



Board Date: 1/7/2010
Time: 1:00 PM

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








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

1. Call to Order

2. Approval of Minutes

-  Minutes from the September 24, 2009 Audit Committee Meeting Pg 1

3. Audit Agenda Items

- A.  Update on Funding Agreements Pg 11
- B.  Update on Proposed Investment Policy Pg 12
- C.  Update on Cummins Engine Warranty Status Pg 24
- D.  Update on Transit Planning Agreement with METROPLAN ORLANDO for FY 2009/2010 Pg 25
- E.  Update on the Proposed Unified Shelter Program Pg 27
- F.  Update on LYNX Feeder Bus Service for Commuter Rail Pg 30
- G.  Overview of LYNX' Proposed Minority Women Business(MWBE) Program Pg 31

5. Information Items

(For Review Purposes Only - No action required)

- I.  LYNX 12 Month Rolling Calendar Pg 32

LYNX
Central Florida Regional Transportation Authority
Audit Committee Meeting Minutes

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

DATE: September 24, 2009

TIME: 10:35 a.m.

Members in Attendance:

Seminole County Commissioner, Carlton Henley, Chairman
Osceola County, Tiffany Homler, Multimodal Planner
FDOT District 5 Secretary, Noranne Downs, Secretary
Orange County, Jim Harrison, Director of Growth Management
City of Orlando, Roger Neiswender, Director of Transportation

Members Absent:

1. Call to Order

The Chairman, Commissioner Carlton Henley, called the meeting to order at 10:35 a.m.

2. Approval of Minutes

Motion was made and seconded to approve the Minutes of the July 23, 2009 Audit Committee meeting. The motion passed unanimously.

3. Audit Agenda Items

The Chairman announced a “Blue Sheet” Agenda item will be added to the Agenda and taken up immediately following Agenda Item 7.E.

A. Update on FY2010 Proposed Operating and Capital Budgets

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

Mr. Francis noted that staff presented the preliminary FY2010 Operating Budget to the Board at the April 22, 2009 meeting and that staff discussed the status of the FY2010 Capital Budget at the May 22, 2009 meeting of the Board. He further noted that staff would be making a presentation of the final proposed FY2010 Operating and Capital Budget to the Board at its meeting following the Audit Committee meeting.

Mr. Francis informed the Committee members that the proposed FY2010 Operating Budget is \$112,943,113 and the proposed FY2010 Capital Budget is \$51,344,520 making the total proposed FY2010 Operating and Capital Budget \$164,287,633. The revised proposed Budget reflects an increase of \$1,343,968. There has been no additional funding requested from the funding partners; however, additional funding sources have been incorporated. The additional revenue is derived from Disney's request for LYNX to utilize mitigation funds to increase their service, the Florida Department of Transportation (FDOT) ability to provide additional funds for the Road Ranger program, and additional Service Development grant funds that have been approved.

The proposed Operating Revenue for FY2010 does not include the utilization of LYNX' reserves. LYNX Generated Revenue shows a decrease in customer fares, advertising on buses and in-kind advertising, contract services and interest income for an approximate total decrease of 8% or \$3,295,597 from the FY2009 Amended Operating Budget. The Local Revenue represents the funds received from the funding partners and is an approximate total decrease of 11% or \$6,242,412 from the FY2009 Amended Operating Budget. The total Operating Revenue represents an approximate decrease of 7% from the FY2009 Amended Operating Budget.

The proposed Operating Expenses for FY2010 reflects a decrease of 4% in salaries and wages due to implementation of service reductions, elimination of positions, reduction in workforce, and does not include wage and salary increases for any employee of the agency. The largest decrease is 31% for fuel. The Operating Expenses reflects an increase of 6% for casualty & liability; however, LYNX' legal counsel is working to eliminate the liability insurance clause in the bus leases and LYNX is currently receiving bid proposals from property insurance brokerages.

The proposed Capital Expenditures for FY2010 includes \$24,062,270 for American Recovery & Reinvestment Projects and \$27,282,250 for LYNX projects primarily utilizing formula grant funds for total Capital Expenditures of \$51,344,520. This same amount of Capital Funding represents an increase of 1% from the FY2009 Amended Capital Budget.

The staffing count proposed for FY2010 is 989 which is an increase of 1% from the count of 975 in the FY2009 Amended Budget. The increased staff count comprises 10 positions needed to increase the Disney service and two positions added to the Road Ranger Program for which Disney and FDOT funds will be utilized.

B. Presentation on Proposed Funding Agreements with Funding Partners

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

During discussions related to the Funding Agreements last year, the LYNX Board of Directors was interested in an Agreement that would include standard terms and conditions for all funding partners with any extraneous issues being addressed in an Addendum to the Agreement.

In coordination with legal counsel and input from each funding partner, LYNX staff has developed a uniform Agreement for LYNX' Board of Directors consideration.

Pat Christiansen, LYNX General Counsel, noted that a provision has been included in the uniform Agreement to avoid any year-end cash flow delays. The provision allows for the funding partners to fund LYNX at the beginning of their fiscal year in the amount each had appropriated at the end of the fiscal year in the absence of an executed Agreement for the new fiscal year. In addition, a provision has been included that allows LYNX to immediately adjust a partners' service level by a like amount should there be a decrease in the amount funded to LYNX. The uniform Agreement provides for the new fiscal year Funding Agreement to be executed by December 31.

Mr. Christiansen reported that each funding partner had received the standard Agreement.

Chairman Henley noted that in a letter dated September 21st, Brandon Arrington, Osceola County Commissioner, raised a question not addressed in the standard Agreement: "An item not discussed ... is the division of assets. A reason to address this upfront is should any unforeseen circumstance arise where LYNX is no longer the designated Regional Transportation Authority, the issue has been thought through and addressed...."

Mr. Christiansen responded that language addressing Commissioner Arrington's questions is neither in the current form of uniform Agreement nor in an Addendum.

Discussion ensued regarding the process that could be followed if a funding partner elects to withdraw. It was noted that all partners are privy to a variety of long-term commitments that redistributes the balance of financial commitments among the remaining partners in the event a partner withdraws. In conclusion, the Members agreed that this issue should be separate from the Funding Agreement.

Mr. Christiansen noted that staff will be requesting authorization of the Board of Directors to approve and enter into a uniform Funding Agreement with the funding partners.

Without objection, the Audit Committee will recommend approval of the Uniform Funding Agreement and authorization for the Chief Executive Officer to enter into the Agreement with the Funding Partners.

