

LYNX Audit mmittee Agenda



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

Board Date: 4/22/2009
Time: 1:00 PM








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

1. Call to Order

2. Approval of Minutes

-  Minutes from the February 26, 2009 Audit Committee Meeting

3. Audit Agenda Items

- A.  Review of Proposed Change to Administrative Rule #4 - Procurement and Contract Administration
- Attachment 
- B.  Overview of the FY2009 Amended Operating & Capital Budgets
- C.  FY2010 Proposed Budget Development Assumptions
- Presentation 
- D.  Review of the Draft Osceola County Funding Agreement
- Attachment 
- E.  Presentation on "Art in Transit"
- F.  Overview of Federal Transit Administration (FTA) and Florida Department of Transportation (FDOT) American Recovery & Reinvestment Act Funds

5. Information Items
(For Review Purposes Only - No action required)

- I.  LYNX 12-Month Rolling Calendar

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: **February 26, 2009**

TIME: **9:30 a.m.**

Members in Attendance:

Seminole County Commissioner, Carlton Henley, Chair
Osceola County Commissioner, Brandon Arrington
FDOT District 5 Secretary, Noranne Downs, Secretary
Orange County, Carla Bell Johnson, 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 9:30 a.m.

2. Approval of Minutes

Motion was made and seconded to approve the Minutes of the December 11, 2008 Audit Committee meeting. The motion passed unanimously.

3. Audit Agenda Items

A. Overview of the Administrative Retirement Plan with The Hartford Group

The Chairman recognized Bert Francis, Chief Financial Officer, and Sidney Taylor, Burgess Chambers and Associates, for presentation.

Bert Francis noted that when LYNX transferred the Administrative Retirement Plan from Nationwide to The Hartford Group in May 2007, the Board of Directors requested to be updated. He introduced Mr. Sidney Taylor, Burgess Chambers and Associates, who would provide an update on current market conditions, the development of the "Lifestyle Plan," and provide a comparison of Hartford and Nationwide. Mr. Francis explained that Burgess Chambers serves as the Plan's

investment monitor to review the Plan funds and actively manage the Lifestyle portfolios.

Mr. Francis briefly described LYNX' retirement plans:

- 1) Defined Contribution Plan. Participants are administrative employees. LYNX contributes approximately 12% into the Plan and is based on the performance of the Plan's assets.
- 2) Approximately 12 employees that were in the Florida Retirement System opted to continue participating in the FRS at the time that LYNX opted-out. LYNX cannot add new participants to the FRS.
- 3) Defined Benefit Plan. Participants in this Plan are members of the Amalgamated Transit Union Local 1596.

Sidney Taylor noted that inasmuch as the market deteriorated shortly after the transfer from Nationwide to The Hartford Group, the products offered within The Hartford portfolio have performed better. In addition, the Lifestyle Funds that were developed have benefited many employees.

Mr. Taylor explained that the Lifestyle Funds are a group of mutual funds and Burgess Chambers oversees the asset allocation. Burgess Chambers researched the mutual funds that were available to the Plan and selected funds based on risk and return and created six separate Lifestyle Funds. Three of the Lifestyle funds are considered "risk based" for the conservative, moderate or aggressive employee investors and three are "target based" for employees with a retirement goal of years 2013, 2023, or 2038.

Mr. Taylor then displayed a chart comparing the current Hartford funds offered in the Plan to the previous Nationwide funds. In reviewing the 6 month fund returns, the time period closest to the Plan transfer, generally all funds were performing better. As an example, in the Mid-Cap Funds, Index Funds were selected which are a lower cost to the participants and provide diversified exposure of volatility. Additionally, Inflation-Protected Bond Funds were added which are helpful during inflationary periods. Lastly, Real Estate Funds previously offered with Nationwide were removed from the platform as it was not felt that commercial real estate could be currently recommended as an investment option for the Plan as well as a high risk asset fund, Hard Assets, which was determined to be highly volatile.

Mr. Taylor noted that Hartford, as the service provider, offers "revenue sharing" which reduces costs to the Plan and that currently the Plan is not experiencing any out-of-pocket expenses. He also reported that Hartford's fees are 35 basis points.

Under discussion, it was requested that future presentations include the Hartford fee schedule and that presentations be provided quarterly to the Audit Committee for the Committee to report semi-annually to the Board of Directors. The Committee additionally requested the presentation include the number of employees in each Plan, the number approaching retirement, and the approximate amount the employees will draw at retirement.

B. Actuary Presentation

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

Mr. Francis presented projections prepared by the firm, Gabriel, Roeder, Smith & Company, relating to the annual employer contribution rate determined for the Plan year ending September 30, 2008, the projected contribution rate for FY2009, and how the impact of the financial markets may affect the valuation for the Plan year ending September 30, 2009 and ultimately the projected contribution rate for FY2010.

As mentioned earlier, participants in the Defined Benefit Plan are members of the Amalgamated Transit Union Local 1596. The Plan is similar to Florida Retirement System in that LYNX makes a contribution which grows by interest on assets and the amount of contribution. If the assets are not experiencing the rate of return projected, the employer contribution may need to be increased in order to make the Plan actuarial sound. Actuarial calculations are made on October 1st each year for contribution for the next Plan year. The Plan is participatory and the employee contribution is determined on three levels: regular benefit, enhanced level one, and enhanced level two.

