



Board Date: 11/8/2012

Time: 10:30 AM

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










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

1. Call to Order

2. Approval of Minutes

-  Minutes from the September 27, 2012 Audit Committee Meeting Pg 2

3. Audit Agenda Items

- A.  Paratransit Ridership Increases and Cost Containment Options Pg 8
 - Attachment 
- B.  LYNX' Reserve Policy Followup Pg 21
- C.  Funding Model Followup Pg 23
 - Attachment 
- D.  LYNX/LYMMO Real Time Bus Location System Pg 25
 - Attachment 
- E.  Discussion of Three Year Risk Management Analysis Pg 34
 - Attachment 

LYNX
Central Florida Regional Transportation Authority
Audit Committee Meeting Minutes

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

DATE: September 27, 2012

TIME: 10:02 a.m.

Members in Attendance:

Seminole County Commissioner, Carlton Henley, Chairman
Osceola County Commissioner, Brandon Arrington
FDOT District 5 Secretary, Noranne Downs
Orange County, Office of Regional Mobility, Jim Harrison
City of Orlando, Transportation Policy Advisor, Christine Kefauver

Members Absent:

1. Call to Order

The Chairman, Commissioner Carlton Henley, called the meeting to order at 10:02 a.m.

2. Approval of Minutes

The Chairman asked the Committee if there were any additions or deletions to the August 9, 2012 as presented.

Motion was made and seconded to approve the Minutes as amended of the August 9, 2012 Audit Committee meeting. The motion passed unanimously.

3. Audit Agenda Items

A. Overview of FY2012 Amended Operating and Capital Budgets

The Chairman recognized Blanche Sherman, Director of Finance, for presentation.

Ms. Sherman noted that On March 22, 2012, LYNX' staff presented the FY2012 Amended Operating and Capital Budgets in the amount of \$113,707,941 and \$78,787,163, respectively for Board approval. Since

approval of the Amended FY2012 Operating and Capital Budgets, LYNX has brought several items to the Board requesting approval and corresponding amendment to the operating and capital budgets to include additional positions, new and amended contracts and projects, and revisions to lease agreements. Based on the Board's previous approval of those items, staff is requesting an amendment to the FY2012 Operating and Capital Budgets in the amount of \$1,470,241 and \$4,526,204, respectively. Approval of this amendment will formally amend the FY2012 Operating and Capital Budgets to accurately reflect approved revenues and expenses. The amended FY2012 Operating and Capital Budgets will be in the amount of \$115,178,182 and \$83,313,367, respectively.

Discussion ensued regarding the Capital Expenditure and progress of the Flex-Bus / BRT Study. Mr. Lewis stated that it is anticipated the technology study will be complete by the end of calendar year 2012. The study will include the development of a scheduling real-time technology for the implementation of the service. The Committee asked if an interim progress report will be made available. Mr. Lewis reported that interim reports are being delivered. A report on Title VI was provided to the partners this week. Mr. Lewis noted that once the study is completed, there are sufficient federal funds for a small 3 to 6 month pilot project. The purchase of the vehicle is not included in the funding, however, there are funds included for purchase of technology equipment to support the pilot project. The Committee noted that LYNX' Board nor FDOT has committed to the operation of Flex-Bus. It was noted the City of Lake Mary is not a project partner.

Discussion ensued regarding the Capital Expenditure for Intelligent Transportation System. The Committee stressed the importance of vehicle identification "when is the next bus coming" and the technology to share the information should be the organization's priority project. With the implementation of the new Bus Rapid Transit (BRT) project, LYNX is separating the CAD / AVL from the current Mentor system and the current LYMMO service and the 2 new projects provide the opportunity for a vendor that has a track record of providing this technology.

The Committee asked what has been the cost to date to LYNX for the CAD / AVL system. Mr. Lewis provided he will get the information and provide it to the Committee. He provided that LYNX will bring the project with Mentor to a close. The Committee requested a presentation on the details at the next Audit Committee meeting.

Motion was made and seconded to recommend the Board of Directors approve the FY2012 Amended Operating and Capital Budgets.

B. Overview of FY2013 Operating and Capital Budgets

The Chairman recognized Blanche Sherman, Director of Finance, for presentation.

Ms. Sherman noted the key assumptions used by LYNX' budget team in preparation of the FY2013 Operating and Capital Budgets were presented at the January 26, 2012 Audit Committee meeting. On March 22, 2012, LYNX staff presented the FY2013 Preliminary Operating Budget totaling \$113,862,952. The FY2013 Operating Budget has been presented to the funding partners. The FY2013 Operating and Capital Budgets are being presented in the amount of \$115,518,832 and \$98,306,238, respectively.

Mr. Lewis noted there is a downward trend in the utilization of Federal Preventative Maintenance Funding. He highlighted the advertising revenue program. He stated the increase in revenue is due in part to contracting with the new advertising vendor but also, a new revenue generating program started in LYNX' body shop led by Supervisor, Scott Penvose.

Discussion ensued regarding LYNX' new group health insurance program.

Discussion ensued regarding LYNX' use of natural gas. Mr. Lewis provided that he has had several meetings on the subject. He noted that LYNX' challenges with natural gas are the upfront capital cost of the conversion and the fact that the current fleet cannot be converted without voiding the warranties. The Committee asked staff to analyze the fleet conversions return on investment.

The Committee asked staff to provide an analysis of Votrans' system-wide cost per mile compared with LYNX'.

The Committee discussed the increase in staffing levels. Mr. Lewis noted that he would provide detail on LYNX' staffing levels, the required level to maintain base salary rates without overtime; and the correlation of increasing the staffing level to technology.

The Committee asked staff to begin preparing for presentation on how fare policies and realignment of routes in connection with SunRail will affect LYNX' operating budget. It was noted this information will also be helpful in the early education of the public on route realignments.

Motion was made and seconded to recommend the Board of Directors adopt the FY2013 Operating and Capital Budgets.

C. LYNX' Funding Model Discussion

The Chairman recognized Blanche Sherman, Director of Finance, for presentation.

Ms. Sherman noted that staff discussed the possibility of applying LYNX’ regional funding model in FY2014 with the Audit Committee at its meeting held on August 9, 2012.

Based on discussions with LYNX’ Board and various County Commissions and staff, it was recommended that in FY2014, LYNX resume utilizing its funding model to allocate each jurisdiction’s share of the costs of operations. Through use of the model, LYNX will be able to properly fund its operation and the costs of services will be appropriately distributed based on service supplied.