C. Presentation on LYNX' Proposed Investment Policy

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

Staff provided an update to the Audit Committee at its July 23rd meeting on its efforts with Burgess Chambers, LYNX investment advisor, to draft a revised policy.

In the past, LYNX has invested a large portion of Authority funds in the State Board of Administration (SBA) fund. The SBA invested in some products that were less than marketable and those investments have now been bifurcated into a Class A and Class B fund. LYNX has some of its investment in the Class B fund. As LYNX' investments have matured, the funds are being returned. LYNX has approximately \$700,000 remaining in the Class B fund.

Mr. Francis noted that the draft Policy includes the ability to utilize the Florida Local Government Investment Trust Surplus Fund. The Policy provides for the preservation of principal, minimizing capital loss, optimizing investment returns while ensuring quality, safety and liquidity. The Policy also provides for adequate investment diversification to minimize volatility, liquidity and default risk while encouraging the investment officials to strive to maintain an investment/asset portfolio duration approximately equal to its debt/liability "portfolio."

Mr. Francis reported that staff will prepare an internal control structure as a part of the Policy and will bring it back to the Audit Committee and then to the Board for approval at its next meeting.

The Audit Committee requested staff provide an investment status report to the Committee quarterly.

D. Presentation on Diesel Fuel Hedging

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

Mr. Francis introduced Jeff LeMunyon, CFA, Principal of Linwood Capital, LLC, for presentation on an investment program option that allows for the purchase of future fuel contracts which provides a hedge against fuel volatility. Mr. Francis noted that Linwood Capital has provided an unsolicited proposal for providing this type of investment program and the Committee asked Mr. Francis at its last meeting to invite Linwood Capital to give a presentation on the program.

Mr. LeMunyon noted that Linwood Capital's focus is on creating value through energy price risk management programs. Linwood Capital creates and manages these programs for public transit properties around the country. The purpose of the programs is to manage the cost of fuel, increase the certainty of future fuel cost, manage budget risk to lower fuel cost volatility, and to create a lower overall cost of fuel.

Energy Price Risk Management

- Controlling Energy Costs through Forward Pricing Contracts
 - Establish the price today for energy that will be consumed later
- Result of Forward Pricing
 - Reduce or eliminate the range of probable fuel costs over a future time period
- How Should Hedging be Approached
 - How Much Risk is There – quantifying risk with respect to energy markets
 - What Percentage of Future Consumption should be Hedged – percentage based on budget and market conditions
 - How Far Forward Should Fuel be Priced – based on future need for cost certainty typically 18 – 36 months
 - What Instruments Should be Used – financial instruments, forward pricing contracts
- Create a Strategy and Policy – the governance of the program
- What do Energy Markets Convey
 - Today's Price – Current Cost
 - Expected Prices – Cost Expectations
 - Expected Range of Expected Prices – Level of Uncertainty Associated with Expected Prices
 - How Much Risk does the Market Have
- Why is this Information Useful
 - Planning
 - Budgeting
 - Forecasting
 - Quantifying Risk Exposure – is there more cost uncertainty than tolerable
- Results & Benefits of Forward Pricing
 - The Consumption of Energy is no Longer Simultaneous with the Pricing of the Energy
 - Risk Reduction
 - Lower Budget Risk
 - Higher Certainty of Future Energy Costs
 - Organizational Benefits
 - Enhanced Ability to Forecast, Plan & Budget
 - Reduce or Eliminate Stress Caused by Going Over Budget
 - No Longer at the Mercy of Volatile Energy Market Prices

- General Risk Management Philosophy
 - Continuous Process is Superior to “Static” Process
 - Reduce Transaction (Hedging) Timing Risk
 - Manage Risk in light of Market Environment
 - Eliminate the Risk that Cannot be Tolerated
 - Time as an Advantage
 - Forward Pricing Window
 - Long enough to create desired cost certainty
 - Long enough to allow adjustments during market fluctuations

- Summary
 - Outside Factors Cause Energy Prices to be Volatile and Uncertain
 - Public Entities do not Benefit from Energy Market Exposure
 - Forward Pricing is Avoiding Energy Market Exposure
 - Forward Pricing is Deciding Today what Tomorrow’s Cost Will Be
 - Use Financial Instruments or Fixed Price Supply Contracts
 - Having a Policy and Strategy is Important in Meeting Goals and Expectations

Mr. LeMunyon provided the Committee with a Sample: “Fuel Price Risk Management Report” typically provided to Linwood Capital’s clients.

Discussion ensued regarding the cost of the program’s management fee compared to a fee charged by a brokerage account and the effect of the program on fuel delivery specifically during an event which might cause an interruption in supply, i.e., hurricane. Mr. LeMunyon estimated Linwood Capital’s management fee to be less than that of a brokerage and noted that Linwood’s management of cost for fuel would not guarantee its delivery.

The Committee asked the recommended period of time a participating client could anticipate realizing the “evening out” of volatility. Mr. LeMunyon estimated a time period of approximately five years and expressed the program should be considered a long term strategy rather than a short term tactical maneuver.

The Committee asked the percentage of fuel transactions a participating client might hedge. Mr. LeMunyon noted the amount would be outlined in the policy of the client; however, typically 95% of purchase transactions would be involved in months one through 12, 75% in months 13 through 24, and 50% in months 25 through 36.

In conclusion, Mr. Francis noted that staff invited Linwood Capital to provide a follow-up to staff’s presentation to the Committee on July 23rd, however, the matter was not being presented to the Board of Directors at this time for action.

E. Update on the Amalgamated Transit Union Local 1596 Pension Plan Trustee’s and the Authority to Bind LYNX to Financial Obligations

The Chairman recognized Edward Johnson, Chief Administrative Officer, for presentation.

Mr. Johnson introduced Nadine Schaal, Attorney with Akerman Senterfitt. Ms. Schaal will discuss issues regarding the Amalgamated Transit Union (ATU) 1596 Pension Plan Trustees autonomy with the Plan.

As a follow-up to LYNX' Board of Directors request to be advised of a proposed change to the ATU 1596 Pension Plan that the Plan's Trustees may be aware of, Ms. Schaal noted that an issue may exist for the Trustees to bring a proposed change to the LYNX Board due to the timing of meetings of either or both Boards. Currently, the notification period is 30 days.

After discussion, the Committee recommended the notification and review period be extended from 30 to 60 days due to the frequency of the LYNX Board of Directors meetings.

