

# LYNX Board Audit Committee Agenda

Central Florida Regional Transportation Authority

455 N. Garland Ave.

2nd Floor Board Room

Orlando, FL 32801

Board Date: 6/22/2006

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 May 25, 2006 Audit Committee Minutes (pg. 2-4)

## 3. Audit Agenda Items

- A.  Discussion and decision regarding ATU Pension Plan amendment regarding disability benefits (pg. 5-16)
  - Attachment    
- B.  Status Report on the Development of FY2007 and FY2008 Budgets (pg. 17-18)
- C.  Status Report on switching to the Florida Retirement System (FRS) (pg. 19)

## 4. Review of Board Package: 6/22/2006

## 5. Information Items

(For Review Purposes Only - No action required)

- I.  Great Plains System Implementation Update (pg. 20)

**LYNX**  
**Central Florida Regional Transportation Authority**  
**Audit Committee Meeting**

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

**DATE:**       **May 25, 2006**

**TIME:**       **10:30 a.m.**

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

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**1. Call to Order**

The meeting was called to order at 10:30 a.m.

**2. Approval of Minutes**

Secretary Gilhooley moved to approve the minutes of the April 27, 2006 Audit Committee meeting. Roger Neiswender seconded, the motion passed unanimously.

**3. Audit Agenda Items**

**A. Status report on the development of FY2007 and FY2008 budgets**

Bert Francis, Chief Financial Officer, reported that budget development teams have been developed with the counties of Orange, Osceola, Seminole and the City of Orlando. A meeting with Orange County occurred on May 24, 2006 to discuss next year's budget and to discuss LYNX requirements. Staff presented to Orange County the preliminary budget scenarios that will allow the local funding partners to see the difference between status quo/base budget, on-time performance budget (to move from 74% to 90% on-time) and COA year 1 expansion budget scenarios. At Orange County's request, staff will provide the amount needed for matching CAD/AVL. Meetings will occur on a weekly basis for the next two months. The revised budget will be presented to Orange County in July.

Linda Watson, Chief Executive Officer, summarized by saying that Orange County is open and amenable to finding a local match to fund LYNX through the on-time performance and through year 1 COA budgets. Mr. Francis stated that Orange County was very encouraging. The budget development team's goal is to go to Orange County with a combined plan. Mr. Francis also explained that staff incorporated the proposed match for future service development grants into this new budget.

Vice Chairman Henley asked whether staff has been able to define the impact of the legislature's decision on LYNX' requests and how it would be worked into the budget. Mr. Francis responded that yes, different scenarios will be built into the budget.

## **B. LYNX Operations Center (LOC)**

Bert Francis provided an update on the construction of the LYNX Operations Center. The presentation included a timeline for completion of the project, challenges experienced in the past six months and a review of previous change orders.

Mr. Francis explained that the entire project is approximately 75% complete. The estimated completion date is set for August 2006. The contractor is trying to move that date back; however, to date, the date stands firm.

Ms. Watson explained that the building was originally designed to maintain 250 vehicles and it has been reduced to maintain 200 vehicles. The majority of the fleet will be housed at this facility.

Alan Lemaux, Project Manager, Construction and Engineering, pointed out the various buildings and explained the function of each building.

Mr. Francis discussed the revised budget. The budget is still at \$33.86 million. The cost is still within budget. The contingency is still at \$1.1 million. He explained that the contingency monies will be depleted within the next few months due to numerous change orders coming in. Staff is diligently trying to keep the change orders to a minimum. Vice Chairman Henley asked what was driving the changes. Mr. Lemaux explained that the largest changes are coming from changes to mechanical and electrical work.

Ms. Watson stated that staff is continuing to negotiate the change items.

Vice Chairman Henley declared that this budget will be scrutinized closely.

George Gilhooley mentioned that it would be helpful when staff comes back to the Board with changes to the contingency fund, to explain what the changes are and why.

## **C. Other**

1. Pat Christiansen, LYNX Legal Counsel, discussed the Dr. Philips lease (the closeout of the Princeton facility lease). There are three issues regarding getting an extension of the lease to the Princeton facility. They are:
  - a) Rent – LYNX currently pays \$17,000 a month. Dr. Philips is increasing the lease to \$25,000 a month.
  - b) If Dr. Phillips finds another tenant, LYNX needs to move out.
  - c) The renovations Dr. Philips is requesting be done to the facility upon move-out. Dr. Phillips wants LYNX to remove a number of improvements that had been made to the facility.

