

LYNX Board Audit Committee Agenda

Central Florida Regional Transportation Authority

455 N. Garland Ave.

2nd Floor Board Room

Orlando, FL 32801


Board Date: 5/25/2006

Time: 10:30 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 Minutes for the April 27, 2006 Audit Committee Meeting (pgs. 2-4)

3. Audit Agenda Items

- A.  Status report on the development of FY2007 and FY2008 budgets (pgs. 5-6)
 - Attachment  (pgs. 7-9)
- B.  LYNX Operations Center (LOC) (pg. 10)
 - Presentation  (pgs. 11-18)

4. Review of Board Package: 5/25/2006

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: **April 27, 2006**

TIME: **10:30 a.m.**

Audit Committee Members in Attendance:	Not in Attendance:
Osceola County Commissioner Atlee Mercer, Chair	City of Orlando, Mayor Buddy Dyer
Seminole County Chair, Carlton Henley, Vice Chair	
Orange County Commissioner, Homer Hartage	
FDOT District 5 Secretary, George Gilhooley	
City of Orlando, Roger Neiswender	

1. Call to Order

The meeting was called to order at 2:25 p.m.

2. Approval of Minutes

Commissioner Henley moved to approve the minutes of the March 24, 2006 Audit Committee meeting. Roger Neiswender seconded, and the motion passed unanimously.

3. Audit Agenda Items

B. Presentation of the Preliminary FY06-07 and FY 07-08 Operating and Capital Budgets

Bert Francis, Chief Financial Officer, explained that this budget is a status quo budget. It is approximately a 15% increase. In reality, it is a step backwards. It will not move LYNX forward. The current funding levels would not allow implementation of the Comprehensive Operations Analysis (COA).

Chairman Mercer asked the Board if there were any questions for Mr. Francis. He explained that at the Board meeting it was determined that it was necessary to change direction and see how the funding partners accept that direction. The Board understands that the budget has been prepared by staff - a bare-bones/slight deterioration budget. It addresses theoretical levels of service and some of the costs.

Commissioner Henley stated that the Board is not adopting the budget today.

Mr. Francis explained that there were two major items in the budget: the Medicaid portion and fuel. \$2.45 per gallon for diesel was budgeted; however, a more realistic

price would be \$2.61. This adds another \$900,000 to this budget, a 21% increase over last year's budget.

Commissioner Henley asked if the plan is to make adjustments to the budget after the Legislature does whatever it does. Ms. Watson responded yes.

Chairman Mercer said it is this Board's responsibility to make it very clear the impact Orange County is having by keeping LYNX' budget to only a 3% increase. Orange County needs to be informed that a 21% increase is needed just for LYNX to get to the level of service it should be providing.

Ms. Watson explained that there are no Federal or State funds to use for more replacement buses. TRIP funds could be used for new service.

Mr. Neiswender stated that it is fairly late in the process to be changing the budget; however, if this has a chance, the counties/city need to work in concert with the LYNX staff to get this developed. He suggested that senior staff members representing each funding partner get together with LYNX finance staff to get this developed. Orange County and Orlando will be the biggest hurdles; however, the COA will affect all three counties.

Discussion ensued.

Commissioner Hartage suggested resolving the Orange County/Orlando issue of who contributes at what level. It is time to get this problem worked out and resolved and Senior staff must be engaged and resolve the issue.

Chairman Mercer excused himself from the meeting.

Mr. Francis said the problem really is not with Osceola and Seminole Counties but with Orange County and the City of Orlando.

Mr. Neiswender recommended putting the higher gas price in the budget before presenting it to the funding partners.

A. Presentation on the Florida Retirement System (FRS)

During the February Audit Committee meeting, Mr. Scott Penvose addressed the committee regarding LYNX rejoining the Florida Retirement System. Bert Francis, Chief Financial Officer, was asked to review the information provided to bring findings to the Audit Committee.

Mr. Francis provided an overview of the FRS plan. LYNX chose to withdraw from participation in 1994. LYNX is identified as an independent special district of the State and thus may rejoin at any time. If LYNX elects to rejoin, all future employees must participate in FRS. LYNX may not opt out again unless the Legislature provides this opportunity. LYNX must make a determination whether it can or wishes to allow current participants to continue in the Money Purchase Plan if rejoining the plan.