Ms. Sherman noted that the first year that all three regional partners paid based on the funding model was 2007. Orange County paid 39%, Osceola County paid 10% and Seminole County paid 20%. In 2008, there were some slight decreases and concerns about property tax reform. Accordingly, LYNX planned for efficiency changes of approximately 2.6 million dollars.

When talking with the regional partners and staff, Ms. Sherman provided that one question asked was “what would be the impact on funding if LYNX returns to the model”. In response, Ms. Sherman provided funding information for each partner based on their proposed funding without additional Preventative Maintenance funding:

	Orange County	Osceola County	Seminole County
Total Operating Per Model	\$34,714,946	\$5,485,475	\$5,658,595
FY2013 Proposed Funding	<u>(32,893,056)</u>	<u>(4,279,194)</u>	<u>(4,083,948)</u>
Operating Variance	\$ 1,821,890	\$1,206,281	\$1,574,647
Plus: \$2 Capital per Model	<u>\$ 1,648,276</u>	<u>\$ 171,440</u>	<u>\$ 173,594</u>
Estimated Funding Increase	\$ 3,470,166	\$1,377,721	\$1,748,241

Discussion ensued regarding returning to the funding model and substantiating for each jurisdiction’s Board the benefit. Mr. Lewis provided that LYNX has been operating in a deficit for many years and the deficit has been funded from LYNX’ reserves which is unsustainable. Ms. Sherman noted that the model provides a uniform basis of applying and sharing operating costs.

The Committee discussed if the Comprehensive Operational Analysis (COA) is complete prior to the preparation of the FY2014 budget, it could show that LYNX has implemented identified efficiencies while moving toward the funding model.

Discussion ensued regarding the release of the Request for Proposal (RFP) for the COA. Mr. Lewis reported the RFP was released today.

The Committee discussed LYNX’ staff performance, annual performance evaluations and training for evaluators.

Based on the staffing concerns, the Committee expressed hesitancy in committing to additional funding prescribed under the funding model until such time as LYNX is able to communicate to the regional partners how the organization will become more efficient. It was stressed that the funding partners must have confidence in the model's allocations and the importance of the COA findings prior to implementing the funding model.

The Committee agreed that LYNX' staff should continue to work on the funding model with the partners' staff.

D. Update on RIDA Development Partnership

The Chairman recognized Pat Christiansen, LYNX' General Counsel, for presentation.

Mr. Christiansen provided a briefing on the status of the negotiations regarding the construction of a public access way along the 60' strip of land adjacent to the east side of the Sunrail corridor linking a transit facility to a Transit-Oriented Development (TOD).

Mr. Christiansen provided historical information concerning the property and previous negotiations to bring the members current.

Mr. Christiansen noted that in 2006 he had prepared a Memorandum that was sent to the then Board members which was in the context of the negotiations of dealing with what is generally referred to as the "Pizutti Block". At that time, there were extensive discussions about the developers desire to acquire the air rights over the 60' strip but not the strip. In exchange, the developer would provide parking in the parking garage being proposing to be built. At the time, evaluations were completed but not appraisals and the cost of each space was \$18,500 plus monthly maintenance.

He explained that a Joint Participation Agreement (JPA) was entered into in 1998 between Federal Transit Administration (FTA), Florida Department of Transportation (FDOT) and City of Orlando. The JPA includes the 60' strip and requires it to be utilized for transportation purposes. At the same time, the City of Orlando has the Gertrude's Walk project. Their project runs along the railroad tracks about 10' to provide a pedestrian corridor. LYNX has received a federal grant to provide some expansion of Gertrude's Walk.

Additionally, LYNX utilizes the 60' strip for parking. LYNX' parking requirements are met by leasing spaces from the City in the Centroplex parking garage for a monthly charge as well as the spaces in the 60' strip. LYNX leases from FDOT additional parking on its property located at the corner of Amelia and Garland ("FDOT Lot").

Early in 2012, the current developer proposed LYNX convey a perpetual and exclusive Easement for the 60' strip. After a number of meetings, the following core issues remain and are not crucial to the operation of SunRail:

- Elimination / relocation of LYNX' parking
- The actual amount of the 60' strip the developer will use
- The ability to recapture for future transportation needs
- The placement of underground retention

The Developer has agreed to improve the 60' strip excluding the parking. Their ability to place underground retention will enhance density.

Staff continues to negotiate with the Developer and will not come back to the Board until such time as there is an agreement approved by FTA, FDOT, and the City of Orlando.

Discussion ensued regarding LYNX' parking in the FDOT lot. FDOT anticipates utilizing the lot during a 5 year project of widening of Interstate 4 at which time the parcel would be sold and used to accommodate Gertrude's Walk as well parking and development over the parking.

Edward Johnson provided that about a year ago, LYNX worked with the City of Orlando staff to prepare a rendering for the FDOT lot and can provide it.

The Committee discussed the process in which this item had been taken to the Board of Directors. Staff originally brought the request for authorization as a "Blue Sheet" item and the negotiation of the agreement has yet to be completed. The Committee requested that staff not bring forward item until such time as the agreement is ready for execution.

4. Review of Board Package

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

Mr. Lewis noted there are no changes to the Board Agenda.

The meeting adjourned at 11:50 p.m.

Audit Committee Agenda Item #3.A

To: LYNX Board of Directors

From: **Elisa Darnall**
CHIEF OPERATING OFFICER
William Hearndon
(Technical Contact)

Phone: 407.841.2279 ext: 6036

Item Name: Paratransit Ridership Increases and Cost Containment Options

Date: 11/8/2012

ACCESS LYNX ridership along with Medicaid reform information and options to control costs are outlined in the attached PowerPoint presentation.

You may recall during the August 2012 Board of Directors meeting, staff requested authorization to increase the not to exceed amount of the Core Paratransit Services Contract by \$2.6M to accommodate increased trip demand beyond initial RFP projections. The projections were based on an average 3% ridership increase annually. For calendar year 2011, the ACCESS LYNX program had a ridership increase of 9.46%. However, we are estimated to be more in line with projections for calendar year 2012 at a 3.23% increase.

Several cost containment efforts are already in place and LYNX is reviewing additional cost containment efforts that will be discussed in more detail at the Audit Committee meeting. Some of the current cost containment efforts include:

- NeighborLink services
- Reduced fare program for elderly and disabled
- Complimentary travel training

Other cost containment options that could be considered include:

- Free fixed route fare for eligible paratransit customers
- Additional NeighborLink routes
- Reduce ADA services to minimum Federally mandated requirements
- No longer provide Medicaid and/or Transportation Disadvantaged trips

LYNX Board Agenda

Upcoming Medicaid changes will have an impact on the level of trips provided since 45.7% of all trips provided during calendar year 2011 were Medicaid trips. Medicaid reform begins in August 2013 and must be completed by April 2015.