Mr. Francis displayed two charts based on projections made October 1, 2008 to address how current market conditions may affect the employer contribution for FY2009 through FY2013. With the impact of the down-turn in the market, the projection made October 1, 2008 for Plan year 10/1/09 – 9/30/10 assumed an actual return on assets of -14.1%, annual payroll growth of 4%, and an increase of .13% in the employer contribution. The projection for October 1, 2009 for Plan year 10/1/10 – 9/30/11 assumes an additional -14.1% return on assets, annual payroll growth of 4%, and an increase of 1.72% in the employer contribution. If, however, the annual payroll of 2% is assumed, the employer contribution for Plan year 10/1/10 – 9/30/11 would increase to 1.82%. In essence, as payroll growth is reduced lessening employee contribution, a higher employer contribution is required to keep the Plan actuarial sound. At the same time LYNX may experience a reduction in payroll cost, it may also experience an increase in its retirement benefit cost.

Mr. Francis estimated 743 employees currently participate in the Plan and 150 are currently receiving benefits.

Under discussion, it was requested that future actuarial presentations be provided quarterly to the Committee. Additionally, it was requested future presentations include the dollar amount applied to the employer contribution shortfall.

C. Briefing on the Osceola County Funding Agreement

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

Bert Francis provided an update on the discussions with Osceola County staff regarding the revised FY2009 Service Funding Agreement.

Osceola County's budget for funding LYNX was approximately \$108,000 less than the LYNX Board approved for the current fiscal year. Additionally, actions by the City of Kissimmee and approved by the LYNX Board at its last meeting increased the shortfall by an additional \$100,000. The Osceola and LYNX staffs have attempted to craft a funding agreement to deal with the shortfall. To date there remains issues concerning the re-establishment of LINK 12 as well as deadhead miles. In previous years, the funding model has been utilized to establish the cost to the funding partners based on service hours. By virtue of the distance to Osceola County, the deadhead miles are increased and thus they experience a larger percentage of the cost. By decreasing deadhead miles, the partner's proportionate share of funding would be decreased.

Under discussion, the Chairman noted that it appears the funding partners are going away from the use of the funding formula and questioned what the impact of the deadhead allowance for Osceola County would be on the other funding partners. He pointed out that if all partners' costs were not based on the funding model then each partner's funding agreement is being negotiated independently and the practice would make the budget process difficult.

The Chairman asked that in the absence of an Agreement with Osceola County if any revenue had been received. Mr. Francis noted that no revenue had been received since October 1, 2008; however, LYNX is of the understanding that a consent agenda item has been drafted for consideration by Osceola and if approved would provide emergency funding for the first quarter.

As a follow-up, the Chairman questioned how long service would continue to be provided without any revenue being received for the service. He suggested that the Funding Agreements should include a late fee in light of LYNX utilizing its reserve funds while waiting for payment.

The Committee expressed concern that this information is being presented in the fifth month of the fiscal cycle and that on a monthly basis the Committee should be made aware as to whether payments are being received. Additionally, all partners should be made aware when the terms of the agreements vary substantially as the terms begin to create substantially different risks among the partners. It was noted that the provisions of the funding agreements should be in a format that protects the interests of the partners equally. Keeping in mind that the organization has financial liabilities that the remaining partners would be responsible for, should there be any deviation in the terms of a partner's agreement, they should be noted as an exception and brought to the Committee for discussion.

LYNX general counsel noted that a uniform agreement was being designed for all funding partners. The uniform agreement would allow for each partner to review the agreement of all others and to determine the interest of each is being equally protected with any exceptions being identified on an attached addendum.

The Committee noted that as a part of a uniform agreement, provision should be made for continuation of payments.

The Chairman noted in the absence of an agreement, Osceola County could not legally make payments and that in the absence of an agreement; LYNX could not legally provide service. He further expressed that the position should be communicated in writing to Osceola that service will have to terminate on a date certain if payment is not received and request a continuing funding resolution while the terms of the agreement are being finalized.

In conclusion, the Committee requested an update from the Finance/Funding Committee at its March meeting.

Ms. Watson, LYNX' Chief Executive Officer, noted that Staff will be requesting authorization of the Board to enter into a revised FY08-09 Service Funding Agreement with Osceola County that is in an amount that is in their budget until the other issues can be resolved. In conversation with the County Manager, it is staffs' understanding that if the LYNX Board approves the agreement, it would be approved by Osceola's Board. Inasmuch as there has been other conversations that have incorporated the issues of LINK 12 and the deadhead miles.

The Committee noted that the Board agenda item indicated that the proposal included LYNX would make up the shortfall by use of internal changes to make up the difference for LINK 12. While the other partners have experienced service reductions, there are costs associated with the changes Osceola is proposing and it is not clear how LYNX can absorb the costs nor, based on the amount of time it would take to incorporate the proposed changes and being in the fifth month of the fiscal year, how the issues can be negotiated into the current agreement.

Ms. Watson reported that staff had not been able to resolve the outstanding issues and the proposed agreement represents where the negotiations are to date.

The Committee determined to table the discussions.

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

The meeting adjourned at 10:39 a.m.

LYNX Board Audit Committee Agenda

Audit Committee Agenda Item #29AE8FF6-3372-4DF3-B07B-2D113E13C761

To: LYNX Board of Directors

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

<<Technical / Project Lead Title 3>>

Phone: 407.841.2279 ext: 6047

Item Name: Review of Proposed Changes to Administrative Rule #4 – Procurement and Contract Administration

Date: 4/22/2009

Bert Francis, LYNX Chief Financial Officer (CFO), will discuss proposed minor revisions to Administrative Rule # 4.4.9 to allow the Chief Executive Officer (CEO) greater flexibility in securing fuel contracts at a fixed price for delivery in the future.

