from the existing LYNX Reserve, the Authority will ensure resources are readily available during uncertain times. During periods when LYNX’s actual expenditures exceed the adopted operating budget staff would seek Board approval to utilize the Reserve balance before requesting Authorization to balance the budget with stabilization funds. Furthermore, balances held between LYNX Reserve and the Budget Stabilization Fund would be reviewed annually, and any transfers required will be approved by the LYNX Board of Directors. By establishing Board oversight of deposits, withdrawals, and savings targets, the Authority will ensure budget stabilization funds in excess of the LYNX reserve requirement are closely held, adequately managed, and properly monitored.

**PASSED AND DULY ADOPTED BY THE BOARD OF DIRECTORS OF LYNX,
this ___ day of _____, 2024.**

BOARD OF DIRECTORS OF LYNX

By: _____
Chairman

ATTEST:

By: _____



Policy: Reserve Policy

Approved By: LYNX Board of Directors

Issuing Dept.: Finance

Effective Date: 9/24/20

SCOPE

To document the reserve policy which applies to the LYNX reserves in order to formalize the process and appropriately address the establishment and use of reserves. LYNX' Reserve Policy is based on sound fiscal principles designed to allow LYNX to maintain continuation of operations in adverse conditions. The LYNX Board realizes that it is essential for governments to maintain adequate levels of reserves to mitigate current and future risks such as revenue shortfalls, emergencies, natural disasters, and unanticipated expenditures.

SUMMARY

The Reserve Policy is essential to maintain adequate levels of reserves to mitigate current and future risks and is based on sound fiscal principles. LYNX' Reserves categories are as follows:

- **Reserves for Operations (Cash Reserves)** to be used for short term cash flow purposes.
- **Reserves for Contingency (Emergencies)** to be used in the case of a major storm or other unforeseen disaster. This contingency may also be used to protect the Authority from unexpected cost increases or significant revenue declines which may impact on-going operations.
- **Reserves for Capital Funds and Debt Service** to fund the future infrastructure pertaining to items and/or projects included in the annual capital budget.
- **Reserves for Self-Insurance Programs** to ensure financial viability for Workers Compensation, ~~and~~ General Liability Claims, ~~and~~ Catastrophic Medical Claims.
- ~~**Reserves for Fuel Stabilization** to eliminate some of the pricing volatility and provided budget stabilization in combination with a fuel hedging program.~~
- **Budget Stabilization Fund** to offset the impact of revenue decline or cost increase during periods of economic uncertainty, natural disaster, pandemic or a declared state of emergency.

AUTHORITY:

Board of Directors



Central Florida Regional Transportation Authority
Policies and Procedures

OBJECTIVE: To create a Reserve Fund Policy.

POLICY: This Reserve Fund Policy applies to reserves of the Central Florida Regional Transportation Authority ("**LYNX**" or "**Authority**").

WHEREAS, the LYNX Board of Directors realize that it is essential for LYNX to maintain adequate levels of reserves to mitigate current and future risks such as revenue shortfalls, natural disasters, unanticipated expenditures, and to ensure stable customer fares; and

WHEREAS, LYNX' reserve policies are based on sound fiscal principles designed to allow LYNX to maintain continuity of operations in adverse conditions while being mindful of our fiduciary responsibility to Federal, State, and local funding partners; and

WHEREAS, LYNX realizes that adequate reserve fund balance levels are an essential component of LYNX' overall financial management strategy and a key factor in external agencies' measurement of LYNX' financial strength; and

WHEREAS, the Government Finance Officers Association of the United States and Canada (GFOA) recommends a minimum general fund reserve of no less than five to fifteen percent of operating revenues, or no less than one to two months of regular operating expenditures; and

WHEREAS, LYNX lies within a central zone susceptible to hurricane and storm damage; and

WHEREAS, there exists uncertainty in the economic markets around the world, especially in regards to the cost of fuel, taxes, personnel costs, medical insurance costs, and general inflation; and

WHEREAS, LYNX' facilities and fleet require increasing repair and replacement; and

WHEREAS, LYNX wishes to mitigate other forms of uncertainty such as:

- Unanticipated changes in taxes and spending policies of federal, state, and county governments;
- Imposition of mandates by federal, state, and county governments or the courts;
- Financial impacts of labor agreements, particularly those stemming from collective bargaining;
- Financial impacts of workers compensation, general liability, and medical claims;
- Unforeseen increases in energy and fuel costs; and

WHEREAS, clarification is needed as to the amounts to be set forth in each reserve fund balance, reserves, stabilization funds, and rainy day funds, are all used interchangeably, thus leading to misinterpretations.



NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF LYNX, AS FOLLOWS:

SECTION 1. The LYNX Board of Directors hereby establishes the following Reserves Fund Policy, pursuant to this Rule and as set forth below. The use of such reserves must be approved by the LYNX Board of Directors.

SECTION 2. Enterprise Fund

The components of the Enterprise Fund Reserves are the following:

1. Reserves for Operations (Cash Reserves)

This Reserve Fund should maintain a reserve of forty-five to sixty days of regular operating expenditures, or fifteen to twenty percent of regular operating expenditures, and can be used for short term cash flow purposes, or to ensure adequate resources for operating purposes at the beginning of the LYNX fiscal year. The cash reserve also helps to protect LYNX in the event it must respond to a natural or man-made disaster. This reserve may also be used to fund one-time capital outlay.

2. Reserves for Contingency (Emergencies)

This Reserve Fund should maintain a contingency reserve at a not to exceed 5% of the total LYNX annual budget. The contingency is commonly known as the emergency reserve to be used in the case of a major storm or other unforeseen disaster. The contingency reserve may also be used to cover unanticipated expenditures of a non-recurring nature, to meet unexpected immediate increases in service delivery costs, and to temporarily maintain service levels in the event that an economic downturn should cause a shortfall in revenues.

3. Reserve for Capital Funds and Debt Service

In the event that the Operating Reserve balance exceeds the amount set forth in this policy, the excess will be transferred to Reserves for Capital. The goal of this Reserve will be to fund future infrastructure that are included in LYNX' annual capital budget. To the extent LYNX is required to maintain any debt service reserves as a part of any loan covenants, this Reserve for Capital could also be used to meet those requirements.

4. Reserve for Self-Insurance Programs

A. Workers Compensation and General Liability Claims

LYNX should maintain, in regard to workers compensation and general liability claims, a reserve equal to 80% to 90% undiscounted confidence level of the annual actuarial study. Risk management programs include workers compensation, bus and auto liability, general liability, and property claims. Due to the nature of workers compensation claims, i.e. extended time frames and uncertainty regarding resolution, the actuary must develop recommended reserves for the fund based on percentage levels of confidence. Because of the inherent risk of catastrophic losses associated



with the operation of vehicles, a conservative approach should be taken when establishing the amount of reserves. LYNX holds to the conservative side of the recommendations, 80%. In addition, should a claim be made against LYNX that is identified subsequent to the actuarial report and prior to the issuance of the Comprehensive Annual Financial Report that is financially material to the fund and highly likely to succeed, additional monies should be added to these reserves to provide adequate funds in reserve. Insurance and safety industry best practices will be employed to militate against these risks.

B. Medical Benefit Claims

Recent history has shown that medical costs for LYNX are escalating at a rate beyond normal growth. The reserve for Medical Benefits Claims should be maintained in accordance with the annual actuarial analysis to ensure financial viability. The State of Florida reserve for self-insured plans is two months (or 16.67%) of projected claims. LYNX should establish a reserve to assist in offsetting the increasing cost of health insurance, with the reserve to be funded via reserving excess revenues to meet the minimum of two months of projected claims. LYNX will procure an actuarial study annually and will take a conservative approach when establishing the amount of reserves required.

C. Catastrophic Medical Claims

~~LYNX started raising the limits on the stop-loss policy and put the savings from the lower policy premiums into a reserve. LYNX should generally maintain a reserve of \$3,000,000 for catastrophic medical claims will review this amount annually with the finance committee to approve reserve amount.~~

5. Reserves for Fuel Stabilization

In 2011, LYNX establish a fuel hedging program to curtail some of the extreme volatility experienced in the price of fuel. The hedging program is not meant to "out-guess" the market for fuel, but rather is an attempt to eliminate some of the pricing volatility and provided budget stabilization. In addition to this hedging program, LYNX should establish a Fuel Stabilization Reserve to provide LYNX, and ultimately ~~our funding partners, some assurance of price and funding stability, as it pertains to the costs of fuel. The reserve will be funded via reserving excess revenues and generally be equal to \$1,000,000.~~

6. Compensated Absence Reserve

~~The liability for Compensated Absences (payments to employees who retire or leave LYNX for accumulated benefits) will be fully funded on a current basis unless deemed impractical or unavailable for accounting reasons by the Chief Executive Officer or designee.~~

7.6. Replenishment of Reserve Balance

If the reserves are less than the amounts per this Policy, the Chief Executive Officer or designee shall submit a plan to the Board for expenditure reductions and/or revenue



increases. The Board shall review and amend the plan as a part of the annual budget review.