Vice Chairman Henley asked what the options are. Mr. Christiansen stated that if LYNX stays, the rent doubles. However, even if LYNX moves out on time, the improvements need to be made.

Discussion ensued.

2. Mr. Christiansen is requesting the Board's permission to make changes to section 4.4 of Administrative Rules which relate to signature authority for small contracts, less than \$10,000. Currently, the CEO has authority to sign contracts under \$150,000 however; the CEO is not authorized to delegate signing authority to another individual in his/her absence. The proposals is to allow an amendment to the Rule to delegate authority to either the CFO or CAO to sign contracts under \$10,000 and are normal, typical operating expenses.

Vice Chairman Henley responded this is a reasonable request.

#### **4. Review of Board Package**

Ms. Watson went over the Board packet.

#### **5. Information Items**

None

The Audit Committee meeting ended at approximately 11:30 a.m.

# LYNX Board Audit Committee Agenda

## Audit Committee Agenda Item #3.A

**To:** LYNX Board of Directors

**From:** **Peggy Gies**  
CHIEF MARKETING OFFICER  
**Edward Johnson**  
(Technical Contact)  
**Lisa Darnall**  
(Technical Contact)

**Presented By: Nadine Schaal, Esquire, Akerman Senterfitt**

**Phone:** 407.841.2279 ext: 3020

**Item Name:** Discussion and decision regarding ATU Pension Plan amendment regarding disability benefits

**Date:** 6/22/2006

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Please reference attachments (4).

**HANSON, PERRY & JENSEN, P.A.**  
**400 EXECUTIVE CENTER DRIVE - SUITE 207**  
**WEST PALM BEACH, FLORIDA 33401**  
**561-686-6550**  
**561-686-2802 (FAX)**  
[MJHANSON@HPJLAW.COM](mailto:MJHANSON@HPJLAW.COM)

**MEMORANDUM**

To: Members of Audit Committee,  
LYNX Board

From: Mary Jill Hanson, Attorney for ATU 1596 Pension Plan Board of Trustees  
/s/ Mary Jill Hanson

Re: Amendment No. 6 to Pension Plan – Disability

Date: May 31, 2006

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The purpose for requesting to be placed on your agenda is to ask that you revisit the issue of signing the letter to state actuary Charles Slavin (1) with regard to Amendment No. 6 to the ATU 1596 Pension Plan, the revised disability amendment . The trustees of the Pension Plan adopted Amendment No.6 (2) in May, 2005, over one year ago, and believe that action by LYNX on the letter to Charles Slavin is appropriate at this time.

The Pension Plan trustees understand that the Audit Committee had previously recommended to the LYNX Board that the letter to Charles Slavin not be executed at that time. It is the trustees' understanding that this decision was made based on questions about potential future costs of the amendment and about collective bargaining with the Union over changes to the plan. It is further their understanding that LYNX has not requested the Union to bargain over this.

Per a request from Sylvia Mendez, the pension trustees asked the actuary for additional information about potential future costs. She provided it in a letter dated November 30, 2005 (3). In that letter, she reiterates that there is no actuarial cost to the plan amendment, but there could conceivably be costs in the future, if there is increased usage of the disability provisions, and that the trustees will have to be careful to administer the disability provision to ensure that this does not occur. She stated there was no way to measure this potential cost impact. State law requires only that an actuarial impact statement be done for every plan amendment, that is, only those costs which can be actuarially determined are required to be measured.

The trustees then directed that I prepare for them a comparison of the former plan provisions with the current provisions (4). The comparison chart shows that few changes were made in the disability plan provision. There was no increase in the benefits provided to disability retirees, and the trustees maintained the requirement that an employee have at least ten years of service before they are eligible for the disability retirement.

In addition to changing methods to qualify for the disability pension, the trustees

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have also strengthened their authority to follow up on fraudulent disability pension applications. Also, it should be noted that one of the new criteria for gaining a disability pension is whether the person has been found disabled under the LYNX long term disability plan. Thus, LYNX through the administrator of its LTD plan has the capacity also to keep an eye on costs.

