

LYNX Board Audit Committee Agenda

Central Florida Regional Transportation Authority

455 N. Garland Ave.

2nd Floor Board Room

Orlando, FL 32801

Board Date: 3/29/2007

Time: 9:30 AM








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

1. Call to Order

2. Approval of Minutes

-  Approval of the February 22, 2007 Audit Committee Minutes (pgs 2-11)

3. Audit Agenda Items



- A.  Presentation on the annual financial audit and Comprehensive Annual Financial Report (CAFR) for fiscal year ending September 30, 2006 (pg 12)
- B.  Update on Flex Bus (pgs 13-17)
 - Attachment 
- C.  Update on the LOC (pg 18)
- D.  Update on Procurement Plan (pgs 19-21)
- E.  Update on Advertising Sales (pgs 22-30)
 - Presentation 

4. Review of Board Package: 3/29/2007

- A. Review and discussion of Consent Agenda Items
- B. Review and discussion of Action Agenda Items

5. Information Items

(For Review Purposes Only - No action required)

- I.  LYNX Board of Directors' 12-month rolling calendar of agenda items (pgs 31-32)
- II.  Maintenance Audit Recommendation Cost (pgs 33-35)

LYNX
Central Florida Regional Transportation Authority
Audit Committee Meeting

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

DATE: **February 22, 2007**

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

Audit Committee Members in Attendance:	Not in Attendance:
Seminole County Chair, Carlton Henley	City of Orlando, Mayor Buddy Dyer
FDOT District 5 Secretary, Noranne Downs	
Osceola County Commissioner, Bill Lane	
City of Orlando Representative, Roger Neiswender	
Orange County Commissioner, Mildred Fernandez	

1. Call to Order

The meeting was called to order at 9:40 a.m.

2. Approval of Minutes

Commissioner Lane moved to approve the minutes of the January 18, 2007 Audit Committee meeting. Commissioner Fernandez seconded the motion. The motion passed unanimously.

3. Audit Agenda Items

Chairman Henley stated that there is a new item that has been added to the agenda. The item "Amendment to extend the contract for the Altamonte Springs Flex Bus" has been added as Audit Agenda Item A.

A. Amendment to extend the contract for the Altamonte Springs Flex Bus

Bert Francis, Chief Financial Officer (CFO), reviewed the amendment to the Joint Participation Agreement (JPA) between LYNX and FDOT on the Altamonte Springs Flex Bus Project. The JPA expires March 1, 2007. This amendment will extend the contract to May 1, 2007. LYNX actually has the contract with TranSystems to provide preliminary design, etc. for the Flex Bus Project. FDOT requested that LYNX extend the contract so some of the outstanding bills can be paid. This will facilitate getting the work done.

FDOT has made it clear that they are no longer going to be the project manager on this project. There have been several meetings regarding this. There is a meeting set-up with Altamonte Springs to discuss who the project manager will be. Chairman Henley stated that he requested a meeting be set-

up with Altamonte Springs because he is getting conflicting information. Chairman Henley explained that FDOT took over as project manager for Altamonte Springs and Altamonte Springs forwarded their money to FDOT. Chairman Henley understands that FDOT now wants to relinquish the project manager position back over to LYNX. Mr. Francis explained that FDOT is not saying that LYNX should be the project manager. FDOT is only saying that they will no longer be the project manager. Chairman Henley asked how long this has been going on and why has nothing been done, to date. Chairman Henley also explained that FDOT has explained that when this contract expires, all money goes away.

Mr. Francis explained that this is a TOPS funded project. TOPS funding is going to expire June 30, 2007. From FDOT's standpoint, they have mandates to close out the projects that have not been completed within this timeframe. Mr. Francis also stated that he cannot explain why the project is not any further along. Phase I and II were intended to be preliminary design phase and right of way acquisition.

Chairman Henley asked how many outstanding bills are there. Blanche Sherman, Manager of Finance, explained that the project is in the final design stage. There is a potential of \$928,000 that needs to be paid; of which \$172,394 is from the State. Chairman Henley asked how much money is in the flex bus account. Jennifer Stults, Deputy Director of Planning, explained that this project was always shown in the FDOT work program as a \$24.9 million project (full completion) and qualifies as a small start under the old legislation and a very small start under the new federal legislation. There are various federal and state dollars that come into play, as well as consulting fees. Chairman Henley stated that from what he understands the state funding of \$720,000, and the local transfers of \$780,000 equal \$1.5 million. Chairman Henley asked how much of that money would LYNX lose and will there be a way to draw down more than that for the bills that are outstanding.

Noranne Downs asked Frank Hickson to distribute a timeline that FDOT prepared. This timeline starts in 1999 when Altamonte Springs and the City of Maitland acquired a \$750,000 grant as part of TEA-21 to evaluate an ITS circulator. FDOT subsequently received a grant called 10 percent fast funding for design, and right of away construction. LYNX originally performed the feasibility study in 2000. This job was only supposed to take 38 months to go through the study, design and construction; however, it had been prolonged.

Chairman Henley asked when the 38 months was supposed to start. Mr. Hickson explained it started in 1999.

There were several different delays and in 2004 FDOT stepped in to take over the project. LYNX was going to develop the scope of work in 2004; however,

TranSystems was brought into the mix and eventually FDOT decided to take over the development of the scope of work in 2005.

FDOT has been designing the job in-house to make sure the plans are complete. All plans should be completed at the end of the month and turned over to LYNX.

At this point in time, because the TOPS fund has been around for such a long time, Tallahassee made a decision that effective June 30, 2007 the project would be turned over to LYNX. Mr. Hickson explained that this is not the only project that is being affected. After June 30, 2007, FDOT will not manage this project. Mr. Hickson also explained that FDOT has done everything in their power to provide an amendment to give as much time to bill off that current money as possible.