All corresponding calculations and interpretation of calculations of a definitive nature will be determined by the Chief Executive Officer or designee.

The policy will be reviewed ~~internally~~ every ~~three-five~~ years ~~or when deemed necessary by the Finance Department for the possibility of amendments to be presented to the Board with the finance committee and if necessary amendments presented to the Board for adoption.~~

8. Budget Stabilization Fund

The Budget Stabilization Fund balance equals the aggregate unrestricted net position adjusted for long term liabilities greater than the annual fully funded Authority Reserve (denoted as sections 1-7 above). This stabilization fund was created to:

- Provide liquid financial reserves which could be drawn upon to counteract the risk of serious disturbance to the United States economy or its supporting financial systems,
- Limit the need for LYNX to request funding partner payment advances or borrow operating capital under distressed circumstances with unfavorable repayment terms,
- Allow the budget stabilization fund's resources to remain in interest bearing accounts along with any investment returns which may help to decrease future funding partner annual budgetary contributions,
- Promote a permanent framework which will allow critical operations to continue in the event of natural disaster, pandemic, war or other act of God. This framework should consider possible outcomes from increased reliance on public transportation during and after a root causation event, and after a root causation event, and
- Provide flexibility to make emergency purchases to support the essential nature of the Authority's business for the traveling public and LYNX staff; pending Board of Director approval.

By establishing a separate fund from the existing LYNX Reserve, the Authority will ensure resources are readily available during uncertain times. During periods when LYNX's actual expenditures exceed the adopted operating budget staff would seek Board approval to utilize the Reserve balance before requesting Authorization to balance the budget with stabilization funds. Furthermore, balances held between LYNX Reserve and the Budget Stabilization Fund would be reviewed annually, and any transfers required will be approved by the LYNX Board of Directors. By



**Central Florida Regional Transportation Authority
Policies and Procedures**

establishing Board oversight of deposits, withdrawals, and savings targets, the Authority will ensure budget stabilization funds in excess of the LYNX reserve requirement are closely held, adequately managed, and properly monitored.

**PASSED AND DULY ADOPTED BY THE BOARD OF DIRECTORS OF LYNX,
this ____ day of _____, 202~~5~~⁴.**

BOARD OF DIRECTORS OF LYNX

By: _____
Chairman

ATTEST:

By: _____

LYNX Finance & Audit Committee Agenda

Action Item #6.B

To: LYNX Finance & Audit Committee

From: Leonard Antmann
Chief Financial Officer
Michelle Daley
Technical Contact

Phone: 407.841.2279 ext: 6125

Item Name: Approval of the Funding Model Policy

Date: 01/16/2025

ACTION REQUESTED:

Staff is requesting approval of the LYNX Funding Model Policy and recommendation to bring forward to the Oversight Committee.

BACKGROUND:

A funding model for allocation of costs to the funding partners was initially adopted by the Board at its January 31, 2013, meeting.

The Board has expressed a desire to formalize the funding model into a definitive policy and to add specificity regarding how costs are allocated, including, without limitation, when costs are allocated based on Revenue Hours or Service Hours.

Attached is a definitive policy that sets forth a proposed funding model LYNX staff along with LYNX general counsel have worked closely to document the policy and (among other meetings) participated in a work session at the December 5, 2024, Finance Committee meeting.

DISADVANTAGED BUSINESS ENTERPRISE (DBE) PARTICIPATION:

A DBE participation goal is not applicable for this activity.

FISCAL IMPACT:

There is no fiscal impact.



Policy: Funding Model Formula

Approved by: Governing Board

Effective Date: [_____], 2025

INTRODUCTION AND BACKGROUND

The purpose of this policy (this “**Policy**”) is to establish a formula by which the overall net operating expenditures of LYNX will be allocated to its Funding Partners: Orange, Osceola, and Seminole Counties.

In its operations, LYNX generates revenue and incurs expenses. Historically, its expenses exceed its revenues and LYNX needs to fund the resulting net operating expenditures by receiving contributions from its Funding Partners. This Policy serves the purpose of allocating to the Funding Partners their respective shares of such net operating expenditures by lines of business. These allocations are included in the annual funding partner agreements between LYNX and its Funding Partners.

This Policy amends and restates the original funding model adopted by the Governing Board on January 31, 2013.

AUTHORITY

Administrative Rule 2, Section 2.5.