Attached is the document recommended for revision: 1) Fuel Contracts 4.4.9

4.4.9 Fuel Contracts.

- A. The Governing Board finds that the procurement of fuel by the Authority, is both an absolute necessity for the Authority to fulfill and meet its public purpose and also that the procurement of fuel is a widely varying process that is subject to the market risks and shifts from time to time. Therefore, the Authority must be prepared in acquiring fuel to be able to adjust to and meet market conditions from time to time.
- B. The Governing Board will generally on a two year basis establish the guidelines or process by which the Authority may seek to acquire fuel for the Authority's operations. Generally speaking, the Governing Board may authorize the process by which fuel will be acquired for each two year period which will generally authorize the Chief Executive Officer to establish the terms and conditions of the competitive bidding process and for the Chief Executive Officer to award and execute the contract.
- C. Recognizing that fuel contracts will vary from time to time, if an opportunity is presented to the Authority that would provide for a savings in fuel costs of 5% or more, the CEO is authorized subject to permitted contract requirements to purchase and enter into contracts to acquire such other fuel.
- D. The Governing Board authorizes the process by which the CEO may secure fuel futures contracts allowing LYNX to secure fuel at a fixed price with delivery to be made in the future. The CEO is authorized subject to permitted contract requirements to purchase and enter into contracts to acquire such other fuel providing the cost is within the current year budget. If the amount is anticipated to exceed the current year budget, the contracts will be presented to the Board prior to authorization.

LYNX Board Audit Committee Agenda

Audit Committee Agenda Item #4F7D78F0-AF79-4059-9644-88D2136884FE

To: LYNX Board of Directors

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

Phone: 407.841.2279 ext: 6047

Item Name: Overview of FY2009 Amended Operating & Capital Budgets

Date: 4/22/2009

On October 23, 2008, LYNX staff presented the amended Operating Budget for FY2009 in the amount of \$127,395,262. Further revisions are required to decrease the federal funding awarded for phase two of the Model Orlando Efficient Travel Management Coordination Center (MORE_TMCC); to include the Disney/FDOT mitigation funding for Links 111 and 56; to include the LYMMO Expansion Alternative Analysis (AA) study; and to reflect the final adjustments for the new PickUpLine and Road Rangers Services and other miscellaneous adjustments. The amended Operating Budget will be in the amount of \$121,046,807.

On December 11, 2008, LYNX staff presented the amended Capital Budget for FY2009 in the amount of \$27,173,872. Further revisions are required to include the anticipated cost of projects related to the American Recovery and Reinvestment Act (ARRA). The amended Capital Budget will be in the amount of \$51,051,242.

Additionally, LYNX and the Osceola County Government staff have been in discussions on how to handle a the FY2009 budget shortfall that resulted from the City of Kissimmee reducing its contribution by \$100,000; the establishment of Pick-up Line Services (approximately \$69,284) to replace the eliminated Link 12; and a discrepancy of approximately \$108,000 in the budgeting process. Staff will discuss how this shortfall can be eliminated and maintain the current level of service in Osceola County.

Finally, during the FY2009 budget approval process, Orange County and LYNX Board of Directors concurred with the April 26, 2009 elimination of the Link 27 that serves the Cities of Ocoee and Winter Garden and the Towns of Oakland and Tildenville. The City of Ocoee subsequently requested that the service on Link 27 continue to operate until the end of the 2009

LYNX Board Audit Committee Agenda

school year (June 3, 2009). The additional cost to operate the Link 27 for 32 days is estimated to be \$69,755. Orange County Government has concurred with the extension of the service and has requested that LYNX covers the additional cost with current year fuel savings.

LYNX staff will make a full presentation of the revisions at the Audit Committee meeting.

LYNX Board Audit Committee Agenda

Audit Committee Agenda Item #3.B

To: LYNX Board of Directors

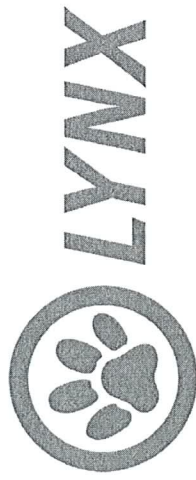
From: Bert Francis
CHIEF FINANCIAL OFFICER
Blanche Sherman
(Technical Contact)

Phone: 407.841.2279 ext: 6047

Item Name: FY2010 Proposed Budget Development Assumptions

Date: 4/22/2009

Staff is in the process of developing the FY2010 Operating and Capital Budgets. The key assumptions that LYNX' budget team will use in the preparation of these budgets will be presented. This item gives the Audit Committee an opportunity to provide direction and feedback to management at the beginning of the budget development process. Staff will also present the budget calendar for the FY2010 budget.



FY2010 Budget Development Assumptions

Presented to the LYNX Audit Committee

April 22, 2009



Key Budget Assumptions

- Orange County has indicated a need to decrease the LYNX funding amount in FY10 by 5% from the FY09 amount.
- City of Orlando has indicated a need to decrease the LYNX funding amount in FY10 by 12% from the FY09 amount.
- Osceola County has indicated a need to maintain or decrease the current LYNX funding amount in FY10.
- Seminole County has indicated a need to maintain the LYNX funding amount in FY10.
- Based on this information, do we utilize the Regional Funding Model FY10 for funding requests?
- Maintain same level of service throughout the system.
- No additional Fare Increase in FY10.
- Re-establish parts of the Link 12/18 service in Osceola County.
- Impact of deadhead hours if a new Osceola County operating base is established.