Chairman Henley asked whose decision is it to decide who would be the project manager. Mr. Hickson explained that it would be a LYNX decision.

Ms. Downs mentioned that when LYNX, Altamonte Springs and FDOT met in the beginning to move forward with the project, FDOT agreed to become the project manager because that is what they are good at. What FDOT, Altamonte Springs and LYNX did not agree on was who was going to fund the remaining phases. FDOT has assisted Altamonte Springs with the parcels and to move forward. The biggest problem is that no one has committed to finish out the project due to funds, etc. This has always been the issue.

Mr. Hickson explained that there are two outstanding issues. There are no operating and maintenance commitments after the project actually is completed. Also, there is a \$6 million shortfall on the construction funding.

Chairman Henley explained that is one of the concerns Altamonte Springs has expressed. Since LYNX is handling the project it should be LYNX that makes the request for additional funds. There has been little discussion on DRI's. Chairman Henley is concerned when a project is started and then it just lingers. Chairman Henley expressed that this discussion has been very helpful.

Ms. Downs explained that FDOT will provide the deliverables. FDOT has no problem assisting in project management. The problem is working out whose project is this and how will it be paid for.

Chairman Henley asked if it is LYNX' decision on who becomes project manager after this point. Ms. Downs explained that it is a LYNX project.

Chairman Henley asked Ms. Watson to come back to the Board with a plan of action.

B. Overview of LYNX' Bus Replacement and Fleet Expansion Schedules

Bert Francis, CFO, gave an overview of the bus replacement and fleet expansion schedules. Mr. Francis presented a chart for the bus replacement and expansion funding plan. The chart shows what monies are available for bus replacement, bus expansion, maintenance of service and on-time performance. The chart shows the sources of funds and uses of those funds and also shows if there will be any shortfalls. It includes the COA and various implementations of routes of the COA. The chart shows a deficit in 2008 and 2009.

There are some TRIP expansion dollars in 2009 and 2010. The TRIP expansion shows \$5.289M in 2010 and a SIB loan in 2010 to accommodate the first phase of commuter rail.

Staff met with FDOT this week regarding Commuter Rail. There was considerable discussion on the need for buses and the timing for those buses. There are 34 buses needed to meet the needs of Commuter Rail in Fiscal Year 2010. LYNX has, in this schedule, 26 buses in 2010. After discussions with FDOT four additional buses are needed to implement the COA. Both LYNX and FDOT still agree on 34 additional buses, ultimately.

Mr. Francis pointed out on the chart the ultimate replacement of the LYMMO fleet. The LYMMO buses do not get a lot of miles on them so they can stay in service longer (12 years). The LYMMO fleet could be replaced earlier; however, they would most likely be put into fixed route service or take them to another property. Staff needs input and direction from the Board on what the priorities are because not everything can be done in the 12 year timeframe. There is a deficit and there is not enough money to do what needs to be done. Also, buses with 500,000 miles need to be replaced.

Ms. Watson added that this is one of the challenges with the request from Altamonte Springs to pursue earmarks for the buses for the Flex Bus Project. Staff is struggling to get enough money for replacement buses.

Mr. Neiswender, City of Orlando, asked if it is generally accurate that LYNX gets 30-35 buses maximum per year from existing recurring sources of revenue and then typically get 5-10 buses a year from some competitive discretionary funds. That is not nearly enough to meet the replacement program on an annual basis much less to go back and catch up for the past years. It is not enough to replace the special services buses like the LYMMO or the new flex bus. The real limitation is the amount of federal money for which LYNX gets on an 80/10/10 basis. Focus needs to be in getting a significantly larger, maybe double, the authorization on the buses until LYNX can catch back up and get on a level replacement program and an orderly expansion program. If things do not change, this will never be achieved.

Commissioner Fernandez mentioned that she and Noranne Downs went to Puerto Rico for a presentation and tour of the Tren Urbano. Commissioner Fernandez stated that her main concern for the success of commuter rail is the feeder buses. If there is not a comprehensive plan in terms of funding, commuter rail will not be a success. The people from Tren Urbano stressed how important the feeder buses were to their success.

Ms. Downs indicated that it is a big concern. It is a little distressing that there have been two big meetings with FDOT staff and LYNX staff to agree with the numbers and now today there are new numbers. Karen Adamson has worked diligently, since the agreement had been reached, to come up with maps. Ms. Downs asked Ms. Adamson to distribute the maps she has created. Ms. Downs indicated that as the Secretary she will commit to LYNX that this is a priority. Once there is an agreement on the exact numbers, then discussion can begin about the funding.

Ms. Adamson explained the specifics of the map. She explained that the left side is the existing 2006 routes. On the right side is phase one and phase two. The circles on the right hand side of the map show the future 2009 net bus CRT essential vehicles and the squares show the future 2013 buses needed for CRT essential and support. There was no support needed in the first phase. The existing routes are shaded in grey.

Ms. Adamson explained that the buses shown on the map make up the 35 buses that were agreed upon. Six will be needed in phase one and the remaining in phase two.

Chairman Henley asked if Route 41 will be discontinued on SR 436. Ms. Downs explained that the map only outlines the needs for commuter rail. Ms. Downs suggested that the numbers should be finalized so then staff can go ahead with the TRIP application and go forward with what is needed from the Counties and Cities.

Mr. Francis explained that the reason there is a slight difference is staff was assuming FDOT had six buses for CRT which staff agreed to and the planning staff is also saying that assumes the COA was implemented and those buses were already in service. If the COA cannot be implemented, then more buses will be needed.

Commissioner Fernandez asked if there is consideration taken on growth of population in specific areas. Mr. Francis explained that the COA is needs based. That is how it was derived originally. It was based on growth and population.

Ms. Watson stated that if the available funding for support equipment and facilities is looked at, as early as 2008 LYNX is at a negative \$2.7 million and then the following year it is \$8.3 million. What this means is LYNX cannot buy all the buses needed next year. Tough decisions need to be made in this next year's budget in terms of what buses do we not buy or where we find some other funding source.