LYNX needs to determine its future role in providing Medicaid transportation services as well as LYNX' role as the Community Transportation Coordinator (CTC) for Central Florida.

Staff recommends the consideration of free fares and the evaluation of continuing to provide Medicaid trips and Transportation Disadvantaged trips, along with LYNX' CTC status.

Staff seeks the Committee's direction for consideration of cost containment options.

Paratransit Ridership Increases and Cost Containment Options

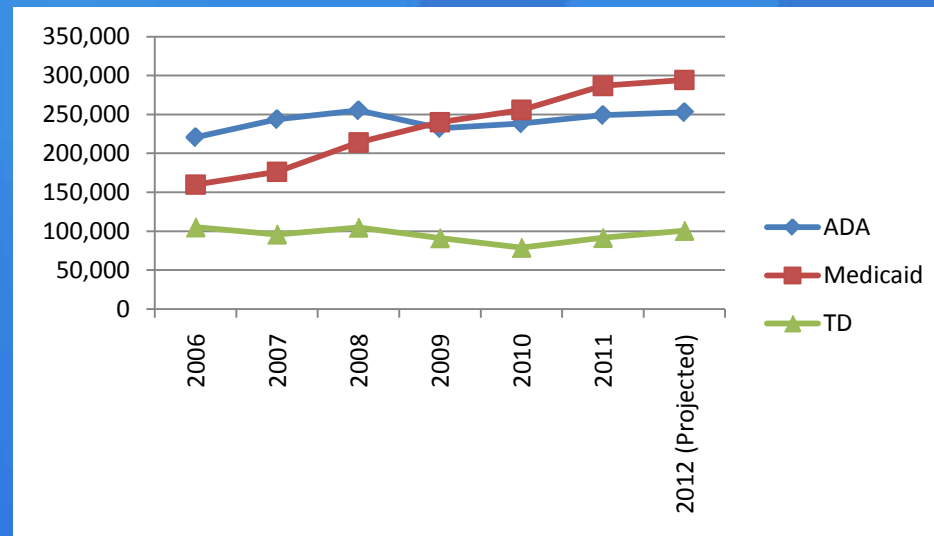
LYNX Audit Committee

November 8, 2012

Ridership Overview

Calendar year 2011, ridership increased by 9.46%

Calendar year 2012 ridership projections are estimated to increase by 3.23%



Paratransit Ridership

Calendar Year	ADA	Medicaid	TD	Total	Change
2006	220,657	159,907	105,158	485,722	N/A
2007	243,851	176,388	95,923	516,162	6.27%
2008	255,255	213,997	104,796	574,048	11.21%
2009	232,359	240,191	91,186	563,736	-1.80%
2010	238,535	255,833	78,838	573,206	1.68%
2011	249,194	286,733	91,487	627,414	9.46%
2012 (Projected)	252,831	294,197	100,647	647,675	3.23%

Calendar Year	ADA	Medicaid	TD	Total
2006	N/A	N/A	N/A	N/A
2007	10.51%	10.31%	-8.78%	6.27%
2008	4.68%	21.32%	9.25%	11.21%
2009	-8.97%	12.24%	-12.99%	-1.80%
2010	2.66%	6.51%	-13.54%	1.68%
*2011	4.47%	12.08%	16.04%	9.46%
2012 (Projected)	1.46%	2.60%	10.01%	3.23%

Current Cost Containment Efforts

- NeighborLink services
- Fixed route and NeighborLink reduced fare program incentive for the elderly and disabled
- Recertification every two years
 - New in-person certification and conditionally eligible
- Educate ACCESS LYNX customers of other transportation options via direct mailings, LYNX website, eligibility process and ACCESS LYNX reservations

Current Cost Containment Efforts

Continued

- Complimentary travel training
- Enforce no-show and fare collection policies
- Bus stop accessibility improvements
 - Bus stop inventory project planned for award at the next Board meeting

Cost Containment Options

- Customer incentives for eligible paratransit customers
 - Free fare for fixed route and NeighborLink
 - Bus Buddy Program
- Provide picture ID's to ensure eligible customers are riding
- Additional NeighborLink routes
 - Eight highest density paratransit ridership areas identified
- Focus on conditional eligibility
 - Conditionally eligible customers may be able to use other services
 - Automatically qualify and enroll in LYNX Advantage Fare Program
 - Approximately 46% of new paratransit applicants are conditionally eligible - only taking 15% of total trips (9% ADA, 6% Medicaid)
 - Provide travel training DVD
 - Enforce conditional eligibility at time of reservation

Cost Containment Options

Continued

- Review relocating MV's call center to MV's National Call Center in Dallas
- Review bringing some paratransit functions in-house, such as:
 - Reservations/Customer Service/Scheduling (if not moved to Dallas)
 - Vehicle Maintenance (100% LYNX owned vehicles by FY2015)
- Enforce closest facility for Medicaid customers
- Reduce ADA service to $\frac{3}{4}$ mile of fixed route, including days and times of the fixed route
 - Only about 10.6% of total ADA trips are outside the $\frac{3}{4}$ mile range
 - About 4.23% of all trips (ADA, Medicaid & TD) are outside the $\frac{3}{4}$ mile range

Cost Containment Options

Continued

- No longer provide TD and Medicaid trips
 - TD - LYNX receives \$244,023 monthly (\$2.9M annually), spends \$2.9M annually, requires 10% farebox match
 - Medicaid - LYNX receives \$500,474 monthly (\$6M annually), spends approximately \$900,000 monthly (\$10.8M annually)
 - Requires 90-day cancellation notice
 - LYNX current CTC designation and Medicaid Agreement expire June 30, 2013
- Evaluate financial and operational aspects of Medicaid and TD
 - Ridership
 - Federal formula funding
 - Renegotiation of paratransit contracts
 - Reduction of paratransit fleet

Upcoming Changes

Medicaid Reform

- Begins August 2013 with completion by April 2015
- Implemented through two managed care programs – Managed Long Term Care (LTC) and Managed Medical Assistance (MMA)
 - LTC Program (skilled nursing facility residents – 800,000 enrolled statewide)
 - LYNX' service area and Brevard County first to be implemented
 - Statewide completed by April 2014
 - MMA Program (most other Medicaid beneficiaries – 2.8M enrolled statewide)
 - LYNX' service area and Brevard County first to be implemented in October 2014
 - Statewide completed by April 2015
 - Except noted below, all Medicaid recipients will be required to enroll in a LTC or MMA
 - Exempt from Reform (less than 10% of the Medicaid beneficiaries statewide)
 - Prescribed Pediatric Extended Care (PPEC)
 - Developmentally Disabled
 - A few other very small categories

Upcoming Changes Continued

- Managed care organizations may choose to contract with LYNX as the current Medicaid provider for full reimbursement of our cost. LYNX has already been approached by two managed care organizations to provide transportation.
- LYNX may continue to contract with AHCA to provide Medicaid transportation to exempted Medicaid beneficiaries at a capitated rate similar to today's funding model.