Key Budget Assumptions

- Maintain current level of Federal Preventative Maintenance Funding (currently \$8,794,752).
- No plan to utilize Reserves unless required under the new Reserve Policy.
- Continued utilization of OPIS and fixed price contracts for fuel purchases.
- Utilization of flex services in the FY10 budget.
- Impact of Union negotiations.
- Slight increase in Defined Benefit Plan retirement contribution based on actuarial calculation.
- No administrative salary increases.
- Hiring freeze for all but the most crucial positions.
- No market pay adjustments.
- Impact of elimination of 11 positions in FY09 for the entire FY10 fiscal year.
- Expense impact of opening a new Osceola County operating base.

Key Budget Assumptions

- Impact of stimulus capital projects and related operating expenses in the FY10 budget.
- Decision to purchase vehicles for Paratransit activities.
- Impact of shelter program with the City of Orlando (outsource vs. in-house).
- Review type of fixed route vehicles used in future operations.
- Revise current capital budget to reflect the use of ARRA projects.
- Additional revenue from Advertising on Bus Shelters.
- Utilization of Rural Recovery Funds for additional preventative maintenance and capital cost of contracting.
- Status of Road Rangers Program.
- What to do with South Street facility.

Budget Calendar

Key Budget Assumptions Presentation to Audit Committee	April 22 nd
Present to LYNX Board	April 22 nd
Funding Request Letters Submitted to Funding Partners Proposed Budget	April 24 th
Proposed Budget/Funding Requests Presented to Osceola & Orange Counties	June/July
Proposed Budget/Funding Request Presented to Seminole County	August
Final Board Action	September 24 th
Budget Year 09 – 10 Commences	October 1 st

LYNX Board Audit Committee Agenda

Audit Committee Agenda Item #3.C

To: LYNX Board of Directors

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

Phone: 407.841.2279 ext: 6047

Item Name: Review of the Draft Osceola County Funding Agreement

Date: 4/22/2009

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

**SERVICE FUNDING AGREEMENT
BETWEEN OSCEOLA COUNTY AND LYNX
FOR FISCAL YEAR 2008-2009**

THIS AGREEMENT is made and entered into this ____ day of April, 2009, by and between OSCEOLA COUNTY, a charter county and a political subdivision of the State of Florida (hereinafter the "County"), and the CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY, a body politic and corporate created pursuant to Part II, Chapter 343, Florida Statutes, (hereinafter "LYNX").

WITNESSETH

WHEREAS, Part II, Chapter 163, Florida Statutes (the "Local Government Comprehensive Planning and Land Development Regulation Act"), provides *inter alia* that specific public facilities and services must be available concurrently with the impacts of development; and

WHEREAS, the County recognizes the need to provide public transit services in an efficient manner and acknowledges the benefits of increased ridership on the regional public transit system; and

WHEREAS, increasing traffic congestion and continued population growth require an efficient and convenient public transit service; and

WHEREAS, an efficient and convenient public transit service offers a viable alternative to private automobile travel; and

WHEREAS, LYNX desires to provide public transit services within the County, and

WHEREAS, the County desires to provide LYNX with funding to support the operation of the public transportation service within the County; and

WHEREAS, at its meeting on September 24, 2008, the Osceola County Commission approved a budget allocation by which the County would provide to LYNX funding in the amount of \$4,867,305 (the "Approved County Funding") for LYNX to provide public transit services within the County; and

WHEREAS, on or about October 23, 2008, the Board of Directors of LYNX approved an arrangement for funding by the County for LYNX in the amount of \$4,975,993 (the "Approved LYNX Funding"); and

WHEREAS, the City of Kissimmee (the "City") is located within Osceola County, and LYNX has a separate funding arrangement with the City for transit services located within the City. In that regard:

(a) LYNX originally approved funding from the City in the amount of \$220,000 at its meeting held September 25, 2008.

(b) The City has indicated that it is unwilling to pay said funding arrangement but, rather, has agreed to provide funding to LYNX in the amount of \$120,000.

(c) Under the procedure followed in the County, the County will make up said difference in funding with respect to the City or \$100,000.

(d) At its Board meeting held on January 22, 2009, the LYNX Board approved said revised funding from the City with the understanding that the County would "pick up" said difference or shortfall in funding for LYNX; and

WHEREAS, taking into account the City funding shortfall of \$100,000, the funding then expected by LYNX from the County would be the sum of \$4,975,993 (i.e., the Approved LYNX Funding) plus the City funding shortfall (i.e., the \$100,000) for a total amount of \$5,075,993; and

WHEREAS, the difference between the LYNX requested funding of \$5,075,993 and the County approved funding of \$4,867,305 is \$208,688 (the "Funding Shortfall"); and

WHEREAS, LYNX and the County have held meetings between themselves regarding the provision of services by LYNX to see if there is any operating efficiencies that could be achieved with respect to the transit services provided by LYNX in Osceola County such as, for example, if there is placed in Osceola County an operations facility for utilization by LYNX, would that facility significantly reduce the amount of "deadhead time" on buses running back and forth between the LYNX Bus Operation Base in Orange County and the actual bus routes located in the County.

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements hereinafter contained and other good and valuable consideration, the County and LYNX agree as follows:

1. RECITALS. The County and LYNX hereby declare that the recitals set forth above are true and correct and are incorporated herein and made a part of this Agreement.

2. LYNX SERVICE AND REPORTING REQUIREMENTS. In consideration of the funding provided by the County LYNX agrees to provide the services and reports specified in this agreement.