Commissioner Lane asked if service is going to have to be cut somewhere. Ms. Watson explained that yes that is one option. Another option would be to not do any fleet expansion based on what the COA indicated was needed to keep up with growth. Staff will be able to present the Board with a menu of options and will try to prioritize those but it will be a very difficult decision.

Commissioner Lane asked if these buses would be purchased or leased. Mr. Francis explained that the 21 buses for on-time performance will be leased. Ms. Watson explained that we are getting funding for those buses from Orange County and therefore we are able to lease them.

Mr. Francis explained that there was a good discussion with FDOT on who pays the operating costs for the buses directly related to CRT. It will be funded through the CRT project for the operation and maintenance of those buses that are directly related to CRT. There are 27 buses directly related to CRT.

Commissioner Lane asked if there is anyone in Tallahassee lobbying for LYNX. J Marsh McLawhorn, Chief Government Affairs Officer, explained that Lena Juarez is in Tallahassee and he is up there as well.

Ms. Watson explained that there will also be a discussion during the Board Retreat and staff will be starting the budget process as the next step so the Board will be updated every month on different aspects of this, as well as offering some options for how this may be addressed in the short term and long term.

- C. Overview of LYNX FY2007 Operating and Capital Budget Amendments**
Blanche Sherman, Manager of Finance, gave an overview of the 2007 operating and capital budget amendments. Ms. Sherman explained that during the current year it was noticed that a few projects did not get carried over into the current budget because projects were not completed. In addition, items were not identified during the budget planning process that have surfaced. Funding sources have been identified to support adding those items and carrying last year's projects forward with the funding sources available before.

In the Operating Budget under Safety and Security, the Board was asked in February for an extension of the security contract and it was mentioned at that

time that staff would be coming to the Board with a budget amendment for additional security services that were not anticipated. There are also security plans and audits that LYNX is required to do that did not get incorporated into the current budget. There are funds available to support this. In addition, there is a lease extension for the Bennett property. Also, the 21 buses for the on-time performance was budgeted as a capital lease but it will be an operating lease; therefore, they will be transferred from the capital budget to the operating budget. Under the human resource area, some additional professional services were needed for a consultant to help with the health insurance programs was not anticipated. Ms. Watson explained that there is a 5% surcharge from Orange County because the costs of providing health insurance is higher for LYNX and a consultant was hired based on Orange County's recommendation to help put a program in place to reduce those costs.

Ms. Sherman explained that also in the human resource area, there is an adjustment for an offset of the Chief Administrative Officer (CAO) position. Also, under purchasing and contracts there is an additional \$25,000 for some temporary services regarding the procurement department. Ms. Watson explained that when Patrick Grimison was deployed to Iraq, a consultant was hired on a temporary basis to fill in.

Ms. Sherman went on to explain that under risk management there is an item for LOC insurance. This is additional insurance for the LOC facility. It was brought under the current insurer instead of going out and getting the builders risk insurance. It was the most cost effective move to make.

Ms. Sherman explained that the New Freedom and JARC program and MORE TMCC program are all federally funded.

Commissioner Fernandez asked when there are savings in fuel, it was her understanding from Orange County staff that under the service funding agreement any surplus needs to be discussed with Orange County. Has this been done. Mr. Francis explained that although it is a savings now, it may not hold for the remainder of the year. He also explained that if there is a surplus, it will be discussed with Orange County.

Ms. Sherman discussed the capital budget amendment. Some of the changes include the following:

- LCS tenant improvements (Champs Restaurant, build-out restrooms)
- LOC project and project management
- Flex bus project is being taken out of the operating budget and put into the capital budget
- Road ranger vehicles (4)
- Shortfall in van pool, 21 vans

- 35 replacement buses had a shortfall of \$300,000
- 16 buses for TRIP expansion
- Bus lease - taking out of capital and putting into operating

D. Presentation on the LOC Project Budget

Bert Francis, CFO, gave a presentation on the LOC project budget. Mr. Francis explained that there are several issues with the LOC project. Building “A” is on hold for fire code issues. Building “B” had been delayed for rooftop a/c structural repair. This has been resolved. The Architect of Record, STV, has been very unresponsive to helping get some of these changes through. The level of effort by Collage has been very low. Some decisions were made to get a temporary certificate of occupancy (CO) to at least get into Building “A” to start the maintenance operations. The administrative building (“B”) is less critical. Staff has also tried to get a partial certificate of occupancy for the first floor of Building “A”.

HHCP, a subcontractor to EarthTech, was engaged to provide an interim fire code fix. Staff received an unofficial approval last Thursday that the city would approve that fix. HHCP signed and sealed those plans. EarthTech provided an official submission to the City on February 22. The fire code fix was provided to Collage on Tuesday with directions to proceed. There are still several small issues; however, they are all on track for resolution. The a/c units were put on the roof February 20. This opens up the path for completion of Building “B”.

Mr. Francis explained that there is only about \$35,000 left in the contingency.

Chairman Henley asked if Collage has met any of the deadlines or target dates that they have given us in the past. Mr. Francis explained that they have slipped on a large majority of them. Commissioner Lane does not want to get into the situation where Collage is unable to make the fixes necessary after getting the temporary CO and have the possibility of getting kicked out of the building. Staff needs to be very smart. Mr. Francis explained that the City of Orlando has been very cooperative. They understand the frustration with the Architect of Record. Staff has looked into engaging another Architect of Record; however, this is very costly and will take some time.

Commissioner Fernandez mentioned that she visited the building recently and it is very frustrating. On Monday, Commissioner Fernandez expressed concern to Ms. Watson with the frequent change orders. She doesn’t want to get into a position where there is no more money left. Commissioner Fernandez is very concerned about the completion of that building.