Ms. Schaal reminded the Committee that LYNX' predecessors were involved in a court case which addressed how the Pension Plan was managed. A Stipulation was entered into in that case by the parties. The Pension Plan that was in place at the time of the Stipulation was subsequently adopted by LYNX. The Stipulation, which remains in effect, requires that the Pension Plan be managed by a Board of six members with three members appointed by ATU 1596 and three members appointed by the Authority's management. The fiduciary responsibilities, as outlined in statute, of the ATU 1596 Pension Plan Board is to act solely in the best interest of the participants. LYNX, as the sponsor of the Plan with significant funding requirements, is interested in being made aware of any proposed changes and more specifically, of any cost increases affecting the sponsor. However, the Stipulation further provided for the Plan's Board of Trustees, at its sole discretion, to adopt Plan Amendments.

She noted that in addition to the ATU Pension Plan, however, the ATU has also entered into a Collective Bargaining Agreement with LYNX. The Collective Bargaining Agreement provides that any item which represents a change in benefit or cost to the Pension Plan may be brought to collective bargaining by either party.

The Collective Bargaining Agreement further provides for any Pension Plan Amendment adopted by its Board of Trustees to be brought to the LYNX Board of Directors for its determination as to whether the Amendment should be taken to collective bargaining. If the Amendment is taken to collective bargaining, the effective date will be delayed until the process is completed.

The Pension Plan Board of Trustees has recently adopted two Plan Amendments that provides for each party to review and determine by November 6th whether they desire the Amendments to go to collective bargaining. If neither party makes the election to go to collective bargaining, the Amendments will become effective January 1, 2010.

Mr. Johnson suggested if the Committee would like additional time for review, a request for extension could be presented to the Plan's Trustees. The LYNX Board of Directors will have an opportunity to hear a presentation on the Amendments.

F. Update on the ATU 1596 and ATU 1749 Collective Bargaining Unit Agreements

The Chairman recognized Edward Johnson, Chief Administrative Officer, for presentation.

Mr. Johnson noted for the Committee that he would provide a status of the negotiations for the contract period October 2009 through September 2012 with the Amalgamated Transit Union (ATU) Local No. 1749 which represents LYNX' Supervisors for Maintenance and Transportation. Mr. Johnson noted that James Seegers, Attorney with Baker and Hostetler, would provide a status of the negotiations for the contract period October 2009 through September 2012 with the Amalgamated Transit Union (ATU) Local No. 1596 which represents LYNX' Bus Operators and Mechanics.

Mr. Johnson explained to the Committee that the Board of Directors previously approved a contract with ATU 1749 which provided for a wage increase of 2% for the current fiscal year and wage re-openers for fiscal years 2010 and 2011. The contract also provided for each party the ability to open one additional article.

In July, the President of ATU 1749 was notified that the contract year was ending. At that time, the Local responded that they were electing not to re-open the contract at this time and electing instead to wait for the FY2010 budgetary process to be concluded as well as the contract negotiations with Local 1596.

Mr. Seegers explained the current three year contract with ATU 1596 will expire September 30, 2009. The parties began meeting in May 2009 and have had a total of six bargaining sessions. The parties have narrowed the differing issues; however, it does not appear the parties will reach agreement by October 1st. The main remaining issues are economic in nature:

- 1) Wages
- 2) Over-Time Articles: it is Management's position that over-time is limited to those hours required by law – some current contract provisions allow for payment of over-time for a certain number of hours worked
- 3) Health Insurance: the insurance which is provided through Orange County has provisions for health risk assessments and the County is requesting LYNX implement a tobacco policy

The Committee asked when the negotiations may be concluded. Mr. Seegers responded the parties were scheduled to meet in mid-October and that it would be known at that time whether they would be able to agree on terms or whether they would be at an impasse.

G. Update on LYNX' Unified Shelter Program

The Chairman recognized Edward Johnson, Chief Administrative Officer, for presentation.

Mr. Johnson reminded the Committee that staff made a presentation at its July 23rd meeting regarding establishing a unified approach for the administration of the Funding Partners' shelter programs. The Committee recommended that staff meet with each of the partners that have a vested interest in shelters and/or in shelter advertising.

LYNX' staff has met with each partner, each indicated a desire to unify and each questioned how the revenues generated from the respective jurisdictions would be administered. Some suggestions garnered from the meetings were to enhance service within the jurisdiction and to purchase capital amenities.

Staff has requested LYNX' General Counsel to prepare an Inter-Local Agreement to detail terms and conditions of the shelter program. Additionally, LYNX' staff will request an opportunity to present the program to the jurisdictions' governing boards. If the various jurisdictions' boards concur, staff will make a presentation to the LYNX' Board of Directors at its next meeting.

LYNX' General Counsel noted that it would be beneficial to have a common agreement for shelters in all jurisdictions. However, an agreement for shelter advertising is a separate issue. Each jurisdiction has restrictions regarding advertising.

Counsel also discussed the Inter-Local Agreement with the City of Orlando which triggered the release of Request For Proposal (RFP) for advertising shelters. He noted that one response to the RFP was received. During the time that the Source Evaluation Committee (SEC) was assessing the response, LYNX was made aware that it would be the recipient of stimulus funds under the American Recovery & Reinvestment Act (ARRA) which would provide the ability to install shelters for the City of Orlando program rather than utilizing an outside vendor.

Mr. Johnson noted that staff is continuing to work with LYNX' funding partners and will bring recommendations to the Board of Directors.

4. Review of Board Package

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

Consent Agenda:

1. Item 6.C.v Staff will request authorization to amend the contract with AECOM Technical Services (formerly EarthTech) for architectural and engineering services in the amount of \$130,000. Included in the \$130,000 was an amount for project contingency funds that appeared in the agenda item as \$21,628. The contingency amount was transposed and the actual amount is \$12,628 for a total amendment amount of \$121,000.

Under general discussion, The Chairman asked for an update on the Champs Restaurant build-out. Mr. Francis addressed the question and explained that LYNX has delivered a revised contract for Champs legal counsel for review. When the contract is executed and returned, the actual build-out is estimated at 90 days.

Secretary Downs encouraged that staff review the schedules for the ARRA projects and make an effort to move them along faster as state unemployment rates remain high. Ms. Watson responded that it is estimated that the larger projects can get under way more quickly and that a Board Agenda Item is included to address the Chairman's authorization to approve ARRA contract awards during the months the full Board does not meet in order that the intent of the legislation is followed and utilization of the stimulus funds expedited.

Motion was made and seconded to adjourn. The Motion passed.

The meeting adjourned at 12:02 p.m.

LYNX Board Audit Committee Agenda

Audit Committee Agenda Item #3.A

To: LYNX Board of Directors

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

Phone: 407.841.2279 ext: 6047

Item Name: Update on Funding Agreements

Date: 01/07/2010

Bert Francis, Chief Financial Officer will update the Audit Committee on the status of the funding agreements with the funding partners for FY2010.