DEFINITIONS

In addition to the other terms defined in this Policy, the following terms when used in this Policy shall have the meanings as provided below:

1. “**Contracted Services**” shall mean where LYNX provides services by contract to third parties, including private parties and semi-government agencies.
2. “**Net Expenditures**” means the amount by which operating expenses exceed revenues for a particular Line of Business.
3. “**Funding Partners**” means the counties of Orange, Osceola, and Seminole.
4. “**Funding Partners Rate**” means the rate charged a Funding Partner, determined as follows:
 - Fixed Route and Neighborlink hourly rates are calculated individually. Each rate is based on the Net Expenditures divided by the respective Service Hours (except as provided below) for that Line of Business.



- In the event that any of these services are contracted out, the Net Expenditures for those services will be divided by the Revenue Hours for such services. For the avoidance of doubt, the method of delivering services (i.e., insourced or outsourced) may not be changed without the approval of the Governing Board).
5. “**General Overhead**” means all overhead of LYNX, but excluding Line of Business Overhead.
 6. “**Lines of Business**” means LYNX’s lines of business, which currently include fixed-route (excluding Lymmo), Lymmo, paratransit, Road Rangers, and Neighborlink. The terms “Lines of Business” and “Line of Business” shall be given correlative meanings.
 7. “**Line of Business Overhead**” means overhead that is directly attributable to a particular Line of Business.
 8. “**Revenue Hours**” means the hours that vehicles are performing revenue service, measured, with respect to each vehicle, from the time that such vehicle arrives at its *first* scheduled stop or pick-up location to the time that such vehicle leaves its *final* scheduled stop or drop-off location.
 9. “**Service Hours**” means the hours that vehicles are performing revenue service, measured, with respect to each vehicle, from the time that such vehicle pulls out from its garage to the time that it pulls back in to its garage.
 10. “**Total Overhead**” means all overhead of LYNX. It is comprised of both General Overhead and Line of Business Overhead.

MODEL

Overview

Annually, in preparing LYNX’s budget for the next fiscal year, LYNX will project for its total operating revenues and total operating expenses by Line of Business and use those amounts to calculate an overall budget. These projections are based on recent year trends, anticipated needs, direction from Funding Partners, and budget assumptions recommended by the LYNX Finance and Audit Committee. This budget will then be approved by the LYNX Governing Board for the ensuing fiscal year based upon this funding model contained in this Policy. Once the budget is so approved, no changes will be made to the Funding Partners’ obligations under the funding model as a consequence of subsequent budget amendments or as a result of actual results differing from projections used in the budget.

Calculation of Net Expenditures

Net Expenditures are determined by calculating the difference between operating revenue and operating expenses by Line of Business. General Overhead will be included in the Net Expenditures of fixed route service.



Calculation of LYMMO Service Net Expenditures

In the case of LYMMO service, its operating costs are paid entirely by the City of Orlando and there is no need for any funding model calculation in that area.

Allocation of Net Expenditures for Fixed Route and Neighborlink

Net Expenditures for fixed-route service are allocated to the Funding Partners based on Service Hours (except as set forth below). The Net Expenditures for such service to be paid by each Funding Partner shall be equal to (i) the number of Service Hours for fixed route service in that Funding Partner's jurisdiction, multiplied by (ii) the Funding Partners' Rate for fixed route service.

Net Expenditures for Neighborlink are also allocated to the Funding Partners based on Service Hours (except as set forth below). The Net Expenditures to be paid by each Funding Partner shall be equal to (i) the number of Service Hours for Neighborlink in that Funding Partner's jurisdiction, multiplied by (ii) the Funding Partners' Rate for Neighborlink.

If the LYNX Governing Board approves that either or both of such services (i.e., fixed route or Neighborlink) be outsourced (in whole or in part), unless otherwise directed by the Governing Board, the Net Expenditures for any portion of these hours that are outsourced would be allocated to the Funding Partners based on Revenue Hours. For the avoidance of doubt, the method of delivering services (i.e., insourced or outsourced) may not be changed without the approval of the Governing Board).

Allocation of Net Expenditures for Paratransit

The share of Net Expenditures to be paid by each Funding Partner for paratransit service (ADA, Transportation Disadvantaged (TD)) will be equal to the percentage of total trips that occur in each Funding Partner's jurisdiction relative to the total paratransit trips in all jurisdictions. For determining the percentage to be used for calculating each Funding Partner's share, such percentage will be equal to the actual percentage of total trips that occur in each Funding Partner's jurisdiction for the most recent completed LYNX fiscal year. For example in calculating the budget for FY2026, the percentage of trips used for allocating Net Expenditures among the Funding Partners will be the actual percentage of trips completed in FY2024 by type/county. As a result, the percentage used for a particular fiscal year may differ from the year-ending actual percentage for that fiscal year. There is no recalculation or "true-up" of percentages for paratransit purposes at the end of a fiscal year.