Staff Recommendations and Board Direction

- Free fares for paratransit eligible customers on NeighborLink and Fixed Route services
- Evaluate the continuation of providing Medicaid trips
- Evaluate the continuation of providing Transportation Disadvantaged trips, which includes LYNX' CTC status
- Continue to implement additional NeighborLink routes
- Focus on conditional eligibility
- Review relocating MV's call center to MV's National Call Center in Dallas

Audit Committee Agenda Item #3.B

To: LYNX Board of Directors

From: Blanche Sherman
-DIRECTOR OF FINANCE
Blanche Sherman
(Technical Contact)

Phone: 407.841.2279 ext: 6100

Item Name: LYNX' Reserve Policy Followup

Date: 11/8/2012

Staff is continuing the discussion of the LYNX Reserve Policy.

LYNX reserves are currently utilized on an as-needed basis as approved by the LYNX Board of Directors. In order to formalize this process and appropriately address the establishment and use of reserves, LYNX staff presented a proposed Reserve Policy to the Audit Committee for consideration and review on August 9, 2012. LYNX' Reserve Policy is based on sound fiscal principles designed to allow LYNX to maintain continuation of operations in adverse conditions. The LYNX Board realizes that it is essential for governments to maintain adequate levels of reserves to mitigate current and future risks such as revenue shortfalls, emergencies, natural disasters, and unanticipated expenditures.

The Reserve Policy is essential to maintain adequate levels of reserves to mitigate current and future risks and is based on sound fiscal principles. LYNX' Reserves will be as follows:

- **Reserves for Operations (Cash Reserves) \$10,000,000 minimum \$20,000,000 maximum**
LYNX should establish a goal to maintain a reserve of forty-five to sixty days, or fifteen to twenty percent of regular operating expenditures to be used for short term cash flow purposes, or to ensure adequate resources for operating purposes at the beginning of the fiscal year. The cash reserve also helps to protect LYNX in the event it must respond to a natural or man-made disaster. This appropriation may also be considered to fund one-time capital outlay, but shall not be used to support ongoing operating expenses.
- **Reserves for Contingency (Emergencies) \$5,775,942**
LYNX should establish a goal to maintain a contingency reserve at a not to exceed 5% of the total budget. The contingency is commonly known as the emergency reserve to be used in the case of a major storm or other unforeseen disaster. The contingency reserve may also be used to cover unanticipated

expenditures of a non-recurring nature, to meet unexpected immediate increases in service delivery costs, and to temporarily maintain service levels in the event that an economic downturn should cause a shortfall in revenues.

- **Reserves for Capital Funds and Debt Service \$2,000,000 and \$4,300,000**
In the event that the operating reserve balance exceeds the amount set forth in this policy, the excess will be transferred to Reserves for Capital. The goal will be to fund the future infrastructure. This only pertains to items and/or projects included in the annual capital budget. Debt Service Reserves are subjected to the creation of a very specific reserve amount as a part of the Loan Covenants. Therefore, the amount to be appropriated must adhere to these requirements and will be budgeted, accordingly.
- **Reserves for Self-Insurance Programs \$5,000,000**
Risk Management should maintain a minimum reserve equal to the 80% to 90% undiscounted confidence level of the annual actuarial study to ensure financial viability for Workers Compensation and General Liability Claims. In addition, should a claim be made against LYNX that is identified subsequent to the actuarial report and prior to the issuance of the Comprehensive Annual Financial Report that is financially material to the fund and highly likely to succeed, additional reserves should be established to provide adequate funds in reserve. Also, LYNX should establish a reserve equals to two months to support unanticipated increase in medical insurance expenses.
- **Reserves for Fuel Stabilization \$1,000,000**
In 2011, LYNX established a fuel hedging program to curtail some of the extreme volatility experienced in the price of fuel. The hedging program is not meant to “out-guess” the market for fuel, but rather is an attempt to eliminate some of the pricing volatility and provided budget stabilization. This program, combined with establishing a Fuel Stabilization Reserve, will give LYNX, and ultimately our funding partners, some assurance of price and funding stability, as it pertains to the costs of fuel. The reserve will be funded via reserving excess revenues.

The total impact is **\$28,075,942 minimum.**

Audit Committee Agenda Item #3.C

To: LYNX Board of Directors

From: Blanche Sherman
-DIRECTOR OF FINANCE
Blanche Sherman
(Technical Contact)

Phone: 407.841.2279 ext: 6100

Item Name: Funding Model Followup

Date: 11/8/2012

Staff discussed the possibility of applying LYNX' funding model in FY2014 with the Audit Committee at a meeting held on August 9, 2012 and September 27, 2012. Staff will continue the discussion at this meeting.

Based on discussions with the LYNX Board and various County Commissions and staff, LYNX is considering resuming the utilizing its funding model to allocate each jurisdiction's share of the costs of operations in FY2014. Through use of the model, LYNX will be able to properly fund its operation and the costs of services will be appropriately distributed based on service supplied.