Funding Partner	Approval Date By Respective Governing Board	Executed Contract Received LYNX	Payments Received
Orange County	11/17/09	11/24/09	Yes/1 st Qtr
Orange County/The Club	12/01/09	12/01/09	No
Seminole County	12/08/09	-	No
Osceola County	11/02/09	11/13/09	No
Lake County	11/03/09	12/04/09	No
City of Orlando	10/19/09	11/02/09	Yes/1 st Qtr
City of Altamonte Springs	11/17/09	11/24/09	Yes/1 st Qtr
City of Sanford	08/24/09	11/24/09	Yes/1 st Qtr
City of St. Cloud	12/10/09	-	No

LYNX Board Audit Committee Agenda

Audit Committee Agenda Item #3.B

To: LYNX Board of Directors

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

Phone: 407.841.2279 ext: 6047

Item Name: Update on Proposed Investment Policy

Date: 01/07/2010

In the September 24, 2009 Audit Committee meeting, staff gave a presentation on the proposed LYNX investment policy. At that same meeting, the Committee also heard a presentation by Jeff LeMunyon of Linwood Capital, LLC regarding fuel hedging, the forward pricing of diesel fuel in an attempt to reduce or eliminate the range of diesel fuel costs over a future period of time.

Staff has made changes to the proposed investment policy that includes the ability to participate in a fuel hedging program. This is not an indication that staff is recommending near term participation in the program. Any participation will require Board prior approval. However, if the program is deemed beneficial in the future and approved by the Board, it could be implemented in accordance with the approved LYNX Investment Policy.

Staff will present the changes to the policy at the audit committee meeting.

LYNX Board Audit Committee Agenda

Policy: INVESTMENT POLICY

Approved By:

Issuing Dept: FINANCE

Effective Date: January 7, 2010

Linda Watson
Chief Executive Officer

SCOPE

To document the investment policy which applies to the investment and reporting of all financial assets, ("LYNX Funds") of the Central Florida Regional Transportation Authority ("LYNX" or "Authority"), except for LYNX's retirement funds. The assets may be in the form of operating funds or bond proceeds funds. However, bond proceeds may be further limited or expanded as to their permitted investments by their respective bond resolutions or covenants.

AUTHORITY:

Board of Directors and Section 218.415, Florida Statutes

POLICY

Rule 11: INVESTMENT POLICY

11.1 Definitions

In addition to the other terms defined in this Rule, the following terms are provided.

1.1.1 **Bank Trust Receipts**: Advance deposits to cover a prospective liability for services to be rendered and/or disbursements to be made; and composite amounts consisting of trust and business monies.

1.1.2 **Book Entry Form**: A chronological record of a specialist's inventory of securities and orders that other exchange members have placed with the specialist.

1.1.3 **Closed-End Management Company**: A closed-end investment company issues a fixed number of shares to the public in an initial public offering, after which time shares in the fund are bought and sold on a stock exchange, and they are not obligated to issue new shares or redeem outstanding shares as open-end funds are.

1.1.4 **Commercial Paper**: An unsecured obligation issued by a corporation or bank to finance its short-term credit needs, such as accounts receivable and inventory. Maturities typically range from 2 to 270 days

1.1.5 **Derivative**: A financial instrument whose characteristics and value depends upon the characteristics and value of an underlying security; typically a commodity, bond, equity or currency. Examples of derivatives include futures and options. Advanced investors sometimes purchase or sell derivatives to manage the risk associated with the underlying security, to protect

LYNX Board Audit Committee Agenda

against fluctuations in value, or to profit from periods of inactivity or decline. These techniques can be quite complicated and quite risky.

11.1.6 **Fair Market Value**: The price that an interested but not desperate buyer would be willing to pay and an interested but not desperate seller would be willing to accept on the open market assuming a reasonable period of time for an agreement to arise.

11.1.7 **Federal Deposit Insurance Corporation**: A federal agency that insures deposits in member banks and thrifts currently up to \$250,000 per deposit.

11.1.8 **Federal Farm Credit Bank (FFCB)**: The Federal Farm Credit Banks Funding Corporation issues debt securities as fiscal agent for the Farm Credit System, which is a nationwide network of borrower-owned lending institutions and service organizations specializing in agricultural and rural America. The mission of this government-sponsored enterprise is to ensure the availability of sound, dependable funding for agricultural producers, cooperatives and certain farm related business.

11.1.9 **Federal Home Loan Bank (FHLB)**: Government sponsored wholesale banks that lend funds and provide correspondent banking services to member commercial banks, thrift institutions, credit unions and insurance companies. The mission of the FHLB is to liquefy the housing related assets of its members who must purchase stock in their district Bank.

11.1.10 **Federal Home Loan Mortgage Corporation (FHLMC)**: FHLMC, commonly referred to as Freddie Mac, is a government sponsored enterprise that provides liquidity to the mortgage markets, much like FNMA and FHLB.

11.1.11 **Federal National Mortgage Association (FNMA)**: FNMA was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a federal corporation working under the auspices of the Department of Housing and Urban Development (HUD). It is the largest single provider of residential mortgage funds in the United States. Fannie Mae, as the corporation is called, is a private stockholder-owned corporation. The Corporation's purchases include a variety of adjustable mortgages and second loans, in addition to fixed-rate mortgages. FNMA's securities are also highly liquid and are widely accepted. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest.

11.1.12 **Internal Controls**: Policies and procedures designed to provide reasonable assurance that specific entity objectives will be achieved. It consists of: the control environment, risk assessment, control activities, information and communications, and monitoring.

11.1.13 **Liquidity**: the ability of an asset to be converted into cash quickly and without any selling of the asset below its normal price.

11.1.13 **Market Value**: The price at which a security is trading and could presumably be purchased or sold.

11.1.14 **Open-End Management Company**: An investment company that sells mutual funds to the public, issuing and redeeming shares on demand.

LYNX Board Audit Committee Agenda

11.1.15 **Qualified Public Depository**: Any bank, savings bank, or savings association that is organized under the laws of the United States or the State of Florida; has its principal place of business or a branch office to receive deposits in Florida; has deposit insurance under the provisions of the Federal Deposit Insurance Act; meets the requirements of Chapter 280, Florida Statutes (Florida Security for Public Deposits Act); and has been designated by the Chief Financial Officer of the State of Florida as a qualified public depository.

11.1.16 **Repurchase Agreement**: A contract in which the seller of securities, such as Treasury Bills, agrees to buy them back at a specified time and price. Also known as repo or buyback.