2.01 SERVICE REQUIREMENTS. Each service is associated with an allocation of the total amount of money to be paid by the County to LYNX under this agreement as indicated in Paragraph 3 a. The intent of the parties is that LYNX will provide at least the amount of service associated with each budget allocation associated with the specific service. The parties may shift dollars from one type of service (link) to another in order to balance the amount of money paid under this agreement with the services provided. Periodically the level of services shall be reconciled with the amount of money allocated to the services. At any time that the balance of the money remaining to be paid is projected to be significantly more or less than the amount required to pay for the balance of the remaining services, the parties shall meet and agree to an adjustment to the level of service to bring the budget allocations closer to the actual requirements. Such adjustments to the levels of service shall be documented in writing, however, need not be the subject of an amendment to this agreement. In no event shall the

County be obligated to pay any additional money in the absence of a written amendment to this agreement.

The parties are aware and understand that, at this time, the Approved County Funding level is \$4,867,305 and that this is not fully consistent with the attached Exhibit "A" which shows a different funding level. As a result, the services described in the Exhibit "A" are based on a funding requirement from the County greater than the Approved County Funding level. This is the "Funding Shortfall". The parties are aware of this difference or "Funding Shortfall" and have provided in paragraph 4 for how to address this Funding Shortfall.

The parties are further aware of the County's desire to re-establish the Link 12 that was eliminated on December 7, 2008 as part of the approved LYNX budget for FY2009. The cost to re-establish this service is still being determined by LYNX staff, as is the method of service, (i.e. fixed route or "flex services"). The parties are aware that re-establishing this service will result in additional costs and have provided in paragraph 4 for how to address this additional funding requirement.

2.02 REPORTING REQUIREMENTS. Beginning on April 1, 2009 and on a quarterly basis thereafter, LYNX shall provide the County a written performance report reflecting the operations of the prior quarter (collectively referred to as "Performance Measures"). Each quarterly report will include the following items:

- a. A route map, and schedule for each route operated in the County.
- b. The actual aggregate ridership by transportation mode (Fixed Route bus, Lymmo, ACCESS LYNX, Van Plan and special shuttles) in the form of the official LYNX Monthly Ridership Reports.
- c. Operational Service Characteristics Report for current services contemporaneous updates.
- d. A comparison of actual revenue and expenditures to budgeted revenues and expenditures with explanations for variances that exceed Fifty Thousand Dollars (\$50,000).
- e. LYNX Route Performance report which reports and ranks each route monthly based on the following:
 - * Subsidy per passenger trip
 - * Passengers per trip
 - * Passengers per revenue hour
 - * Passengers per revenue mile
 - * Percent farebox return (percent of operating cost recovered through farebox)
- f. Current and contemporaneous versions of the LYNX Regional Model. (This subsection (f) is not applicable for the current fiscal year funding.)
- g. Scheduled and actual Revenue Miles
- h. Scheduled and actual Revenue Hours
- i. Schedule of unanticipated extraordinary expenses for the prior quarter
- j. Changes to authorized staffing

- k. Any other information the County reasonably requests
- l. An historical record describing route changes including, but not limited to:
 - i. Addition of Route(s)
 - ii. Elimination of Route(s)
 - iii. Combination of Routes
 - iv. Addition of Evening Service
 - v. Addition of Weekend Service
 - vi. Other Route Scheduling Changes
 - vii. Running Time Adjustments

Quarterly reporting periods shall end on December 31, March 31, June 30, and September 30, and said reports shall be submitted to the County's Transportation Planning Department after the end of each quarter.

On an annual basis, within thirty days of receipt, LYNX shall provide the County with a copy of all external audits, a copy of the Comprehensive Annual Financial Report, which shall include the Report on Internal Controls, Report on Compliance with Laws and Regulations, and a copy of the management letter.

3. FISCAL YEAR 2008-2009 FUNDING

- a. The County agrees to appropriate **\$4,867,305** to LYNX for Fiscal Year 2008-2009 itemized in Exhibit "A".

The funding is to be utilized by LYNX to provide public transit services in accordance with this Agreement. Such funds appropriated in the County's FY 2008-2009 Budget shall be paid in twelve (12) equal monthly installments of \$405,609 each which shall be due and payable on the first of each month. The first such payment shall be made no sooner than October 1, 2008, but recognizing that this Agreement is executed after said date, effective within ten (10) days after the date this Agreement is executed by both the County and LYNX, the County shall pay to LYNX all monthly payments (without interest) due for the months of October, 2008 to and including the month for which this Agreement is effective. Thereafter, the County will pay to LYNX the continuing monthly installment on the first day of each and every month.

As set forth in paragraph 2.01 above, the level of services described in Exhibit "A" is based on a different funding level from the County than the amount of \$4,867,305 set forth above. The services in Exhibit "A" reflect the services requested by the County and the funding amount in Exhibit "A" reflects the amount that LYNX requires to provide those services. The parties have not yet resolved this Funding Shortfall between said level of service and said funding required; however, the parties have provided in paragraph 4 below for a method by which to address this Funding Shortfall.

- b. LYNX agrees to utilize the funds received from the County in accordance with the terms of this Agreement and to take all reasonable and necessary

actions in a timely manner to initiate, implement, and operate the Public Transportation services in accordance with the terms of this Agreement. LYNX further agrees to demonstrate such initiation, implementation, and completion of such improvements by submitting reports to the County as defined in Section 2 of this Agreement.