Mr. Francis explained that there are several change orders that have been submitted that staff either agrees to disagree with or has denied completely. Some of them are still being negotiated. That is why there is still money left.

There is some value there; however, everything has been a challenge. Commissioner Fernandez asked if there has been any savings identified throughout the whole project. Mr. Francis explained that the Furniture, Equipment, and Systems, will need to be squeezed.

Commissioner Lane stated that this will more than likely go into litigation. Staff will then come back to the Board to ask to pay for it.

Pat Christiansen, Legal Counsel, explained that there has been some discussions regarding all of this but the number one concern is to get the building completed as opposed to taking some action now which may cause a complete stop on the project.

Ms. Downs asked if there were any clauses in all the contracts for construction that say if they don't meet milestones there will be penalties or prices per day. Mr. Francis indicated that there are some penalty clauses in the contract.

E. LCS Exterior Lights

Lisa Darnall, Chief Operating Officer, gave a briefing on the LCS exterior lights. She explained that this facility was opened in November 2004. Most recognize this building as a focal point for downtown and along I-4. At night, when the roof is illuminated, it is very attractive.

Six months after moving into this building, the facility maintenance staff began experiencing problems with the exterior lights, primarily the plexy neon blue lights along the boarder edge of the roof. Because of how visible these lights are at night, staff made a decision to turn them off during the holidays and they have not been on since.

Ms. Darnall explained that HHCP designed the lights for this building. I-Light is the manufacturer. Apollo Electric, who is a subcontractor to Collage, installed the lights. There are 266 8-foot strips along the roof's edge. During the period of time that staff started noticing problems, Apollo Electric worked with staff and replaced fixtures and lights. In fact Apollo worked with us for about 18 months when the warranty period for installation was only a year. Staff continued to struggle with problems. The technology for these blue lights is state-of-the-art. LYNX had no experience with these lights. In a desperate effort to keep these lights working, \$560 per 8-foot strip was being spent every time they needed to be replaced.

The manufacturer sent a representative to Orlando to do a complete assessment of the problems. What they reported is that the lights were not installed properly.

I-Light no longer manufactures the lights. Because they were concerned about the look that the building had they offered an option to replace all the

lights provided all the lights are installed according to the manufacturers' recommendations. Following this offer it was decided it would be best to contact legal counsel. There was no appearance in the construction documents that Apollo had installed the lights incorrectly. EarthTech contacted HHCP who designed the lights, who in turn requested the electrical Engineer of Record to do an assessment similar to what was done by the manufacturer. The Engineer of Record supplied a report to LYNX that stated that while the installation was not ideal, it was not likely the cause of the failure. LYNX now has two completely opposing assessments.

I-Light is willing to give LYNX 133 lights free, sell the additional lights for roughly \$39,000 which would cost LYNX roughly \$75,000 if we went through a distributor. There is some savings in the operating budget as a result of being in the Bennett Facility which could pay for the cost of the lights. The entire fix, including installation, would be approximately \$90,000. The recommendation is to purchase the lights from I-Light, find a qualified installer and make sure the lights are installed according to the manufacturer's recommendation.

Ms. Downs asked if staff has talked to an installer to make sure they would be able to install the lights properly. Ms. Darnall explained that I-Light has recommended a few installers and one of them has come out to give us an estimate.

Commissioner Lane asked if anyone is accepting responsibility for the problem. Ms. Darnall explained that no one has come forward.

Commissioner Fernandez asked how much it will cost to fix the problem. Ms. Darnall explained that it will cost roughly \$90,000 to fix the problem.

4. Review of Board Package

None.

The Audit Committee meeting ended at approximately 10:50 a.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: 3047

Item Name: Presentation on the annual financial audit and Comprehensive Annual Financial Report (CAFR) for fiscal year ending September 30, 2006

Date: 3/29/2007

Mr. Ron Conrad, partner with the firm of Cherry, Bakeart, & Holland, L.L.P. will present results of the LYNX annual financial audit for fiscal year ending September 30, 2006.

LYNX Board Audit Committee Agenda

Audit Committee Agenda Item #3.B

To: LYNX Board of Directors

From: **Bert Francis**
CHIEF FINANCIAL OFFICER
Jennifer Stults
(Technical Contact)
Doug Jamison
(Technical Contact)
Belinda Balleras
(Technical Contact)

Phone: 407.841.2279 ext: 3047

Item Name: Update on Flex Bus

Date: 3/29/2007

BACKGROUND:

LYNX, in partnership with Altamonte Springs, Florida Department of Transportation, District V (FDOT), Federal Transit Administration (FTA), Orange and Seminole counties, concluded the North Orange/South Seminole Intelligent Transit System (ITS) Enhanced Circulator Study in January 2002. The purpose of the study was to assess the feasibility of establishing a special transit circulation system in the Altamonte Springs service area that includes both Bus Rapid Transit (BRT) and Intelligent Transportation Systems (ITS) elements.

The FlexBus service area is generally bound by SR 434 to the west, Central Parkway to the north, US 17-92 to the east and the City of Altamonte Springs border to the south, near Maitland Boulevard. Ultimately, service may expand to also cover Casselberry's 17/92 CRA district, Eatonville, Maitland, and Winter Park. The concept is designed to be replicable in other service areas, not only within the LYNX system but also in other national markets.

Since FDOT notified LYNX in January that TOPS funding would be expiring and they no longer wanted to manage the project, there have been several additional management level meetings between FDOT, LYNX, and Altamonte Springs to try to address issues generated by this decision. Staff is working on an action plan per the Audit Committee's request at last month's meeting to move the project forward.