11.1.17 **Return on Investment (ROI)**: measures how effectively the portfolio's principal is invested to generate profit. The higher the ROI, the better.

11.1.18 **Risk**: The quantifiable likelihood of loss or less-than-expected returns. There are many different types of risk e.g., inflation risk (decrease in purchasing power); currency risk (devaluation of currency to the American dollar or visa versa); market risk (decline of the asset's value due to economic changes which effect the entire market) or unsystematic risk (price change in relation to a specific security).

11.1.19 **Safekeeping**: A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the banks' vaults for protection.

11.1.20 **Securities Investors Protection Corporation**: A non-profit membership corporation established by Congress which insures securities and cash in customer accounts up to \$500,000 (up to \$100,000 on cash) in the event of brokerage bankruptcy. The SIPC is funded by all of its member securities broker/dealers. While it insures the account in the event that a brokerage runs out of funds to cover its claims, it does not insure against investment losses.

11.1.21 **Specialist**: A stock exchange member who makes a market for certain exchange-traded securities, maintaining an inventory of those securities and standing ready to buy and sell shares as necessary to maintain an orderly market for those shares. This can be an individual, partnership, corporation or group of firms.

11.1.22 **Yield**: The rate of annual income return on an investment, expressed as a percentage. (1) Income yield is obtained by dividing the current dollar income by the current market price for the security. (2) Net yield or yield to maturity is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

11.2 **Investment Objectives**

Preservation of principal and safety - An important objective of this investment program is the preservation of the principal of those funds within the portfolio. Investment transactions shall be consistent with the other investment objectives, and seek to ensure that capital losses are minimized, whether they be from securities defaults or erosion of market value.

Liquidity - The portfolio shall be managed in such a manner that funds are available to meet reasonably anticipated cash flow requirements in an orderly manner.

LYNX Board Audit Committee Agenda

Return on investment - All investments will be made striving to maximize portfolio return, consistent with the quality, safety and liquidity restrictions. Yield shall be the primary source of investment returns. The pursuit of this goal will be continuous, but may not do so at the expense of assuming avoidable investment risk. The optimization of investment returns shall be secondary to the requirements for quality, safety and liquidity.

11.3 Risk and Diversification

Adequate diversification of LYNX's portfolio will be necessary to minimize market volatility risk, liquidity risk and default risk. Diversification will come in the form of investing in different security types, and in different financial institutions. It is the policy of LYNX to diversify its investment portfolios so as to protect against issuer defaults, market price changes, technical complications leading to temporary lack of liquidity, or other risks resulting from an over concentration of assets in a specific maturity, a specific issuer, a specific geographical distribution, or a specific class of securities. The following strategies, as determined by the Chief Executive Officer, will be reviewed periodically by the Board or any committee so established by the Board.

Maintenance of public trust - All participants in the investment process shall seek to act responsibly as custodians of the public trust. Investment officials shall avoid any transaction that might reasonably impair public confidence in the ability of LYNX to effectively implement the investment program.

Investment officials shall recognize that the investment portfolio is subject to public review and evaluation. The overall program shall be designed and managed with a degree of professionalism worthy of the public trust.

Asset liability management - To the extent consistent with the investment objectives and restrictions and the Authority's debt management policies, all herein adopted, LYNX will strive to maintain an investment/asset portfolio duration approximately equal to its debt/liability "portfolio". Equilibrium with respect to the duration of assets and liabilities may help LYNX earn interest on aggregate investments at its overall cost of capital or better.

11.4 Prudence

Prudence standard applied to the portfolio - the standard of prudence shall be applied in the context of managing the portfolio. Investment officers acting in accordance with written procedures and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

Prudent expert standard - While the standard of prudence to be used by investment officials who are officers or employees is the prudent person standard, any person or firm hired or retained to invest, monitor, or advise concerning these assets shall be held to the higher standard of prudent expert. The standard shall be that in investing and reinvesting monies and in acquiring, retaining, managing, and disposing of investments of these funds, the contractor shall exercise: the judgment, care, skill, prudence and diligence under the circumstances then prevailing, which persons of prudence, discretion and intelligence, acting in a like capacity and familiar with such

LYNX Board Audit Committee Agenda

matters would use in the conduct of an enterprise of like character and with like aims by diversifying the investments of the funds so as to minimize the risk of material losses, unless under the circumstances it is clearly prudent not to do so, and not in regard to speculation but in regard to the permanent disposition of similar funds, considering the probable income as well as the probable safety of their capital.

11.5 Ethics and Conflicts of Interest

Employees under the direction of the Chief Executive Officer - Officers and employees involved in the investment process shall not engage in personal business activities (e.g. directing business to favored broker/dealers) that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Officers and employees (including members of any committee established by the Board) shall immediately disclose to the Chief Executive Officer any material interest in any financial institution that conducts business with LYNX. For purposes of this paragraph, “material interest” shall have the same meaning as in section 112.312(15), Florida Statutes (1995).

11.6 Delegation of Authority

The Authority to manage the investment program is granted to the Chief Financial Officer.

11.7 Internal Controls

System of Controls - The Chief Executive Officer directs or otherwise recommends that the Chief Financial Officer establish a system of internal controls, which shall be documented in writing. The controls shall be designed to prevent losses of public funds arising from fraud, employee error, and misrepresentation by third parties, or imprudent actions by employees or by those individuals and/or entities under contract to LYNX. The controls shall provide that all transactions are confirmed in writing. In the development of the system of internal controls, consideration shall be given to documentation of strategies and transactions, techniques for avoiding collusion, separation of functions, delegation of authority and limitations of action, custodial safekeeping, and avoidance of bearer-form securities. The CFO will establish management controls specific to EFPs.

11.8 Independent Audit

The independent public accounting firm retained to conduct the annual audit of LYNX is directed to evaluate the system of controls relating to the investment of assets. Procedures should be performed by the accountants to provide reasonable assurance that investment officials have acted in accordance with the Investment Policy. The audit procedures shall include, but not be limited to, surprise audits of custodial and safekeeping systems. To the extent allowed by professional standards, the auditor may rely on work performed by other independent public accountants or internal auditors.

11.9 Reporting

The Chief Executive Officer may periodically, direct or otherwise recommend that the Chief Financial Officer obtain a written report from the custodian, including but not limited to: (i) a summary of recent market conditions; (ii) economic developments and anticipated investment conditions; (iii) a summary of investment strategies employed; (iv) a description of the portfolio (listing securities by type or class, maturity, risk class, book value, income earned and market

LYNX Board Audit Committee Agenda

value by report date) and a report of the period total investment return. Actual returns should be compared against planned figures. Any areas of concern should be addressed and portfolio changes made as warranted. The report will also include EFPM holdings and activity.