State law requires that the pension plan administrator sign off on any pension plan amendments, so that the State knows that the employer is aware of any costs that may be incurred as a result of the plan change. Section 112.63(3), Fla. Stat. Without the signature of the “plan administrator” on the letter to the state actuary, the trustees have been placed in a difficult (and possibly litigation-engendering) position, of one the one hand having adopted a plan amendment, and on the other hand, not being able to say with certainty whether it is effective or not. The letter to the state actuary is merely an acknowledgment that LYNX is aware of the change to the plan, and of its obligation under state law to fund any actuarial deficits in the plan. Again, however, the plan’s actuary has stated she is not aware of any actuarial cost – that is to say, any presently quantifiable cost – to the plan of this amendment.

At present, there is a pending disability pension application in which the applicant may not qualify under the old provision, but definitely qualifies under the new provision (the LYNX long term disability plan administrator found he was entitled to long term disability under the LYNX long term disability plan). His appeal from the decision of the trustees will be heard by the trustees at their August meeting. It would be most helpful if this issue can be resolved prior to that meeting.

I will be attending your June meeting along with the pension board chairman, and will be available to answer any questions you may have.

Thank you for your consideration of this request.

Attachments:

- (1) unsigned letter to Charles Slavin, prepared for signature by LYNX
- (2) Disability Amendment No. 6
- (3) November 30, 2005 Letter, Theora Braccialarghe to Sylvia Mendez
- (4) Comparison, old disability provisions versus Amendment No. 6

## AMENDMENT NO. 6

to the AGREEMENT AND DECLARATION OF TRUST of the AMALGAMATED TRANSIT UNION LOCAL 1596, as amended and restated in 2002

**Section 8.06, Disability Pension,** is hereby amended by deleting said Section in its entirety, and substituting therefor the following:

- (A) Service Required A Participant who becomes disabled on or after January 1, 1985, who has accrued ten (10) or more units of benefit credit shall be eligible to receive a monthly disability pension benefit.
- (B) Computation The monthly disability pension shall be computed in the same manner as provided in Section 8.01 for a normal retirement benefit.
- (C) Definition of Disability A participant shall be regarded as being disabled when he or she is unable to engage in any substantial, gainful employment for any occupation for which he or she are qualified by reason of age, education or work experience by reason of any medically determinable physical or mental impairment which has continued for at least thirty-six (36) months, or such time during which unreduced disability payments are available through the LYNX long term disability Plan.
- (D) Methods of proving disability entitlement. A Participant may qualify for a disability pension by any of the following methods:
  - 1. A participant will be found to be qualified for pension disability benefits where the participant has been found to be disabled under any existing LYNX long term disability plan, provided the disability



as defined above has continued for at least thirty-six months. The participant may be asked to provide proof of continuing disability.

2. A participant may elect to apply for pension disability benefits initially, without applying for the Employer's long-term disability, as long as the participant has opted for the sixty percent (60%) additional coverage offered by the Authority, for at least the twenty-four (24) months preceding his or her application for disability benefits. A Participant who elects to proceed without applying for the Employer's long-term disability, and who has not obtained disability benefits under the United States Social Security System, shall be required to show, by clear and convincing medical evidence, that he or she meets the definition of disability as set forth herein.
3. A Participant who elects to apply for pension disability benefits without first applying for the Employer's long-term disability insurance shall be found qualified for a disability pension automatically upon provision of proof of entitlement to disability benefits under the United States Social Security System.
4. A Participant who has been denied disability under both the Employer's long term disability plan and the Social Security System may elect to apply for a disability pension under this Plan only. In that event, the Participant shall be found qualified for a disability

pension upon a determination by the trustees that there is clear and convincing medical proof that the Participant is unable to engage in any substantial, gainful employment with the Employer by reason of any medically determinable physical or mental impairment which has continued for at least ninety (90) days and which is likely to be permanent.

5. All applicants may be required to submit to a physical examination by a physician or other medical expert selected by the trustees. Refusal to submit to such an examination may be grounds for disqualification from the disability pension.

(D) When application must be made. A participant must make application for a disability pension at the time of disability, but in any event, prior to the date of termination of employment with LYNX.