4. FUNDING FOR SHORTFALL OF \$208,688 AND ADDITIONAL SERVICES.

In regard to the Funding Shortfall and additional services, the parties agree as follows:

- a. First, as set forth in paragraphs 2.01 and 3(a) above, the Funding Shortfall reflects in effect the difference between the level of service requested by the County as set forth in Exhibit "A" and the funding amount that would be required by LYNX to provide said level of service. The parties understand and are aware that the County at this time has only committed to appropriate \$4,867,305. However, the County is further aware that LYNX ultimately will not be required to provide said full funding services described in Exhibit "A" if the Funding Shortfall is not provided and paid to LYNX.
- b. The County and LYNX will meet to study and review whether there are savings, if any, available in the event there is placed in Osceola County an operation base to service among other routes those routes in Osceola County.
- c. If it is determined that there is no savings so available, then the County will need to determine whether or not it wishes to pay the Funding Shortfall by July 1, 2009. If the County elects not to pay the Funding Shortfall, then LYNX and the County will meet in an effort to agree upon a reduction in the level of service that will be sufficient so as to eliminate any or all of the Funding Shortfall. In such event, the parties will provide for a corrected Exhibit "A" which will then be substituted for this Agreement. Further, the County and LYNX may mutually agree to provide for the payment of some or all of the said Funding Shortfall by the County in the subsequent fiscal year.
- d. If it is reasonably determined that said savings are possible with the establishment of a facility in Osceola County, then the parties will further discuss the location, cost, timing and other matters associated with said facility. The parties will further determine whether there are any "net savings" available to the County as set forth below.
- e. For the purposes of determining any net savings that may result from an operation base in Osceola County, the parties will utilize the current "regional model" recognizing that the cost of an additional operating base will be the cost associated within the entire LYNX System and its funding partners and the savings will be savings that will be attributed to the entire system. The "net savings" to the County would be based upon its share of the funding formula that would be derived by the elimination of service hours attributed to decreased deadhead hours.

- f. The parties will also review the cost associated with re-establishing the Link 12. LYNX will explore the use of other funding sources in an effort to minimize or eliminate any additional funding request by the County for this service. If additional funding sources can be secured, or the savings derived by establishing an additional operating base as described in section (d) and (e) above are sufficient to cover the additional service costs, then there would be no additional charge to the County for these services. If no additional funding sources can be secured, and or the savings derived by establishing a new operating base in the County are insufficient to cover the additional service costs, then the County and LYNX will meet to determine if the County still wishes to re-establish this service and if so, the County will make provisions to fund such services and this agreement will be amended accordingly.

5. EFFECTIVE DATE. The effective date of this Agreement is October 1, 2008. The term of this Agreement is one (1) year from its effective date.

6. INTERPRETATION. The headings contained in this Agreement are for reference purposes only and will not affect in any way the meaning or interpretation of this Agreement.

7. NEGOTIATIONS. The parties to this Agreement acknowledge that all terms of this Agreement were negotiated at arms length and that this Agreement and all documents executed in connection herewith were prepared and executed without undue influence exerted by any party or on any party. Further, this Agreement was drafted jointly by all parties, and no parties are entitled to the benefit of any rules of construction with respect to the interpretation of any terms, conditions, or provisions of this Agreement in favor of or against any person or party who drafted this Agreement.

8. MISCELLANEOUS.

- a. This Agreement constitutes the entire Agreement between the parties with respect to the specific matters contained herein and supercedes all previous discussions, understandings, and agreements. Amendments to or waivers of the provisions herein shall be made by the parties in writing. No other agreements, oral or otherwise, regarding the subject matter of this Agreement shall be deemed to exist or to bind either party hereto.
- b. If any sentence, phrase, paragraph, provision or portion of this Agreement is for any reason held invalid or constitutional by any court of competent jurisdiction, such portion shall be deemed an independent provision and such holding shall not affect the validity of the remaining portions hereto.
- c. The parties acknowledge that they have freely and voluntarily entered into this Agreement and that each party has been given the opportunity to receive the advice of independent legal counsel for all negotiations in connection with this Agreement.

- d. In any action or proceeding between the parties arising out of this Agreement, the prevailing party in such action or proceeding shall be entitled to recover all costs of such action or proceeding incurred by it, including reasonable attorneys' fees, at trial and on appeal.
- e. Time shall be of the essence of this Agreement.

9. CONTROLLING LAWS.

- a. This Agreement and the provisions contained herein shall be construed, controlled, and interpreted according to the laws of the State of Florida, and all duly adopted ordinances, regulations and policies of the County now in effect and those hereinafter adopted.
- b. The location for settlement of any claims, controversies, or disputes, arising out of or relating to any part of this Agreement, or any breach hereof, shall be Osceola County, Florida.
- g. The parties to this Agreement agree to comply with all applicable federal, state, and local laws, ordinances, rules and regulations pertaining to the actions contemplated by this Agreement.

10. BINDING NATURE OF AGREEMENT. This Agreement shall be binding only between the County and LYNX, and inure to the benefit of the successors or assigns of the parties.

11. NOTICES. All notices, consents, approvals, waivers, and deletions which any party shall be required or shall desire to make or give under this Agreement shall be in writing and shall be sufficient only when mailed by certified mail, first class postage affixed, addressed as follows:

County: Osceola County
Board of County Commissions
1 Court House Square, Suite 1400
Kissimmee, Florida 34741
Attention: Michael J. Freilinger, County Manager

LYNX: Central Florida Regional Transportation Authority
455 N. Garland Avenue
Orlando, FL 32801-1128
Attention: Linda S. Watson, Chief Executive Officer

with a copy to:
Central Florida Regional Transportation Authority
455 N. Garland Avenue
Orlando, FL 32801-1128
Attention: Albert J. Francis II, CPA, Chief Financial Officer

with a copy to:

Akerman, Senterfitt & Eidson, P.A.
255 S. Orange Avenue, Suite 1700
Orlando, FL 32801
Attention: Patrick Christiansen, Esq.