11.10 Performance Benchmarks

Investment performance benchmarks should be consistent with the quality, safety and liquidity restrictions and utilized to evaluate portfolio performance. These benchmarks will allow LYNX to compare returns to other investors in the same markets.

Based on the investment and maturity parameters for each portfolio, LYNX shall establish specific performance benchmarks. When establishing a performance benchmark for a portfolio, there are three main factors which will be considered:

1. it is independently compiled,
2. it represents true total return,
3. it is representative of the types of securities in the appropriate maturity range.

The quarterly report will show performance on both a book value and market value return basis and will compare the results to the established benchmarks.

11.11 Instruments

Policy restrictions - In addition to the statutory restriction on common stock, no monies may be invested in an investment company portfolio containing common stock in real estate, in options and futures, and in precious metals.

Use of derivative products - LYNX has established herein clearly defined procedures with respect to the analysis, documentation and management of derivative products. The Authority's staff will manage all agreements on an ongoing basis. LYNX has developed procedures to ensure that all agreements and periodic payments are monitored, that counter-party credit and documentation requirements are maintained, and that the portfolio is continually evaluated to determine each agreement's value, to identify restructuring opportunities and to assess trading potential.

11.12 Investments

Investment alternatives, other than securities, must have an established market. Investments should be made subject to the cash flow needs of LYNX. Such cash flows are subject to revisions as market conditions and agency needs change. It is the intent of the Chief Financial Officer to avoid assets that require a significant time to liquidate.

The following is a list of authorized investments for LYNX for operating and surplus funds in which the Chief Financial Officer may invest at the prevailing market rates and at an appropriate amount thereof. Bond proceeds may be further limited or expanded as to their permitted investments by their respective bond resolutions or covenants.

1. The Local Government Surplus Funds Trust Fund, as created by Section 218.405, Florida Statutes and administered by the State Board of Administration (SBA);

LYNX Board Audit Committee Agenda

2. United States Treasury and Agency securities whereby all principal and interest payments are guaranteed by the full faith and credit of the United States government. Agency securities backed by the U.S. must have at least two AAA, Aaa, AAA long-term credit ratings from Standard & Poor's, Moody's or Fitch, respectively. Maturities may not exceed 12 months;
3. Interest-bearing time deposits or savings accounts in Qualified Public Depositories (QDP) as defined in Section 280.02 Florida Statutes;
4. Obligations of the Federal Farm Credit Banks; the Federal Home Loan Mortgage Corporation, including Federal Home Loan Mortgage Corporation participation certificates; or the Federal Home Loan Bank or its district banks or obligations guaranteed by the Government National Mortgage Association. Collateralized mortgage obligations (CMOs) can be used if appropriate procedures are utilized to evaluate.
5. Deposits, federal funds or bankers acceptance of any domestic bank, including a branch office of a foreign bank which branch office is located in the United States, provided legal opinions are received to the effect that full and timely payment of such deposits or similar obligation is enforceable against the principal office or any branch of such bank, which:
 - a) has an unsecured, uninsured and unguaranteed obligation rated in either of the two highest letter rating categories by a Rating Agency, and
 - b) is the lead bank of a parent bank holding company with an unsecured, uninsured and unguaranteed obligation meeting the rating requirements in (a) above;
6. Prime commercial paper of a United States corporation, finance company or banking institution if such commercial paper is rated at least "P-1" by Moody's or at least "A-1+" by S&P and if such commercial paper is stated to mature in not more than 270 days.
7. Securities of, or other interests in, any open-end or closed-end management type investment company or investment trust registered under the Investment Company Act of 1940, 15 U.S.C. ss. 80a-1 et seq., as amended from time to time, provided the portfolio of such investment company or investment trust is limited to United States Government obligations and to repurchase agreements fully collateralized by such United States Government obligations or its agencies and provided such investment company or investment trust takes delivery of such collateral either directly or through an authorized custodian.
8. Repurchase agreements collateralized by Direct Obligations with any registered broker/dealer subject to the Securities Investors' Protection Corporation jurisdiction or any commercial bank, if such broker/dealer or bank has an uninsured, unsecured

LYNX Board Audit Committee Agenda

- and un-guaranteed obligation rated in either of the two highest letter rating categories by a Rating Agency, provided:
- a) a master repurchase agreement or specific written repurchase agreement governs the transaction, and
 - b) the securities are held, free and clear of any lien, by the trustee of the fund the monies of which were invested in such agreements, the Authority, or an independent third party acting solely as agent for such trustee or the Authority, and such third party is
 - i) a Federal Reserve Bank,
 - ii) a bank which is a member of the Federal Deposit Insurance Corporation and which has combined capital, surplus and undivided profits of not less than \$25 million, or
 - iii) a bank approved in writing for such purpose by the Bond Credit Facility provider, if any, and the trustee or the Authority shall have received written confirmation from such third party that it holds such securities, free and clear of any lien, as agent for the trustee or the Authority, and
 - c) a perfected first security interest under the Uniform Commercial Code, or book entry procedures described at 31 C.F.R. 306.1 et seq. or 31 C.F.R. 350.0 et seq. in such securities is created for the benefit of the Authority, and
 - d) the repurchase agreement has a term of thirty days or less, or the Authority will value collateral securities no less frequently than weekly and will liquidate the collateral securities if any deficiency in the collateral percentage required pursuant to subparagraph (f) below is not restored within two business days of such valuation, and the repurchase agreement matures at least one day (or other appropriate liquidation period) prior to the date on which it is anticipated that the funds invested therein will be expended, and
 - e) the fair market value of the securities in relation to the amount of the repurchase obligation, including principal and interest is equal to at least 102%.
9. Shares in a common law trust established as a separate public agency under Section 163.01, Florida Statutes which invests exclusively in investments permitted by Florida Statute.
 10. Other Investments authorized by law or ordinance for a county or municipality.
 11. Other investments authorized by law or ordinance for a school or a special district.

12. Energy Forward Pricing Mechanisms (EFPMs), including futures, options, etc., as a budget risk tool for purchases of LYNX-consumed commodities, (i.e. diesel fuel, gasoline, and natural gas), when they have a holding period and expiration of not more than 36 months from their trade date.

11.13 Selection of Qualified Institutions

The Chief Executive Officer directs or otherwise recommends that the Chief Financial Officer maintain a formalized written procedure for the selection of depositories in money market instruments and broker dealers in the execution of securities transactions. Such procedures should describe the competitive selection process and rationale for selection. All brokers/dealers and depositories deemed to be "qualified institutions" shall be provided with current copies of this Policy.