(E) Proof of Continuing Disability. The Trustees may require proof of continued disability from time to time but not more frequently than once every six (6) months. No Participant shall be entitled to receive a disability allowance under the Plan when he declines to permit a physician selected by the Trustees to examine or re-examine him or materially hinders an investigation ordered by the Trustees.

(F) Discontinuance of Disability. If, at any time, the Trustees find that any retired Participant receiving a disability allowance is no longer disabled as

defined above, they shall order the discontinuance of the payments provided for herein.

- (G) Waiver of Privacy Rights. As meetings of the Board of Trustees are public, the trustees may require applicants for disability pensions to sign waivers of their privacy rights.
- (H) Disability Death Benefit. If a Participant becomes disabled but dies prior to retirement, and leaves a surviving beneficiary to whom no Survivor benefit is payable, a monthly survivor Disability Pension, reduced in accordance with the terms of this Plan for survivor benefits, shall be paid to the beneficiary where, upon written application by the beneficiary, the Trustees determine that:
- (1) The Participant was entitled to a Disability Pension prior to the date of his death; and
  - (2) Because of the disability the Participant failed to file a written application for a Disability Pension; and
  - (3) The Participant was disabled for at least ninety (90) days prior to his death.

The amount of survivor benefits payable under this section shall be determined as if the Participant was granted a Disability Pension on the day prior to his or her death.

- (I) If the trustees determine that any participant has fraudulently obtained a disability pension; or fraudulently continues to receive a disability

pension; or has filed false information with the trustees with regard to any aspect of his or her disability pension application or his or her income from outside employment, then the trustees may in their sole discretion terminate or reduce the participant's pension, or refer the matter to legal authorities for prosecution.

EXCEPT AS HEREIN AMENDED, THE AMALGAMATED TRANSIT UNION LOCAL 1596 PENSION PLAN AGREEMENT AND DECLARATION OF TRUST, RESTATED THE DAY OF OCTOBER, 2002, SHALL REMAIN IN FULL FORCE AND EFFECT.

IN WITNESS WHEREOF, the Board of Trustees has caused this Amendment to the Restated Pension Plan to be signed this 10<sup>th</sup> day of May, 2005, to be effective as of the date of execution.

TRUSTEES

Thomas Lapins

Blanche W. Sherman

THOMAS E FAGAN

BRIAN Anderson

MaryAnn Taylor

Lisa Darnall

*[Signature]*  
*[Signature]*  
*[Signature]*  
Blanche W. Sherman

*[Signature]*  
Witness.

*[Signature]*  
*[Signature]*

*[Signature]*  
Lisa Darnall



**GABRIEL, ROEDER, SMITH & COMPANY**

Consultants & Actuaries

301 East Las Olas Blvd. • Suite 200 • Ft. Lauderdale, FL 33301-2254 • 954-527-1616 • FAX 954-525-0083

November 30, 2005

Ms. Sylvia Mendez  
Chief Administrative Officer  
LYNX  
455 North Garland Avenue  
Orlando, FL 32801-1518

Re: ATU 1596 Pension Plan – Proposed Amendment No. 6 Concerning Disability Pensions

Dear Ms. Mendez:

I apologize for missing the October 27 Audit Committee meeting to discuss the proposed amendment. As you know my plans were interrupted by Hurricane Wilma. In May we issued an impact statement stating that there was no anticipated cost increase associated with the proposed amendment. As we understand it the proposed amendment makes the following changes. The definition of disability in paragraph (C) adds a reference to any occupation for which the participant is qualified but does not limit employment to the Employer, so all participants are treated the same way regardless of current job openings with LYNX. Paragraph (D) then requires a delay in beginning payment during which one of the following occurs:

- The participant qualifies for and collects long term disability benefits under the LYNX long term disability plan for 36 months, or
- The participant qualifies for and collects the 60% additional coverage offered by the Authority for 24 months, or
- The participant qualifies for Social Security disability benefits, or
- If the participant fails to qualify under the preceding three alternatives, the requirement is the same as in the current Plan, that he or she is unable to engage in any substantial, gainful employment with the Employer; however, unlike the current Plan the condition must have already existed for 90 days, rather than being expected to last for 90 days.