The next steps include identifying a level of interest to determine an accurate potential cost to LYNX; identify termination provisions of the current Money Purchase Plan; and, identify whether vested employees can relinquish vested dollars to LYNX for purchase of prior service. This will be done within the next 30 – 60 days.

Commissioner Henley directed Mr. Francis to bring this back to the Audit Committee next month, before a budget is adopted.

5. Information Items

The Audit Committee meeting ended at approximately 3:00 p.m.

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Audit Committee Agenda Item #3.A

To: LYNX Board of Directors

From: Bert Francis II
CHIEF FINANCIAL OFFICER
Kevin Plasterer
(Technical Contact)

Phone: 407.841.2279 ext: 3047

Item Name: Status report on the development of FY2007 and FY2008 budgets

Date: 5/25/2006

BACKGROUND

LYNX presented the FY07 and FY08 Preliminary Budgets at the April 27, 2006 Board meeting. At that meeting, the LYNX Board directed staff to develop local funding partner budget development teams that would work with staff to further develop LYNX' preliminary budgets and local funding requests.

Staff and these budget development teams were tasked with developing budgets that incorporate the board's desire to bring on-time performance up from its current level of 74% to a more acceptable industry standard level, which would be above 90%. In addition, the board expressed a desire to begin implementing the recommendations of the recent Comprehensive Operations Analysis so that the transit system can be greatly enhanced in the next year or two.

ACTION TAKEN

In the last month, staff has coordinated with the local funding partners to develop the budget development teams discussed above. Please see the attached list of budget development team members from each major funding partner. In addition, staff has sent out preliminary funding request letters to the local funding partners and has responded to all subsequent information requests from individual funding partners on a case-by-case basis. Further, staff has developed some preliminary budget scenarios that will allow the local funding partners to see the difference between "Status Quo/Base Budget", "On-Time Performance" and "C.O.A. Year 1" scenarios.

NEXT STEPS

The next steps that need to be taken include the budget development teams meeting and discussing the details of what can and should actually be budgeted, where the funding will come from and when new service will be implemented. Ideally, these meetings will take place early in

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June so that LYNX staff will have clear direction as to what each funding partner is willing and capable of funding.

LYNX staff is scheduled to present its funding requests to Osceola County in June, Orange County in July and Seminole County in August. The Proposed Budget for Adoption will be brought before the LYNX Board in September.

Key Staff committed to formulate Financial Requests

05/16/2006

Agency	City of Orlando
Involvement	Financial Component
Contact Name	Deborah Girard
Title	Deputy Chief Administrative Officer
Address	City of Orlando 400 S. Orange Ave. P.O. Box 4990, Orlando, FL 32802-4990
Tel	407-246-2237
Fax	407-246-3392
Email	deborah.girard@cityoforlando.net
Assistant	Karoyln Washington

Agency	City of Orlando
Involvement	Transportation
Contact Name	Malisa McCreedy
Title	Transportation Planner
Address	City of Orlando 400 S. Orange Ave. P.O. Box 4990, Orlando, FL 32802-4990
Tel	407-246-3347
Fax	407-246-3392
Email	Malisa.mccreedy@cityoforlando.net
Assistant	(can call Janice Moffit 407-246-3388, Neiswender's assistant)

Agency	Osceola County
Involvement	
Contact Name	Christie Dyer Kilcoyne
Title	Budget Administrator
Address	Osceola County Government 1 Courthouse Square, Suite 4700 Kissimmee, Florida 34741
Tel	407-343-3015 direct,
Fax	407-343-3018
Email	ckil@osceola.org
Assistant	None, can call department # 407-343-3017

Agency	Seminole County
Involvement	
Contact Name	Dick Boyer
Title	Senior Planner
Address	Seminole County Government 1101 East First Street Sanford, Florida 32771
Tel	407-665-7382 or general main # 407-665-7219
Fax	407-766-7385
Email	DBoyer@seminolecountyfl.gov
Assistant	none

Agency	Seminole County
Involvement	
Contact Name	Tony Walter
Title	Planning Manager
Address	Seminole County Government 1101 East First Street Sanford, Florida 32771
Tel	407-665-7375
Fax	407-665-7385
Email	TWalter@seminolecountyfl.gov
Assistant	April Boswell Asst 407-665-7339