LYNX Board Audit Committee Agenda

Below are key issues (not an exhaustive list) that require further discussion:

- CONTRACTUAL/FINANCIAL ISSUES FOR PHASE 2 – FINAL DESIGN
 - LYNX contract with Transystems
 - Notification of new deadlines for work completion & billing time-line
 - Project Management closeout report for Phase 2
- DECISION ON PROJECT MANAGEMENT SUCCESSOR FOR PHASE 3 (April 30, 2007)
 - Decision on successor Project Manager
 - Transition of Project Management (since June 2003 full project management responsibilities transferred to FDOT)
 - Development of Interlocal Agreement(s)
 - Assignment of Task responsibility by Agency
 - Determination of Contracting Agency
 - Right-of-Way, Construction, Implementation
- FUNDING
 - Project budget Phase 3
 - Who shall pursue additional funding sources
 - Federal options – Eligibility for Small Starts/Very Small Starts and who to pursue
 - State options – State New Starts, Transportation Regional Incentive Program, County Incentive Grant Program (all competitive programs with match requirements) and who to pursue
 - Local/private options and who to pursue
- SCHEDULE
 - Revise Phase 2 deliverables to meet new deadlines of JPA Amendment
 - Consultant deliverables by April 30, 2007 to include:
 - 100% Roadway and Intersection plans
 - Intelligent Transportation Systems (ITS) Plans
- FTA
 - Action plan - Review upon Project turnover
 - Clarify issue of Letter of No Prejudice (LONP)
 - Project Manager to update Intelligent Transportation Systems (ITS) template

LYNX Board Audit Committee Agenda

- FDOT
 - FHWA Earmarks Funding Transfers
 - Updated Budget through implementation
 - Updated Timeline through implementation
- OTHER ISSUES TO BE IDENTIFIED

Staff will update the Board with the project's current status, as well as the status of the action plan.

EXHIBIT "B"
PROJECT BUDGET

This Exhibit forms an integral part of that certain Joint Participation Agreement between the State of Florida, Department of Transportation and the Central Florida Regional Transportation Authority, d/b/a LYNX, 445 W. Amelia Street, Suite 800, Orlando FL 32801, dated June 19, 2002.

I. PHASE I

Planning and PD&E:	
Initial system hardware and software design	\$450,000.00
Initial design of station, intersection and dedicated lane	\$300,000.00
Initial vehicle design and specification	\$100,000.00
Identification of Right of Way	\$400,000.00
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TOTAL COST PHASE I: \$1,250,000.00

PARTICIPATION

Local Agency Participation:	
Cash	\$600,000.00
Maximum Department Participation:	
Fast Track (DS)	\$650,000.00
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TOTAL PARTICIPATION PHASE I: \$1,250,000.00

II. PHASE II

Final Design:	
Design of Roadway Improvements	\$1,211,595.00
ITS system design and specifications	\$1,138,767.00
Station civil designs	\$96,000.00
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TOTAL COST PHASE II: \$2,446,362.00

PARTICIPATION

Maximum Local Agency Participation:	
Cash	\$991,443.00
Maximum Department Participation:	
TOP (DS)	\$1,677,094.00
Maximum Federal Participation:	
FTA	\$1,247,913.00
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TOTAL AVAILABLE PARTICIPATION PHASE II: \$3,916,450.00

Note: Federal Participation shall be matched by the combination of Department and Local Agency Participation. Department and Local Agency funds shall be expended 48% Department share and 52% Local share, per Supplement to TOP agreement dated January 30, 2004.

III. PHASE III

Right of Way, Construction and Implementation:

Right of Way	\$1,955,239.00
Construction of Roadway Improvements	\$1,041,837.00
Construction of Stations	\$1,158,000.00
Construction/Implementation ITS	\$2,789,919.00
Vehicles	\$5,445,000.00
Other implementation PM/CM	<u>\$1,350,000.00</u>

TOTAL COST PHASE III: \$13,739,995.00

PARTICIPATION

Local Agency Participation	
In-kind (Right Of Way)	\$1,955,239.00
Private Agency:	
In-kind (provision of stations)	\$1,158,000.00
Maximum Department Participation:	
TOP (DS)	\$1,151,002.00
Maximum Federal Participation:	
FTA	<u>\$2,373,946.00</u>

TOTAL PARTICIPATION PHASE III: \$6,638,187.00

NOTE: Phase III funding amounts and ratio to be adjusted at a future date, by agreement of the parties.

TOTAL ESTIMATED PROJECT COST:	\$17,436,357.00
TOTAL AVAILABLE PARTICIPATION TO DATE:	<u>\$11,804,637.00</u>
REMAINING NEED:	\$5,631,720.00

LYNX Board Audit Committee Agenda

Audit Committee Agenda Item #3.C

To: LYNX Board of Directors

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

Presented By: Bert Francis

Phone: 407.841.2279 ext: 3047

Item Name: Update on the LOC

Date: 3/29/2007

Staff, as well as EarthTech, continues to work on critical issues as well as work towards a project deadline. Bert Francis will provide an update on the LOC construction as well as a revised timeline.

LYNX Board Audit Committee Agenda

Audit Committee Agenda Item #3.D

To: LYNX Board of Directors

From: Bert Francis
CHIEF FINANCIAL OFFICER
Mark Forsyth
(Technical Contact)

Phone: 407.841.2279 ext: 3047

Item Name: Update on Procurement Plan

Date: 3/29/2007

BACKGROUND:

At the September 2006 board meeting, staff prepared and presented an update to the FTA Procurement System Review. The update outlined an action plan to resolve those findings. This is the final update on the status of those outstanding issues.

During the week of July 10, 2006, the Federal Transit Administration (FTA) conducted an on-site Procurement System Review (PSR) of LYNX. The objective was threefold: to encourage and facilitate improved procurement operations; to foster use of the industry's best practices; and to assess LYNX' compliance with federal procurement requirements, specifically with regard to FTA Circular 4220.1E, as well as other applicable statutory and administrative requirements.

On August 21, 2006 LYNX staff received a draft copy of the PSR report from the FTA. Of the 56 elements that were reviewed, LYNX was found deficient in 16, and 1 element was considered not applicable.