Disability benefits differ from retirement benefits in that they are paid infrequently but can be more expensive due to the potentially longer payment period. The key is proper administration by the Board. In this case the Board is relying on outside decisions about whether or not participants qualify for disability from the LYNX long term disability plan and from Social Security. Participants who do not qualify under either of those two programs can expect to come under more scrutiny from the Board.

If we have missed anything, or if we can be of further assistance, please let us know.

Sincerely,

Theora P. Braccialarghe, FSA  
Senior Consultant & Actuary

cc: Tom Lapins, c/o Pension Resource Center  
Jill Hanson

COMPARISON, PENSION DISABILITY ELIGIBILITY PROVISIONS, 2002 – 2005

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2002

2005

(A) Service Required

A Participant who becomes disabled on or after January 1, 1985, who has accrued ten (10) or more units of benefit credit shall be eligible to receive a monthly disability pension benefit.

no change in provision

(B) Computation

The monthly disability pension shall be computed in the same manner as provided in Section 8.01 for a normal retirement benefit.

no change in provision

(C) Definition of Disability

*Two methods*

A Participant shall be regarded as being disabled when

1. he is unable to engage in any substantial, gainful employment with the Employer by reason of any medically determinable physical or mental impairment which can be expected to continue for at least ninety (90) days or to result in death or to be of indefinite duration.

*And:*

In no event shall a Participant who is entitled to disability benefits under the United States Social Security System fail to meet the requirements of this Section, provided he meets the other requirement of Subsection (D).

(D) Proof of Disability

*Four Methods*

New:

A participant is considered disabled if unable to engage in any substantial, gainful employment for any occupation for which he or she is qualified, by reason of age, education or work experience, by reason of any medically determinable impairment which has continued for either 36 months, or the period during which unreduced disability payments are available through the LYNX LTD plan.

New:

different ways to prove disability:

1. Qualify for SSD (same as in old provision)
2. Qualify for LTD under LYNX LTD plan, but must have been disabled for 36 months.

Underlined material is new.

COMPARISON, PENSION DISABILITY ELIGIBILITY PROVISIONS, 2002 – 2005

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and its continuance shall be furnished by the Participant to the Trustees. The Trustees may require proof of continued disability from time to time but not more frequently than once every six (6) months. No Participant shall be entitled to receive a disability allowance under the Plan when he declines to permit a physician selected by the Trustees to examine or re-examine him or materially hinders an investigation ordered by the Trustees.

3. Apply directly for pension disability, but must have selected, 24 months before date of disability, the extended LTD plan. Under this provision, if no SSD and no LTD, must show clear and convincing evidence of disability.
4. If DBL denied under LTD and SSD, employee can still show entitlement, by showing clear and convincing medical proof that he cannot engage in any substantial, gainful employment with the Employer.

(E) Discontinuance of Disability

If, at any time, the Trustees find that any retired Participant receiving a disability allowance is no longer disabled as defined above, they shall order the discontinuance of the payments provided for herein.

Same, except additional requirements to permit medical examination.

(F) Disability Death Benefit

If a Participant becomes disabled but dies prior to retirement, and leaves a surviving beneficiary to whom no Survivor benefit is payable, a monthly survivor Disability Pension, reduced in accordance with the terms of this Plan for survivor benefits, shall be paid to the beneficiary where, upon written application by the beneficiary, the Trustees determine that:

same

- (1) The Participant was entitled to a Disability Pension prior to the date of his death; and
- (2) Because of the disability the Participant failed to file a written application for a

COMPARISON, PENSION DISABILITY ELIGIBILITY PROVISIONS, 2002 – 2005

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Disability Pension; and

- (3) The Participant was disabled for at least ninety (90) days prior to his death.

The amount of survivor benefits payable under this section shall be determined as if the Participant was granted a Disability Pension on the day prior to his or her death.

*New*

provision for action where disability pension is fraudulently obtained.