LYNX Funding Model

	Orange County		Osceola County		Seminole County	
Model w/o Additional PM	\$ 34,354,922		\$ 4,700,201		\$ 5,519,174	
21 Bus Lease	(1,005,094)		-		-	
OTP & Route Capacity	675,118		785,274		139,421	
Link 111	<u>690,000</u>		<u>-</u>		<u>-</u>	
Total Operating Per Model	\$ 34,714,946		\$ 5,485,475		\$ 5,658,595	
FY2013 Proposed Funding	<u>(33,583,056)</u>		<u>(4,279,194)</u>		<u>(4,083,948)</u>	
Operating Variance	\$ 1,131,890	3.4%	\$ 1,206,281	28.2%	\$ 1,574,647 38.6%	
Plus: \$2 Capital per Model	<u>1,648,276</u>		<u>171,440</u>		<u>173,594</u>	
Estimated Funding Increase	<u><u>\$ 2,780,166</u></u>	8.3%	<u><u>\$ 1,377,721</u></u>	32.2%	<u><u>\$ 1,748,241</u></u>	42.8%

Audit Committee Agenda Item #3.D

To: LYNX Board of Directors

From: Daniel Healey
DIRECTOR OF ENGINEERING
Kenneth Jamison
(Technical Contact)

Phone: 407.841.2279 ext: 6023

Item Name: LYNX/LYMMO Real Time Bus Location System

Date: 11/8/2012

Staff will present the status of the Automatic Vehicle Location (AVL) project. The presentation will cover a brief overview of AVL, the history of the project to date, and an update on the current status. Staff will also discuss the use of AVL data in the upcoming LYMMO expansion project to provide “real-time” information to customers on the operations of the buses.

AVL Update

Presented to the
LYNX Board of Directors

November 8, 2012

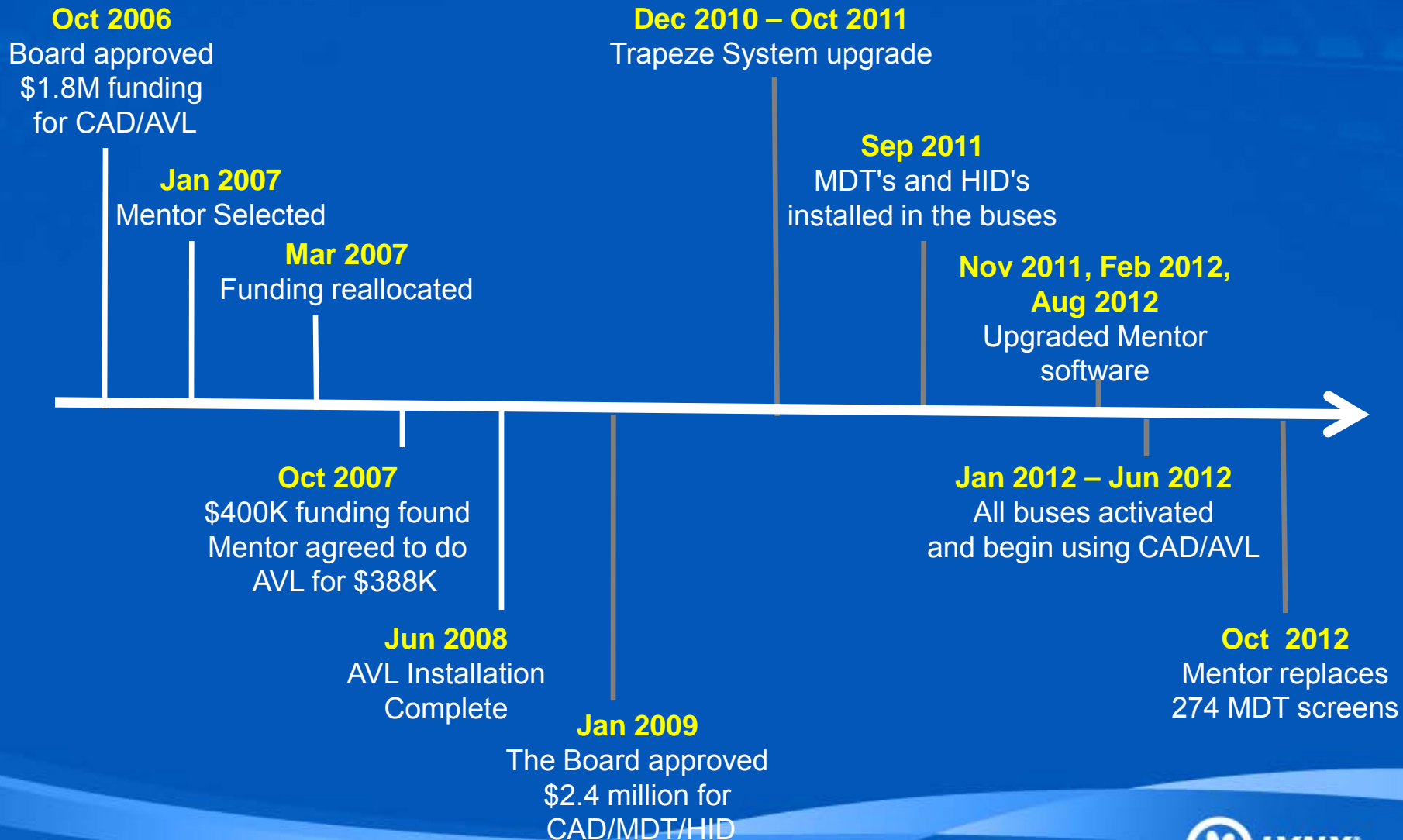
Overview

- What AVL?
- History of Current AVL System
- AVL Update
- Next Steps
- LYMMO Expansion
- Real-time Information Demonstration

What is AVL?

- Automated Vehicle Location (AVL) provides real-time bus location information.
- The current Mentor AVL system updates a central system every 30 seconds with bus location, driver data and route adherence information.
- Next generation AVL will provide real time predictive schedule information, allowing riders to view bus departure information on displays and kiosks at select stations, via smartphone apps, and in SMS text message alerts.
- AVL data used internally for route planning, security, and operations dispatch.

History of Current CAD/AVL System



AVL Update

Implementation of AVL is 85% complete

- Recent activity (2012)
 - All buses began using CAD/AVL – Jun
 - Replaced 274 MDT screens to resolve high failure rate – Sep
 - Infrastructure upgrades ordered to better support processing of real time data – Oct
 - Operator refresher training on MDT – Nov
- To be completed (2012 – 2013)
 - Document / validate maintenance processes and procedures – Nov
 - Resolve replacement parts issues – Nov 2013
 - Implement Infrastructure upgrades – Nov 2012 – Feb 2013

Next Steps

- Test next generation system using existing LYMMO buses and stations.
 - Prove real-time bus location information capabilities.
 - Allows LYNX to work through issues prior to opening the new LYMMO routes.
- Implement new system on all LYMMO routes.
- Procure new system with new buses.

LYMMO Expansion

- LYMMO will implement a next generation AVL system that provides real-time bus location information to riders via in-station kiosks, displays.
 - LYMMO will provide data to 3rd parties to develop mobile phone applications and SMS text message alerts.
- LYMMO will be the test of the potential platform for future real time bus location services.
- LYMMO expansion and upgrades to existing LYMMO line will be completed in October 2013.