12. RECORD KEEPING PROCEDURES. LYNX shall keep and maintain accurate records of all services rendered in the performance of this Agreement and shall keep such records open to inspection by the County at reasonable hours during the entire term of this Agreement, plus three (3) years after expiration or termination of this Agreement. If any litigation, claim or audit is commenced prior to the expiration of the three (3) year period and extends beyond such period, the records shall be maintained until all litigation, including appeals, claims or audits have been concluded or resolved. Any person authorized by the County shall have access to and the right to examine any of the records.

13. FILING OF AGREEMENT. This Agreement shall be filed with the Clerk of the Circuit Court of Osceola County, Florida, or such other public official responsible under general or special law for the public records of Osceola County, Florida, in accordance with Section 163.01, Florida Statutes.

14. SOVEREIGN IMMUNITY. The parties are aware and understand that each of the parties hereto is a governmental agency entitled to the benefits of sovereign immunity. The parties agree that the County does not operate any of the transit services provided by LYNX, is not responsible for the purchase or maintenance of the equipment operated by LYNX, does not employ, train or otherwise deal with any employees of LYNX and has no control over the operations of LYNX except as may be stated herein and is therefore not liable for the negligence if any of LYNX. LYNX shall, within the limits of sovereign immunity, be liable for all claims for personal injury, including death, and property damage caused by the operation of LYNX' public transportation system, including all claims based upon the negligence or intentional acts of any LYNX employee, officer, director, contractor or other person, firm or corporation for whom LYNX may be legally responsible. Nothing contained herein shall constitute any waiver of any provisions of sovereign immunity by either party hereto.

[Signature page to follow]

IN WITNESS WHEREOF, the parties hereunto executed this Agreement as of the day and year first above written.

CENTRAL FLORIDA REGIONAL
TRANSPORTATION AUTHORITY

Attest: (seal)

Deborah Henderson, Executive Assistant

By: _____
Linda S. Watson
Chief Executive Officer

Approved as to form only by General Counsel;
for sole reliance by LYNX
Akerman, Senterfett & Eidson, P.A.

By: _____
Patrick Christiansen, Esq.

STATE OF FLORIDA
COUNTY OF ORANGE

The foregoing instrument was acknowledged before me this ____ day of _____, 2008, by Linda S. Watson, Chief Executive Officer and Deborah Henderson, Executive Assistant, respectively, Central Florida Regional Transportation Authority, and they acknowledged before me that they executed the foregoing instrument on behalf of CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY as its true act and deed, and that she was authorized to do so.

Name:
Notary Public
Serial Number:
Commission Expires:

OSCEOLA COUNTY, FLORIDA
By: Board of County Commissioners

By: _____
Ken Shipley, Osceola County Chairman

Date: _____

ATTEST: _____
As Clerk to the Board of County Commissioners

By: _____
Deputy Clerk

APPROVED AS TO FORM AND LEGALITY
For use and reliance by the Osceola County,
Florida, only.

County Attorney
Osceola County, Florida

STATE OF FLORIDA
COUNTY OF OSCEOLA

PERSONALLY APPEARED before me, the undersigned authority,
_____ and _____, well known to me and known
by me to be the Chairman and County Clerk, respectively, Osceola County Florida, and
acknowledged before me that they executed the foregoing instrument on behalf of Osceola
County as its true act and deed, and that they were duly authorized to do so.

WITNESS my hand and official seal this _____ day of _____, 2008

Name:
Notary Public:
Serial Number:
Commission Expires:

**Exhibit A - Osceola County
Transit Service Costs For FY 2009**

<i>Net Fixed Route Operating Costs</i>	<i>Cost</i>
Link 4	\$ 690,459
Link 10	495,603
Link 12 (Service Eliminated, December 7, 2008)	-
Link 18	334,188
Link 26	409,422
Link 55	1,084,343
Link 56	697,160
Link 57	129,445
Subtotal:	\$ 3,840,620
<i>Paratransit Services Costs:</i>	
American Disability Act (ADA) Funding	\$ 1,004,584
Transportation Disadvantage (TD) Funding	282,041
Medicaid	57,407
Subtotal:	\$ 1,344,032
<i>Capital Funding Cost:</i>	
\$2 Capital Funding	\$184,515
<i>Funding Adjustments</i>	
Less: Additional Budget Cuts	\$ (96,133)
Less: Fare Increase	(83,600)
Less: Fuel Savings	(92,200)
Less: Additional Preventive Maintenance	(143,800)
Less: Additional Lease Revenue	(12,854)
Less: Adjustment of Funding to 5.3% Increase	353,967
Less: Capital Funding Waived	(184,515)
Less: Understatement of Service Hours	(134,099)
Subtotal:	\$ (393,234)
Funding Requested from County	\$4,975,993
Additional Funding for City of Kissimmee Shortfall	\$100,000
Total Funding Requested from County	\$5,075,993
Additional Payments to LYNX from Cities	
<i>City Direct Payments to LYNX (1)</i>	
City of Kissimmee	\$ 120,000
City of St. Cloud	174,192
Subtotal:	\$ 394,192
Total County Transit Service Cost	\$5,370,125

LYNX Board Audit Committee Agenda

Audit Committee Agenda Item #3.E

To: LYNX Board of Directors

From: James McLawhorn
CHIEF GOVT AFFAIRS OFFICER
Bryan Stutts
(Technical Contact)

Presented By: J. Marsh McLawhorn, LYNX

Phone: 407.841.2279 ext: 6064

Item Name: Presentation on "Art in Transit"

Date: 4/22/2009

Staff will present an overview of a LYNX community art shelter program.