On September 5, 2006, LYNX staff responded to the draft copy of the PSR with proposed corrective actions and a schedule for accomplishing those actions.

Subsequently, staff has reviewed the recommendations of the FTA and has implemented several changes and revisions to the Policies and Procedures Manual as well as revisions to Administrative Rule #4 (being proposed). Staff has also had discussion with FTA staff on the implementation of the corrective actions taken and have resolved all items with the exception of the following:

LYNX Board Audit Committee Agenda

Item #1 - Written Standards of Conduct: Need to be revised to include all categories of personnel identified in 4220.1E, as well as acceptance of gifts, gratuities, favors, or anything of monetary value.

LYNX Proposed corrective action: We believe this item is addressed under Administrative Rule # 5, and are awaiting confirmation from FTA.

Scheduled completion date: March 31, 2007

Item #2 - Price and Other Factors: Revise policies and procedures to require that all evaluations of competitive proposals discuss the strengths and weaknesses of the proposers and the selection decision rationale. Provide training to staff regarding this documentation.

LYNX Proposed corrective action: This item is currently being written and will be included under the Contract Administration section of the Policies and Procedures Manual as a new section entitled "Competitive Proposal Process". Staff training regarding this particular item will be ongoing through calendar year 2007.

Scheduled completion date: March 31, 2007

Item #3 - Contract Administration: Expand policies and procedures manual to fully explain the various contract administration duties and provide training to staff on contract administration.

LYNX Proposed corrective action: This level of detail is included in our rewrite of Administrative Rule # 4 and will be included in the Contract Administration section of the policies and procedures manual.

Scheduled completion date: March 31, 2007

Item #4 - Procurement Policies and Procedures: Revise procurement policies and procedures to address all of the requirements of FTA 4220.1E and FTA Master Agreement.

LYNX Proposed corrective action: This level of detail is included in our rewrite of Administrative Rule # 4 and will be included in the revision to the LYNX Policies and Procedures Manual.

Scheduled completion date: March 31, 2007

LYNX Board Audit Committee Agenda

Item #5 - Cost and Price analysis: It is necessary to send the procurement staff to training regarding cost or price analysis in calendar year 2007.

LYNX Proposed corrective action: We have suggested three possible options to resolve this issue:

- 1) Send all procurement staff to various NTI training classes for this purpose.
- 2) LYNX could hire an outside consultant to conduct an in-house training seminar for the LYNX procurement staff on this subject.
- 3) LYNX could send one procurement representative to take an appropriate cost and price analysis class and train other staff members on this issue.

We are discussing these options with FTA and will work towards the best solution by March 31, 2007.

Scheduled completion date: Training on going through the end of calendar 2007.

CONCLUSION:

Staff believes that we have made considerable progress towards improving the contracts and procurement system including needed revisions to the applicable administrative rules. These final items should conclude the procurement system review.

LYNX Board Audit Committee Agenda

Audit Committee Agenda Item #3.E

To: LYNX Board of Directors

From: **Peggy Gies**
CHIEF MARKETING OFFICER
Jeffrey Kaley
(Technical Contact)
Courtney Miller
(Technical Contact)

Phone: 407.841.2279 ext: 3020

Item Name: Update on Advertising Sales

Date: 3/29/2007

Jeff Kaley, Manager of Advertising Sales, will give an update of the Advertising Sales program.

LYNX TRANSIT ADVERTISING

making impressions 40 feet at a time



Objectives

- LYNX Transit Advertising - a “Leader” in the Transit advertising arena
- Focus on the CUSTOMERS needs
- Develop unique and promotional programs
- Create multi-branding, advertising and non-traditional opportunities to help in the success of LYNX and our customers.



Objectives



- 2006 Advertising resources created:



- Exclusive promotional partner with The Walt Disney Company promoting “Mickey’s Very Merry Christmas Party”
- Orlando’s only advertising/promotional partner for the “Tampa Bay Devil Rays”
- Promotional partner for the 2nd year with “The Dew Action Sports Tour”
- Partnership with the Central Florida Homebuilders Association - media partner for the “Parade of Homes”



Commitment

- LYNX is committed to being a leader in the Orlando Advertising community, but more importantly to helping our customers succeed
 - Retention rate for renewals since bringing the advertising program back in house in 2004 is an astonishing 62%
 - Our 2 largest advertisers KB Home and Orlando Regional Healthcare are back for years 5 and 3 respectfully
 - Continue to create and work with promotional partners including new and existing clients



Success.....

- LYNX Transit Advertising program had a successful 2006. Some of the highlights were:
 - 23 NEW CLIENTS
 - Almost \$1.4 million in total revenue generated
 - Out performed the 2006 projected revenue budget by a quarter of a million dollars!
 - Increased National account base in 2006 to 18%.
A few of those advertisers were:
 - Nationwide Insurance
 - Dunkin Donuts
 - Metro PCS
 - H & R Block
 - ATT