Questions



David Healey

Director of Engineering and Construction

dhealey@golynx.com

Audit Committee Agenda Item #3.E

To: LYNX Board of Directors

From: **Baunie McConnell**
DIRECTOR OF RISK MGMT & SAFETY
Baunie McConnell
(Technical Contact)

Phone: 407.841.2279 ext: 6127

Item Name: Discussion of Three Year Risk Management Analysis

Date: 11/8/2012

An overview of the past three fiscal years to address the success and needed improvements to assist the Agency in achieving a safety first, last, always approach.

While there has been a reduction in reported incidents (9.9% decrease FY 09/10-11/12), the alleged liability claims against the Agency have increased (35%). Certainly, investigating and adjusting these claims internally have resulted in a savings on claim fees and settlement dollars, but there is room for improvement with reporting times and thoroughness of investigation. Recently the Department attended an Accident Reconstruction training sponsored by Florida Highway Patrol (FHP).

The Third Party Administrator is still involved with workers' compensation however the contract will not be renewed at the end of March. A more cost efficient, less adversarial method is a medical managed team approach. This will eliminate the high cost of claim fees and allow the Agency to direct the medical treatment, light duty assignments and take an active role in loss control and prevention.

We can accomplish a safer working environment and safer ridership for our customers and Operators with continued participation in the mandatory safety meetings held four times a year, forming tier safety committees and using videos as a teaching tool. We anticipate partnering with Human Resources, Transportation, Engineering, Planning and Communications will have long term positive effects on the Agency both in the areas of public liability and workers' compensation, especially with cost reductions of overall claim expenses, employee morale and public confidence in our ability to provide great service.



THREE YEAR RISK MANAGEMENT ANALYSIS

Workplace Safety is everyone's
responsibility at LYNX

THREE YEAR COMPARISON FOR LIABILITY

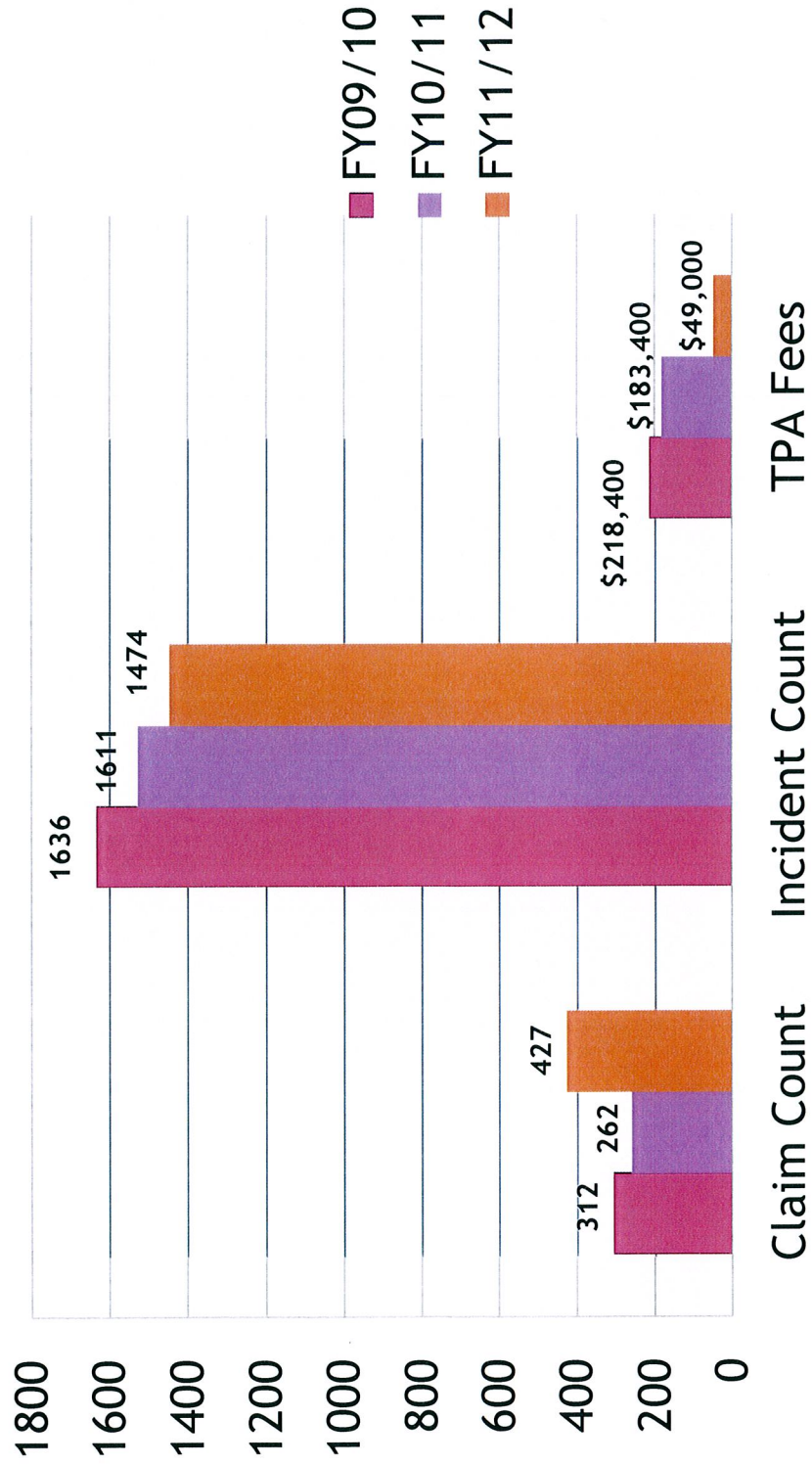


- Progress?
 - Incident numbers keep falling
 - 6.6% decrease from FY 09/10 to FY 10/11
 - 3.5% decrease from FY 10/11 to FY 11/12
 - 9.9% decrease comparing FY09/10 to FY 11/12
 - Claim Counts are on the rise
 - Up 38% from FY10/11
 - Claim dollars paid are less due to Bus Pass Program
 - Fees and Payouts
 - TPA fees are significantly less (77%) from FY09/10 payment
 - Claim payouts are not mature for the three years but FY11/12 payout is less than \$20,000.