Agency	Orange County
Involvement	Point person
Contact Name	Randy Singh
Title	Manager of the Office of Management and Budget
Address	Orange County Government PO Box 1393 Orlando, FL 32802
Tel	407-836-7382
Fax	
Email	randy.singh@ocfl.net
Assistant	Terese 407.836.9673

Agency	Orange County
Contact Name	Sharon Donoghue
Title	Deputy County Administrator
Address	Orange County Government PO Box 1393 Orlando, FL 32802

Tel	
Fax	
Email	
Assistant	Exec. Assist Jackie Walker 407-836-7377

Agency	Orange County
Contact Name	Eric Gassman
Title	Director of Fiscal Management
Address	Orange County Government PO Box 1393 Orlando, FL 32802
Tel	407-836-7370

Agency	Orange County
Contact Name	Fred Winterkamp
Title	Manager of Fiscal and Business Services
Address	Orange County Government PO Box 1393 Orlando, FL 32802

Agency	Orange County
Contact Name	Kurt Petersen
Title	Assistant Manager of the Office of Management and Budget
Address	Orange County Government PO Box 1393 Orlando, FL 32802

Agency	Orange County
Contact Name	Carla Bell-Johnson
Title	Assistant to the Director, Growth Management Department
Address	Orange County Government PO Box 1393 Orlando, FL 32802

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Audit Committee Agenda Item #3.B

To: LYNX Board of Directors

From: Bert Francis II
CHIEF FINANCIAL OFFICER
Allan Lemaux
(Technical Contact)

Phone: 407.841.2279 ext: 3047

Item Name: LYNX Operations Center (LOC)

Date: 5/25/2006

Staff will provide an update to the construction of the LYNX Operations Center. The presentation will include a timeline for completion of the project, challenges experienced in the past six months and review of previous change orders.

LYNX Operations Center

Presented to the
LYNX Audit Committee

Albert J. Francis II, CPA

Allan Lemaux, PE

May 25, 2006



LYNX Operations Center

- Maintenance building – 75% complete
- Administration building – 75% complete
- Bus parking lot – 60% complete
- Building “C” (fueling and washing) – 50% complete



LYNX Operations Center

- Building “D” (Fuel Tank Farm) – 80% complete
- Building “E” (Canopy Building) – 85% complete
- Major Construction Efforts Remaining - Pouring Concrete:
 - ✓ Bus Parking Lot
 - ✓ Maintenance Building
 - ✓ Administrative Building
- Estimated Completion Date: August 2006





Lynx New Operations Base

Negative #60426 106
Date :04.26.06
Photo 888.542.0231





COLLAGE
THE COLLAGE COMPANIES / CONSTRUCTION

Lynx New Operations Base

Negative #60426 104
Date :04.26.06
888.542.0231







LYNX OPERATIONS CENTER
Revised Budget Including Change Order #37
April 27, 2006

<u>Cost Category</u>	<u>Budget prior to Change Order</u>	<u>Change Order #37</u>	<u>Revised Budget</u>
Collage Contract	\$ 14,681,972	\$ 274,997	\$ 14,956,969
Collage Owner Direct Purchases	<u>6,076,636</u>		<u>6,076,636</u>
Subtotal Collage Contract + Direct Purchases	\$ 20,758,608	\$ 274,997	\$ 21,033,605
LYNX Lane	\$ 1,151,500	\$ 0	\$ 1,151,500
Hazardous Waste Removal - Earth Tech	369,996	0	369,996
Specialties	180,000	0	180,000
Equipment	2,040,000	0	2,040,000
Systems	861,032	(274,997)	586,035
Furnishings	209,262	0	209,262
Program Management	1,525,465	0	1,525,465
Permitting	537,356	0	537,356
Design Services	3,320,164	0	3,320,164
Construction Management	1,378,813	0	1,378,813
LYNX Oversight	409,761	0	409,761
Contingency	<u>1,122,043</u>	0	<u>1,122,043</u>
TOTALS	<u>\$ 33,864,000</u>	<u>\$ 0</u>	<u>\$ 33,864,000</u>

SUMMARY:

Change in Total Budget: \$ 0

Change in Contingency: \$ 0

Description of Change:

This Change Order adds the cost for additional security conduits and raceways in preparation for the security systems installation contractor. This Change Order was included in our original budget estimate prepared in October 2005. Therefore, there is no change to the contingency line item.