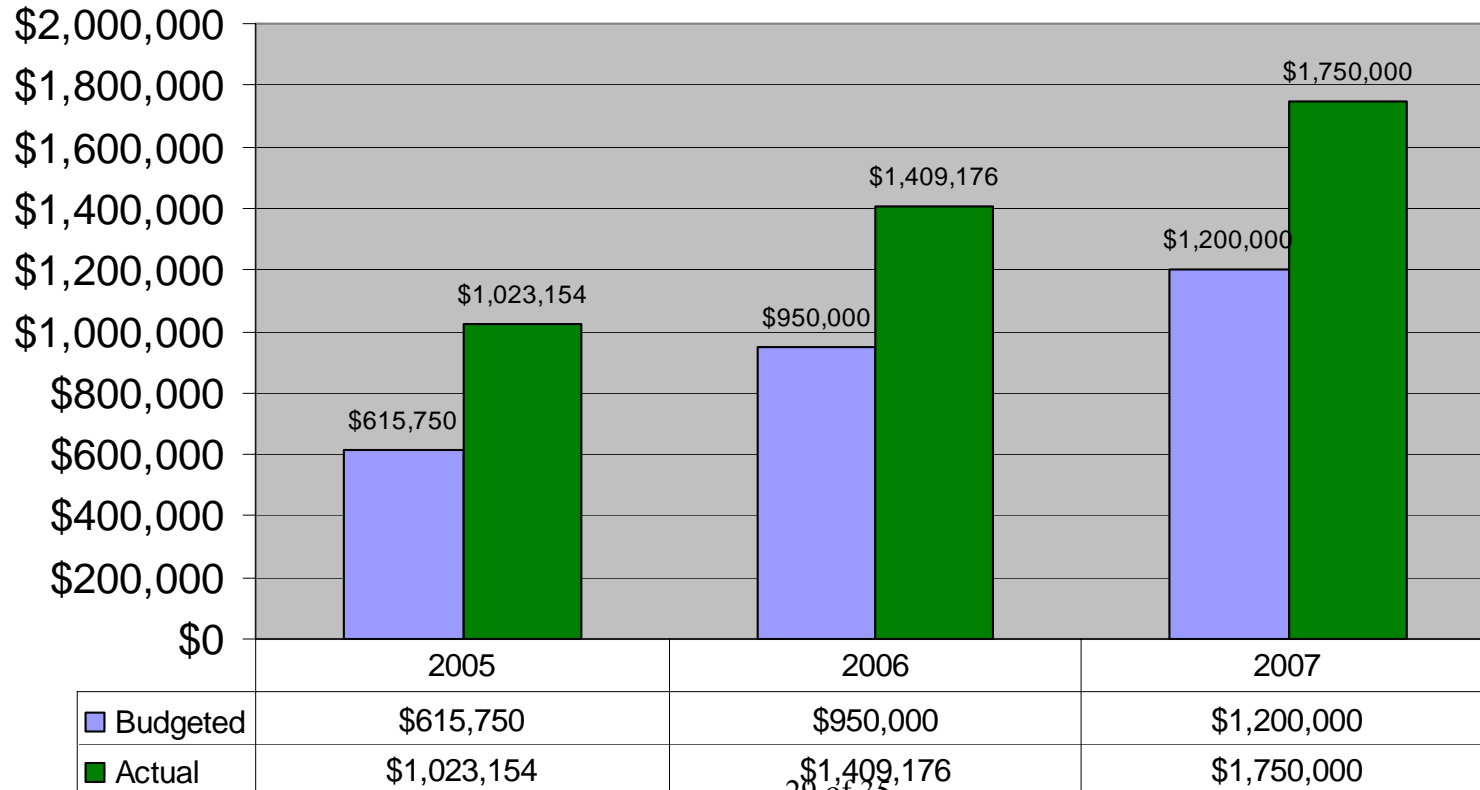
Success continued...

- A recent study by several Transit Authorities throughout Florida un-covered that:
 - LYNX ranked 2nd among all advertising revenue
 - Miami/Dade exceeded us by under \$200K, however they out sources there program therefore it is not net revenue to the authority
- Most are looking to LYNX as a cutting edge program and want to know “How” we do what we do.



Bus Advertising CASH Revenue

Bus Advertising CASH Revenue



Shelter/Transit Television Network Revenues

- Each year our two additional advertising partners share in their advertising programs revenue.
 - In 2006, Culver which became Signal Outdoor share to LYNX was \$91,600
 - In 2006, TTN share to LYNX was \$35,000
 - In addition TTN continues to provide LYNX with promotional time to inform LYNX passengers of upcoming changes and information



LYNX Board Audit Committee Agenda

Audit Committee Information Item #.I

To: LYNX Board of Directors

From: **Linda Watson**
CHIEF EXECUTIVE OFFICER
Edward Johnson
(Technical Contact)
Mark Forsyth
(Technical Contact)

Phone: 407.841.2279 ext: 3017

Item Name: LYNX Board of Directors' 12-month rolling calendar of agenda items

Date: 3/29/2007

April 2007

- Authorization to execute final option year for security guard services
- Authorization to award a contract for schedule book printing

May 2007

- Authorization to award a contract for commuter vans using State of Florida Contract
- Work session on Transit Development Plan (TDP) Major Update for FY08-12
- Authorization to award a contract for the construction of Osceola Square Mall Super-stop
- Authorization to award a contract for Employee Investment Plan Provider
- Authorization to award a contract for banking services

June 2007

- Authorization to adopt the TDP
- Authorization to execute Transportation Disadvantaged Trip Grant Agreement
- Authorization to execute Rural Capital Assistance Grant Agreement
- Authorization to dispose of fixed assets
- Adoption of TDP Major Update for FY08-12
- Authorization to purchase Gillig Buses
- Authorization to award contract for LCS concessionaire build-out/bathroom renovations

July 2007

- Authorization to award contract for general printing services

LYNX Board Audit Committee Agenda

August 2007

- Approval of LYNX' DBE goal
- Authorization to submit TRIP fund applications to FDOT

September 2007

- Authorization to execute funding agreement with regional funding partners
- Authorization to execute a JPA with FDOT for Commuter Assistance Grant Program
- Adoption of the FY Operating and Capital Grant Budget
- Authorization to execute local funding agreements
- Annual Board of Directors' selection of officers
- Adoption of Title VI Program

October 2007

- Acceptance of the Chief Executive Officer (CEO) annual appraisal
- Authorization to retire and sell surplus property
- Authorization to release RFP for artistic painting of buses

November 2007

- Authorization to submit annual certifications

December 2007

- Authorization to purchase fixed route buses
- Authorization to submit annual appropriations grant to FTA
- Authorization to submit grant applications to FDOT for rural transportation services
- Authorization to execute agreement with the CTD for non-emergency Medicaid transportation

January 2008

- Review staff recommendations for FY09 legislative priorities

February 2008

- Adoption of FY09 legislative priorities

LYNX Board Audit Committee Agenda

Audit Committee Information Item #.II

To: LYNX Board of Directors

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

Phone: 407.841.2279 ext: 3036

Item Name: Maintenance Audit Recommendation Cost

Date: 3/29/2007

In February, the Board requested a summary and cost of implementing the recommendations of the Maintenance Audit. The list below details the recommendations and the associated cost of implementation.