11.14 Competitive Selection of Investment Instruments

After the Investment Advisor or the Chief Financial Officer has determined the approximate maturity date based on cash flow needs and market conditions, not to exceed one (1) year for operating funds, and has analyzed and selected one or more optimal types of investments, a minimum of three (3) reputable, qualified, and financially sound institutions and/or dealers must be contacted and asked to provide bids on securities of interest. Bids will be held in confidence until the highest bid is determined and awarded.

However, on an exception basis, securities may be purchased utilizing the comparison to current market price method. Acceptable current market price providers include, but are not limited to:

1. The Wall Street Journal or a comparable nationally recognized financial publication providing daily market pricing,
2. Daily market pricing provided by the Authority's custody agents or their correspondent institutions.
3. Interactive Data Corporation (IDC)
4. Various third party sources currently utilized by the Investment Advisor

The Investment Advisor or the Chief Financial Officer shall utilize the competitive bid process to select the securities to be purchased or sold. Selection by comparison to a current market price, as indicated above, shall only be utilized when, in the judgment of the Investment Advisor or the Chief Financial Officer, competitive bidding would inhibit the selection process.

Examples of when this method may be used include;

1. When time constraints due to unusual circumstances preclude the use of the competitive bidding process.
2. When no active market exists for the issue being traded due to the age or depth of the issue.
3. When a security is unique to a single dealer, for example, a private placement.
4. When the transaction involves new issues or issues in the "when issued" market.

LYNX Board Audit Committee Agenda

Overnight sweep repurchase agreements will not be bid, but may be placed with the depository bank relating to the demand account for which the repurchase agreement was purchased.

11.15 Safekeeping and Collateralization

All cash, assets, and investment securities purchased by LYNX or held as collateral on investments shall be delivered versus the payment of funds and held in safekeeping by a qualified bank, or some other financial institution designated as custodian. The custodian will be selected by LYNX. All securities held as collateral will be held free and clear of any lien, and also shall be held by a third party custodian. Safekeeping and custody of EFPs, and the cash directly supporting such mechanisms, shall follow industry practices including maintenance of accounts at brokerage companies.

All securities purchased by LYNX will be held by a third party custodian and no withdrawal of such securities may be made by anyone except the Chief Financial Officer or the Chief Financial Officer's designated employees.

The Chief Executive Officer or designee will execute all third party custodial agreements with LYNX's banks and public depositories. Such an agreement will include letters of authority from the Chief Financial Officer as to the responsibilities of each party, notification of security purchases, sale, delivery, safekeeping and transaction agreements and wire transfers, safekeeping and transaction costs, and - procedures in the event of wire failure.

Any funds invested in a certificate of deposit from a qualified public depository may be collateralized by any of the securities listed in Sections 280.13 and 280.14 of the Florida Statutes. The list of qualified depositories, agreeing to the provisions in Chapter 136 of the Florida Statutes, is available upon request from the Department of Insurance and Treasurer of the State of Florida.

11.16 Security Disposition

Every security purchased must be properly earmarked and:

1. registered with the issuer and maintained in a safe place.
2. if held in book entry form, held for the credit of LYNX by a depository chartered by the Federal Government, the state or any other state or territory in the US as described in s 658.12, or by national organization existing under the laws of the U.S. Securities must be held in a depository in a separate account from assets of the financial institution.
3. if physically issued to the holder but not registered with the issuer or its agents, must be immediately placed for safekeeping in a secured vault.
4. LYNX may also receive bank trust receipts in return for investment of surplus funds in securities. All trust receipts received must list the various securities held with the specific number of securities held in accordance with 2) above.

This section does not apply to the Local Government Surplus Funds Trust Fund.

LYNX Board Audit Committee Agenda

11.17 Sale of Security

When the invested funds are needed in part or in whole for the purpose originally intended or for more optimal investments, LYNX may sell such investments at the then prevailing market rate and place proceeds into the proper account or fund.

11.18 Preemption

Any provision of any special act, municipal or other law which prohibits or restricts a local government entity from complying with Florida Statute 218.415 or any rules adopted under this section is void to the extent of the conflict.

11.19 Continuing Education

The CFO and staff responsible for making investment decisions shall obtain 8 hours of continuing education related to investment practices and products.

11.20 Transfer of Funds

Authorized personnel who can transfer funds: Chief Executive Officer, Chief Financial Officer or Manager of Finance.

LYNX Board Audit Committee Agenda

Audit Committee Agenda Item #3.C

To: LYNX Board of Directors

From: Lisa Darnall
CHIEF OPERATING OFFICER
Joe Cheney
(Technical Contact)

Phone: 407.841.2279 ext: 6036

Item Name: Update on Cummins Engine Warranty Status

Date: 1/7/2010

Staff will provide an update to the Audit Committee on the status of the Cummins engine technology and warranty status.

LYNX Board Audit Committee Agenda

Audit Committee Agenda Item #3.D

To: LYNX Board of Directors

From: Edward Johnson
CHIEF ADMINISTRATIVE OFFICER
Tony Walter
(Technical Contact)

Phone: 407.841.2279 ext: 6058

Item Name: Update on Transit Planning Agreement with METROPLAN ORLANDO for FY 2009/2010

Date: 1/7/2010

The Federal Transit Administration (FTA) and Florida Commission for the Transportation Disadvantaged annually appropriate planning funds to METROPLAN ORLANDO. A portion of the Federal funds along with State funds are used to specifically address transit related planning and data collection activities. Annually, FTA funds are received under a Metropolitan Planning Program Grant (Section 5303) directly to METROPLAN ORLANDO and are passed through to LYNX for planning activities identified as part of the Unified Planning Work Program (UPWP). Also, State planning funds for transportation disadvantaged services are annually included in a grant from FDOT to METROPLAN ORLANDO and are passed through to LYNX.

LYNX staff has coordinated with METROPLAN ORLANDO to define certain transit planning tasks and their funding levels which have been incorporated into the 2009/2010 fiscal year UPWP. The UPWP has been adopted by the METROPLAN ORLANDO Board and is the regional document defining various transportation planning activities programmed annually by federal, state and local governments.

The 2009/2010 fiscal year LYNX planning activities included in METROPLAN ORLANDO's Metropolitan Planning Program and State grants are as follows:

- Transit System Monitoring
- Short-Range Transit Development Program Update
- Long-Range Transit Planning Process
- Safety and Security in Transportation Planning Process
- Transit Quality Level of Service Assessment
- Paratransit Services Planning
- Transportation Disadvantaged Services

LYNX Board Audit Committee Agenda

The planning funds in the total amount of \$405,005 include \$122,729 of carry-forward funds, \$238,419 provided for reimbursement of FTA 5303 funds and \$43,857 of Transportation Disadvantaged funds.