Federal Transit Administration (FTA) policy states that the visual quality of the nation's mass transit systems has a profound impact on transit patrons and the community at large. Mass transit systems should be positive symbols for cities, attracting local riders, tourists, and the attention of decision makers for national and international events. Good design and art can improve the appearance and safety of a facility, give vibrancy to its public spaces, and make patrons feel welcome. Good design and art will also contribute to the goal that transit facilities help to create livable communities.

Florida Hospital has agreed to contribute \$70,000 to the project.

Community Art/Shelter Program

Federal Transit Administration commitment to Art in Transit

The FTA affirms that costs for design and art are eligible for the incorporation of design and art into transit projects they fund. The incorporation of art into all areas of transit projects that are visible to the public is considered to be an eligible capital cost as a part of planning, design, and construction activities. Within recommended parameters, the allocation of funds for art is at the discretion of the local transit entity.

FTA recognizes that communities have a need for bus shelters to protect riders from elements and the weather. Shelters and surrounding areas can be designed by architects, landscape

LYNX Board Audit Committee Agenda

architects, or artists, or a team approach can be taken. In addition, FTA states that shelters may provide display cases for posters or announcements of local events.

In Community Partnership, LYNX is proposing to implement a shelter program born from a collaboration of local artists, architects and engineers to build and install positive symbols for the community, attract new riders, appeal to our tourists, and draw the attention of other cities and decision makers that can bring national conventions and events.

These one of a kind shelters will have an impact on mass-transit customers and be built as self contained units with built-in solar power support for lighting.

The art/shelters will serve as both aesthetic art and offer the functionality of a shelter from rain and sun on a daily basis – they will develop into cultural and tourist icons that Central Florida will become known for throughout the nation. Placement of art/shelters throughout the tri-county area is meant to compliment the landscape and or the architectural elements that surround them. Their architectural nature will make them a focal point and will enhance their location.

Art/shelters will be manufactured to be as maintenance free as possible by having special coatings that will allow for graffiti removal. It is the hope of the arts community that their open nature will make them less of a target for graffiti damage or other forms of vandalism.

The Art/shelters will withstand category 3 hurricanes. The cost to build and install them is comparable to the other shelters provided by LYNX.

LYNX Board Audit Committee Agenda

Audit Committee Agenda Item #2.B

To: LYNX Board of Directors

From: **Edward Johnson**
Chief Administrative Office
Rich Bannon
(Technical Contact)
Belinda Balleras
(Technical Contact)

Phone: 407.841.2279 ext: 6058

Item Name: Overview of Federal Transit Administration (FTA) and the Florida Department of Transportation (FDOT) American Recovery & Reinvestment Act (ARRA) Funds

Date: 4/22/2009

BACKGROUND:

The American Recovery and Reinvestment Act of 2009 (ARRA) was signed into law by the President on Tuesday, February 17, 2009. The ARRA includes appropriations totaling approximately \$8.4 billion for transit capital improvements to stimulate the economy.

Goals of the statute include the preservation or creation of jobs and promotion of an economic recovery, as well as the investment in transportation, environmental protection and other infrastructure providing long-term economic benefits.

Federal Transit Administration (FTA) grantees are encouraged to identify projects or expenditures that meet the broader goals of the statute, which includes the following:

- ✓ preserving or creating jobs,
- ✓ contributing to cleaning our environment through green purchases,
- ✓ retrofitting existing facilities,
- ✓ making additional public transportation opportunities available to more people and helping ease fiscal problems

LYNX is eligible to receive up to \$31,525,885, with \$29,574,615 coming from the FTA through appropriation funds and \$1,951,270 from the Florida Department of Transportation's (FDOT) Rural Economic & Distressed Area Funds.

LYNX Board Audit Committee Agenda

In February 2009, the LYNX Board authorized staff to release Request for Proposals for projects initially identified in the amount of \$22.49 million in anticipation of the stimulus funding. Since then the FTA released the final apportionments which will fund LYNX projects in the total amount of \$29.574 million under the Urbanized Area Formula Program.

Additionally, at the February Board meeting, staff provided the Board an update on the use of \$1.9 million of ARRA funds being allocated to LYNX through FDOT. Simultaneously, the Board of Directors authorized staff to submit a grant application to FDOT to obligate the funding and report back to the Board the final intent of how the funds would be utilized. The grant application was submitted with the following:

\$543,468	Preventative Maintenance
\$1,416,802	Capital Cost for Contracting

Charts outlining the ARRA funded projects are attached. LYNX will request Board authorization in the April 2009 Board meeting to submit ARRA grant application to FTA.

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: 4/23/2009

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

May 2009

- Work Session on Transit Development Plan (TDP)

June 2009

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

LYNX Board Audit Committee Agenda

July 2009

- Authorization to dispose of fixed assets

August 2009

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

September 2009

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

October 2009

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

November 2009

- No Activity

December 2009

- No Activity

January 2010

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

February 2010

- Adoption of LYNX' FY2010 Legislative Priorities

March 2010

- Authorization to Accept Yearend Financial Audit

April 2010

- Preliminary Review of FY2011 Proposed Budget
- Authorization to submit FDOT Service Development Grant(s) Application(s)