Maintenance Audit Recommendation	Cost
Increase Staff levels	
Add seven (7) mechanic positions <ul style="list-style-type: none"> Tech B rate \$19.57/hr plus benefits (35%) = \$54,953 ea STATUS: Pending Board approval	\$384,668
Add one (1) Clerk position (in the garage -new position) <ul style="list-style-type: none"> Pay Rate \$17.00/hour plus benefits (35%) = \$47,736 The maintenance audit also recognized the potential for manpower cost saving with new equipment being installed in the Service Island of the new LYNX Operations Center. The audit recommended that if a savings was recognized, it should be used to fund this position. STATUS: Pending Board approval	\$47,736
Add one (1) position to assist the Deputy Chief of Operations for Maintenance <ul style="list-style-type: none"> This position would oversee training, technical support, warranty, procurement specifications, the maintenance plan updates and assist with daily operations. This position would be graded between the manager position and the Deputy Chief's position. Estimated yearly salary \$68,000 plus benefits (35%). STATUS: pending	\$91,800
Add one (1) MIS/IT position <ul style="list-style-type: none"> Staff recommends LYNX using college interns to develop system enhancements and reports. This practice is widely used in transit. Task can be accomplished at a fraction of the cost of hiring consultants. 	\$21,840

LYNX Board Audit Committee Agenda

<ul style="list-style-type: none"> • Pay rate \$12 - \$14/hour; Maximum 30 hours/week; no benefits. • Tasks for this position include developing a warranty tracking program, improve the bus historical record reports, defect tracking by operators, measure cost effectiveness and outsourcing opportunities. This position will relieve maintenance training of these tasks. <p>STATUS: pending</p>	
<p>Total</p>	<p>\$533,475.00</p>
<p>Fill all open positions</p> <ul style="list-style-type: none"> • Currently there are six (6) vacancies for Vehicle Maintenance Technicians. <p>STATUS: in progress and currently budgeted</p>	
<p>Training</p>	
<ul style="list-style-type: none"> • The Maintenance Audit made multiple recommendations on program development, training, testing and auditing the performance for compliance. Currently training is provided by two mechanics. The Maintenance Audit commends the performance of the mechanics and recommends a greater focus on training and elimination of some of the collateral duties. • Two (2) current open positions (1-Tech C and 1- Supervisor) are internally being reclassified to training positions titled, “Supervisor of Training and Quality Assurance”. These positions will be responsible for program development, implementation and performance auditing. The cost of these positions will be covered under the current budget and will not increase the number of authorized positions. The pay rate for the training positions will be the same as a supervisor. The difference between the Tech C rate and supervisor’s rate will be funded through the year-to-date savings on the open reclassified supervisor’s position. • LYNX staff instituted a technician orientation program for newly hired mechanics. The training provides new mechanics with a solid foundation for performing preventive maintenance inspections, wheelchair lift inspections and work order training on computers. • The recently approved labor contract includes language for an Apprentice Training Program. LYNX staff is currently working on program development. <p>STATUS: in progress and currently budgeted</p>	<p>No Cost</p>
<p>Warranty Process improvement:</p>	
<ul style="list-style-type: none"> • Currently warranty recovery is tracked outside of the Maintenance software. Major items such as engine, transmissions, rear end differentials, alternators, etc. are recovered under warranty when a failure occurs. Smaller less expensive parts such as light ballasts and LED lights are not tracked outside of the initial bus manufactures warranty period. Staff is currently consulting with the software provider to determine the best method for tracking extended warranties. Information will need to be entered into the system for each component’s extended warranty period. The system would then alert Maintenance when a warrantable part is being replaced and establish a 	<p>To be determined</p>

LYNX Board Audit Committee Agenda

<p>warranty claim.</p> <ul style="list-style-type: none"> The Deputy Chief of Operations for Maintenance will attend a software provider's end user conference in March to gain greater insight into the system setup and software functionality. <p>STATUS: in progress and could be handled by one of the requested positions</p>	
Equipment	
<p>Procurement of Brake Testing Equipment:</p> <ul style="list-style-type: none"> The Brake Test Equipment is included in the Capital Budget. Due to competing priorities this purchase may be deferred to 2008. <p>STATUS: pending</p>	\$125,000
Program Development	
<p>Develop a defined Preventive Maintenance program for the extensive inventory of electronic equipment on-board LYNX buses.</p> <ul style="list-style-type: none"> This work is currently in progress and is being developed by staff as a collateral duty. Once the program is defined, the work schedule will be defined through the Maintenance software. <p>STATUS: in progress</p>	No Cost
<p>Institute a program to repair safety defects as soon as they are identified. Institute a program to repair non-safety defects in a timely manner.</p> <p>STATUS: Completed initial training. Retraining of mechanics will be an ongoing effort. Staff has developed the "LYNX Out Of Service Criteria". This written document will serve as the guideline for holding buses out of service due to safety related defects.</p>	No Cost
<p>Increase the Preventive Maintenance Inspection interval from 3,000 miles to 6,000 miles between inspections as allowed by manufacture recommendations.</p> <p>STATUS: Completed. Implemented incrementally. There were twenty-four (24) buses that could not be included in this change due to manufacture recommendations and duty cycles.</p>	No Cost
Other	
Follow up Audit to be budgeted in the fall of 2008	estimated \$40,000