Edward Johnson, Chief Administrative Officer will provide the Committee with an overview of the METROPLAN ORLANDO (MPO) Transit Planning Agreement for FY 2009/2010.

LYNX Board Audit Committee Agenda

Audit Committee Agenda Item #3.E

To: LYNX Board of Directors

From: Edward Johnson
CHIEF ADMINISTRATIVE OFFICER
Sherry Zielonka
(Technical Contact)

Phone: 407.841.2279 ext: 6058

Item Name: Update on the Proposed Unified Shelter Program

Date: 1/7/2010

Edward L. Johnson, Chief Administrative Officer, will provide the Audit Committee with an update to the discussions LYNX staff has had with the funding partners relative to establishing a unified shelter program. To-date, representatives of Orange, Osceola and Seminole Counties and the City of Orlando have met three times to discuss the design of the program.

In general, the group has reviewed and agreed that they prefer LYNX manage the shelter program on the behalf of each jurisdiction (whether managed in-house or outsourced); have reached agreement on the type of shelter design for the respective jurisdictions; minimum standards for maintaining the shelters and the surrounding areas; and had a preliminary review of the draft interlocal agreement giving LYNX the authority to manage the shelter program within their areas.

Osceola and Seminole Counties have selected LYNX' "Winter Park" style shelter (see below). Orange County and the City of Orlando have tentatively decided to issue a request for proposal for a new style shelter design (see conceptual design below).

The group concurred with LYNX' existing maintenance program for shelters that include being cleaned, at a minimum, two times per week. Shelters having a higher volume of traffic will be cleaned more frequently. Each shelter will have a trash receptacle and debris cleared within a fifteen foot radius of the shelter. Damages to the shelter such as graffiti, paint chipping, etc. will be repaired with 48-hours of receiving notice of damages and seriously damaged shelters will be removed within 24-hours of notification.

LYNX Board Audit Committee Agenda

The continuing discussion at this time surrounds the use of the net revenue. LYNX staff proposed to use the net revenue as a credit to capital purchases or to meet other non-operational obligations for the jurisdiction that relate to services rendered by LYNX. Unless otherwise agreed upon, LYNX would not use net revenue to supplant existing transit services funding.

It is anticipated that the draft interlocal agreement can be presented to the LYNX Board at its next scheduled meeting.

SHELTERS

Winter Park Design

6' x 13'



Proposed City of Orlando/Orange County Design

6' x 13'



5' x 9'



LYNX Board Audit Committee Agenda

Audit Committee Agenda Item #3.F

To: LYNX Board of Directors

From: Edward Johnson
CHIEF ADMINISTRATIVE OFFICER
Rudolph Walter
(Technical Contact)

Phone: 407.841.2279 ext: 6058

Item Name: Update on LYNX Feeder Bus Service for Commuter Rail

Date: 1/7/2010

Edward Johnson, Chief Administrative Officer will provide the Committee with an update on LYNX' Feeder Bus Services for the recently approved Commuter Rail system.

Audit Committee Agenda Item #3.G

To: LYNX Board of Directors

From: Edward Johnson
CHIEF ADMINISTRATIVE OFFICER
Desna Hunte
(Technical Contact)
Rich Bannon
(Technical Contact)

Phone: 407.841.2279 ext: 6058

Item Name: Overview of LYNX' Proposed Minority Women Business(MWBE) Program

Date: 1/7/2010

LYNX recognizes the importance of small businesses to the economic vitality of the Orlando Standard Metropolitan Statistical Area (“Local Area”) and the contribution of small businesses to employment opportunities in the Local Area. This program will provide certified and recognized M/WBE firms in any state or local municipalities the opportunity to compete for business with LYNX which will increase the competitiveness for such contracts. This is not a set aside or quota program.

Staff will review the actual monetary value of contracts and expenditures for the last fiscal year on operational and administrative procurements for services to determine potential opportunities, as well as in the establishment of a goal for participation. The valuation process will be consistent with LYNX’ Disadvantaged Business Enterprise program that follows the Federal Transit Administration’s formula for determining annual goals.

It is LYNX’ policy to provide small and local minority businesses, or M/WBE's, with equal opportunity to participate in the Authority's non-federally funded procurements and contracting services. LYNX’ overall goal is to ensure M/WBE and small firms have equitable opportunity by undertaking any reasonable effort to attain the goals to be set forth in the program.

An M/WBE is a firm, which is at least 51% owned and controlled by one or more socially and economically disadvantaged individuals. Socially and economically disadvantaged individuals are persons who are citizens or lawful permanent residents of the United States and who are African Americans, Hispanic Americans, Asian Pacific Americans, Native Americans or Women. LYNX will partner with other local governments such as The City of Orlando and Orange County, who have well established M/WBE programs for certification purposes.

Unlike the Disadvantaged Business Enterprise Program (DBE) there is not an income level attached to the owner or the firm. Staff will conduct information sessions as well as participate in outreach opportunities to notify businesses of contracting opportunities.

LYNX Board Audit Committee Agenda

Audit Committee Information Item # I

To: LYNX Board of Directors

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

Phone: 407.841.2279 ext: 6047

Item Name: LYNX 12 Month Rolling Calendar

Date: 01/07/2010

February 2010

March 2010

- Authorization to accept year-end financial audit
- Adoption of LYNX' FY2010 legislative priorities
- Preliminary review of FY2011 proposed budget
- Authorization to submit FDOT service development grant(s) application(s)
- Authorization to issue an Invitation for Bid for Ultra Low Sulfur Diesel Fuel
- Authorization to issue an Invitation for Bid for 87 Octane Unleaded Gasoline
- Contract 07-022 Authorization to exercise first year option with Pride Enterprises for the printing of public time tables

May 2010

- Work session on Transit Development Plan (TDP)
- Contract #08-C04 Authorization to exercise the second year option with JEJ & Associates for State Consulting Services
- Contract #08-C06 Authorization to exercise the second year option with Gray Robinson for State Consulting Services

July 2010

- Contract 07-043 Authorization to exercise first year option with Tuff Cut, Inc. for landscaping services

September 2010

- Authorization to issue a Request for Proposal for A&E Services

November 2010

LYNX Board Audit Committee Agenda

- Contact #07-051 Authorization to exercise the first option year with Grovsenor Building Services for Janitorial Services