Net Expenditures for paratransit service are allocated to the Funding Partners based on trip levels and where that trip originates. If LYNX provides Medicaid or other paratransit defined trips, whether at Governing Board direction or State mandate, that cost will be allocated on the same basis that paratransit service is allocated.

A trip will be allocated to a particular Funding Partner when that trip originates in the jurisdiction of such Funding Partner, regardless of its destination. A return trip would constitute an additional trip. If the return trip originates in a different Funding Partner's jurisdiction from the original trip, then that return trip would be attributed to that different jurisdiction.



ALLOCATION OF NON-OPERATING CREDITS

The following are certain amounts that are credited against the contributions of the Funding Partners, Orange, Osceola, and Seminole Counties:

- Interest income is credited against the contributions of the Funding Partners, Orange, Osceola and Seminole, for fixed route service, using the same method as was used for allocating Net Expenditures for fixed route service (e.g., Service Hours).
- At the beginning of each fiscal year, the Board will determine the allocation of Budget Stabilization Funds between fixed-route service and paratransit. Budget Stabilization Funds are then credited against the contributions of the Funding Partners, Orange, Osceola and Seminole, for fixed route service and paratransit, based on the same methods as were used for allocating Net Expenditures for fixed route service (e.g., Service Hours) and paratransit, as applicable.

REVENUE AND EXPENSE

Operating Revenues

Operating revenues include directly operated revenue, grants, and subsidies. Directly operated revenues consist of the following:

- Customer fares.
- Contract services: includes contracts with local jurisdictions outside of LYNX's service area, and bus service agreements with other entities.
- Advertising: includes advertising on buses, in kind, and at shelters and other income.

Grants and subsidies include funding from the following federal and state sources:

- Federal: includes funds for operating assistance, preventive maintenance, ADA, operating leases and other federal planning assistance.
- State: includes funds for operating assistance, new service development funding, other state funding.

Capital Matters

The foregoing only relates to LYNX operating matters; it does not apply for capital matters or projects.

In regard to capital costs, each Funding Partner pays to LYNX a capital contribution equal to (i) the total number of Service Hours for both fixed route service and Neighborlink in that jurisdiction, multiplied by (ii) \$3.00. This amount will be used by LYNX (along with any toll road revenue credits) either as a "match" for government grants or directly in whole or in part for a capital project.



The use of toll revenue credits will continue to be applied to the non-Federal share match requirement when applicable by applying an equal amount of toll credit and therefore allowing a project to be funded with up to 100% federal funds for federally participating costs.

In regard to each Funding Agreement that is signed, there will be attached to that Agreement a copy of the current Funding Model Policy.

LYNX Finance & Audit Committee Agenda

Discussion Item #7.A

To: LYNX Finance & Audit Committee

From: Leonard Antmann
Chief Financial Officer
Michelle Daley
Technical Contact

Phone: 407.841.2279 ext: 6125

Item Name: Investment Policy

Date: 01/16/2025

Pat Christiansen from Akerman, LYNX General Counsel, will lead a discussion on the LYNX Investment Policy.

LYNX Finance & Audit Committee Agenda

Discussion Item #7.B

To: LYNX Finance & Audit Committee

From: James Boyle
Interim Chief Planning And Development Officer
Myles O'Keefe
Technical Contact

Phone: 407.841.2279 ext: 6036

Item Name: Southern Operations and Maintenance Facility Status Update

Date: 01/16/2025

LYNX Staff will provide a status update on the efforts related to the Southern Operations and Maintenance Facility property.

LYNX Finance & Audit Committee Agenda

Discussion Item #7.C

To: LYNX Finance & Audit Committee

From: Leonard Antmann
Chief Financial Officer
Michelle Daley
Technical Contact

Phone: 407.841.2279 ext: 6125

Item Name: FY2024 Preliminary Operating Results

Date: 01/16/2025

LYNX staff will review the “Preliminary” Operating results for FY2024.

LYNX Finance & Audit Committee Agenda

Discussion Item #7.D

To: LYNX Finance & Audit Committee

From: Leonard Antmann
Chief Financial Officer
Michelle Daley
Technical Contact

Phone: 407.841.2279 ext: 6125

Item Name: FY2026 Budget Assumptions

Date: 01/16/2025

LYNX staff will lead a discussion of the FY2026 Budget Assumptions.