Jill Hanson  
Attorney for Board  
Hanson, Perry & Jensen, P.A.  
Dated: February 7, 2006



# LYNX Board Audit Committee Agenda

## Audit Committee Agenda Item #3.B

**To:** LYNX Board of Directors

**From:** **Linda Watson**  
CHIEF EXECUTIVE OFFICER  
**Bert Francis II**  
(Technical Contact)  
**Kevin Plasterer**  
(Technical Contact)

**Phone:** 407.841.2279 ext: 3017

**Item Name:** Status Report on the Development of FY2007 and FY2008 Budgets

**Date:** 6/22/2006

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### **BACKGROUND**

At the April 27, 2006 Board meeting, LYNX staff presented the FY07 and FY08 Preliminary Budgets and LYNX consultants presented the recommendations of the Comprehensive Operations Analysis (COA). After hearing both presentations, 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.

LYNX Staff and the 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 of 90% or above. In addition, the board expressed a desire to begin implementing the recommendations of the COA so that the transit system can be greatly enhanced in the next year or two.

At the May 25, 2006 Audit Committee meeting, LYNX staff presented an initial status report detailing the action taken to that point and the next steps that needed to be taken. Staff presented the list of personnel from each major funding partner that had agreed to serve on the budget development teams.

### **ACTION TAKEN**

In the last two months, staff has coordinated with the local funding partners to develop the budget development teams discussed above. 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 three preliminary budget scenarios that explain the increases in the FY08 budget. Additionally, after further discussions between LYNX and the COA consultant, it became clear that it is not

## LYNX Board Audit Committee Agenda

practical to implement the full 15-year long-range plan in an aggressively compressed timeframe. First, it would be difficult to procure the equipment and hire the personnel but more importantly, the later years of the plan are based on growth and development that has not occurred yet. Accordingly, the need for transit services has not developed to the point that the out years should be moved to an accelerated schedule. However, that would not preclude us from moving more quickly on the first five years of the plan if the funds are available.

LYNX staff met initially with Orange County staff on May 24<sup>th</sup> and exchanged information, clarified the proposed service recommended by the COA and agreed to provide additional detailed information relating to LYNX' initial "status quo/base budget". This information was provided by June 2<sup>nd</sup> as requested.

Currently, staff is in the process of setting up more meetings with each of the budget development teams in order to gain input and insight in terms of the levels of service each funding partner is expecting in FY07.

### **NEXT STEPS**

The next steps that need to be taken include the budget development teams continuing to meet and discuss the details of what are budgeted, the source of operating and capital funding and when new service will be implemented. Ideally, these meetings will take place in early to mid June so that all appropriate communications can take place in a timely manner.

LYNX staff is currently scheduled to present its funding requests to Osceola County and Orange County in July and Seminole County in August. The proposed budget for adoption will be brought before the LYNX Board in September.

# LYNX Board Audit Committee Agenda

## Audit Committee Agenda Item #3.C

**To:** LYNX Board of Directors

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

**Phone:** 407.841.2279 ext: 3047

**Item Name:** Status Report on the Florida Retirement System (FRS)

**Date:** 6/22/2006

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Staff will provide the Committee with an update regarding switching to the Florida Retirement System (FRS).

# LYNX Board Audit Committee Agenda

## Audit Committee Information Item #.I

**To:** LYNX Board of Directors

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

**Phone:** 407.841.2279 ext: 3047

**Item Name:** Great Plains System Implementation Update

**Date:** 6/22/2006

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LYNX staff, with the assistance of the accounting firm, Sampey and Dexter, P. A. is progressing well with the action plan to successfully implement the Great Plains Dynamics system upgrade and additional software modules. As of February 2006, LYNX staff and the firm of CFO Consulting successfully installed a test environment for the system upgrades to 9.0 on a separate sever. The Finance staff has attended various training sessions provided by CFO Consulting and Sampey and Dexter, P. A. on the 9.0 system enhancements to become familiar with the new environment. LYNX staff has confirmed the availability of the third-party systems upgrades and will be converting all data as of June 30, 2006 with plans of going live in the 9.0 system environment in July 2006.

Sampey and Dexter, P.A. will be finalizing the system requirements, setup and configuration for the Conference Room Pilot (CRP) by the end of the second week in June. The goal of the CRP is to ascertain if the setup and system configuration will satisfy our functional requirements “before” continuing with the implementation process. This will allow the project team to properly evaluate the Microsoft Grants and Analytical Accounting modules functional capabilities in a test environment before fully implementing. The CRP is scheduled for the latter part of June.

LYNX staff will continue to update the Board on all future progress and successes.

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