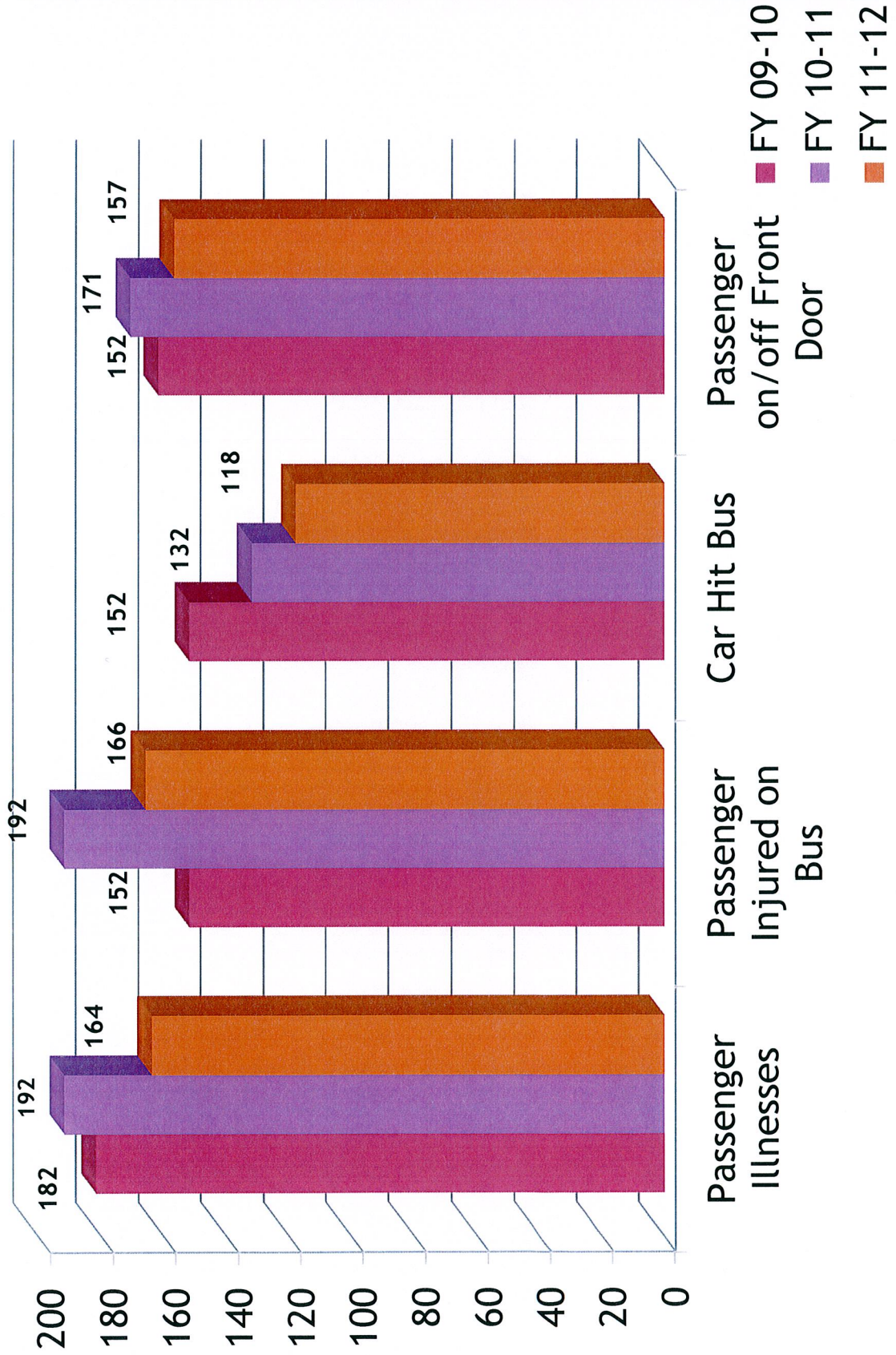


THREE YEAR COMPARISON FOR LIABILITY

Incidents, Claims and Fees



THREE YEAR COMPARISON ON TOP FOUR TYPES OF CLAIMS



THREE YEAR COMPARISON FOR WORKERS COMPENSATION

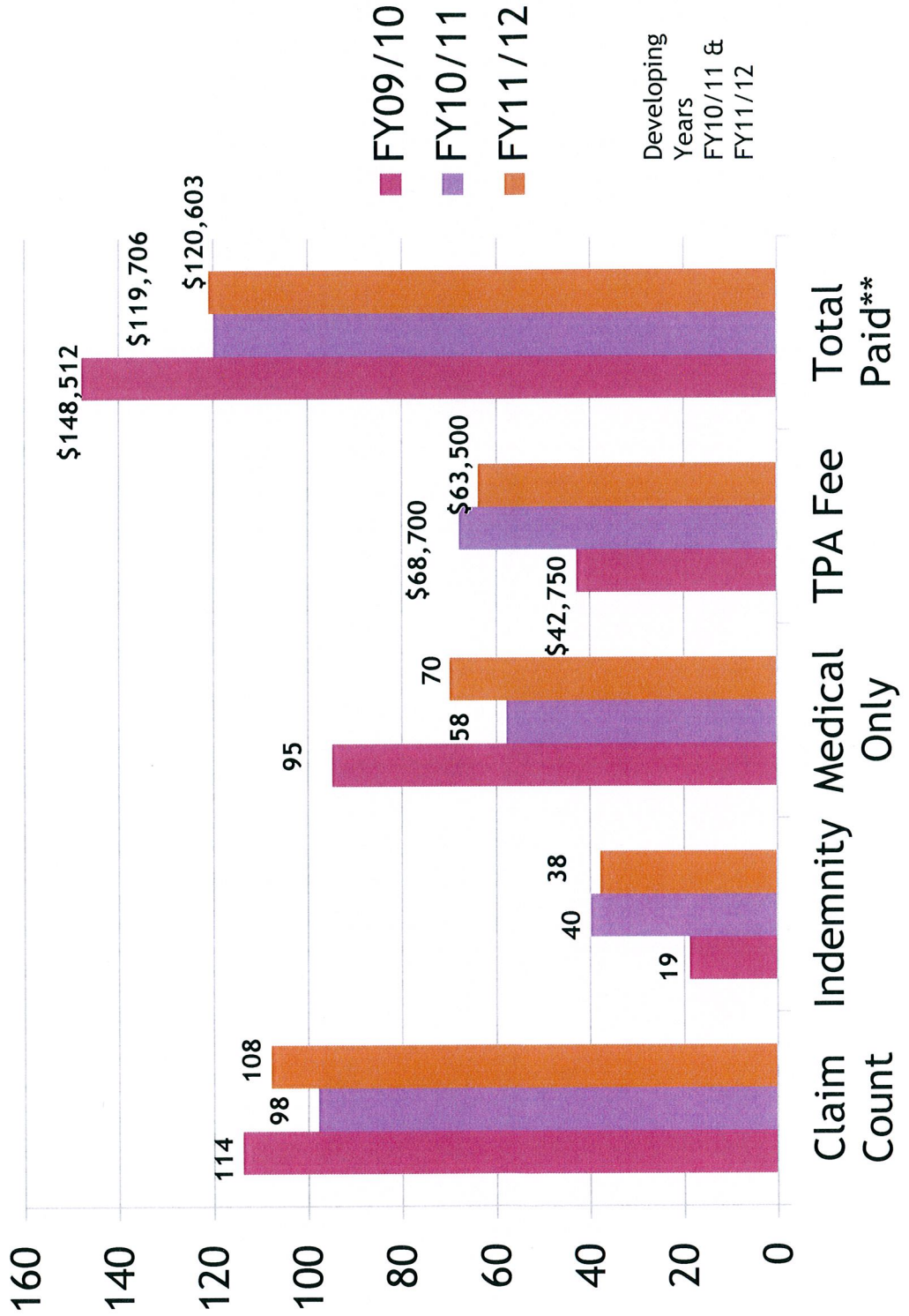


- Progress?
 - Claim counts are on the rise
 - Safety meetings should help
 - Safety Manager involvement through safety committees, training and update SOPs should help lessen bad habits reducing claims and costs
 - TPA fees increase when claims rise
 - Looking to go to a medical management program with internal claim handling
 - Total paid remains consistent
 - Better management of claims

THREE YEAR COMPARISON FOR WORKERS COMPENSATION



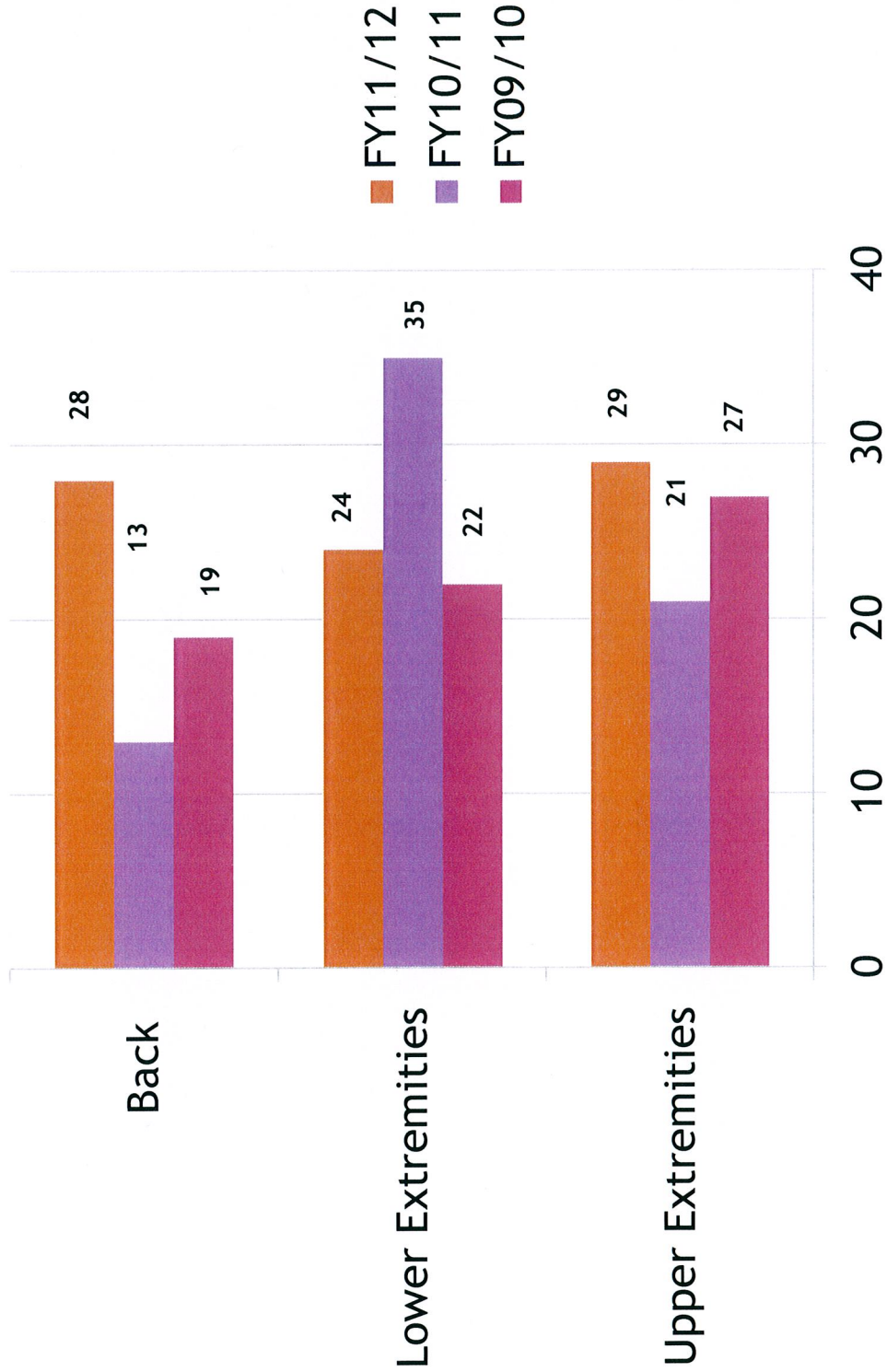
CLAIMS AND COSTS



THREE YEAR COMPARISON FOR WORKERS COMPENSATION



THREE MOST FREQUENT INJURIES



CONCLUSION



- Reduce claims by training, training and more training
- Behavioral and cultural changes
 - Is it safe?
 - Always safe
- Passenger Illness
 - Increases delays in service and performance
 - Added cost to revenue service
 - Suggest Access LYNX or Neighbor LYNX for those chronic passengers
- Passenger Injuries
 - Wait until seated
 - Standee line violations
 - Pay attention to boarding and alighting passengers-kneel the Bus
 - Operators need a voice- “moving the bus”
 - Check twice before closing the doors
 - Request mobile ADAs transfer to a seat if refuse lap and shoulder restraint
- Car collides with Bus
 - Anticipate the move rather than defend the move
 - Look twice/ use all mirrors
 - PSA-let the bus in, safe distance to stop
- Workers Compensation
 - Safety committee
 - Following SOPs
 - Proper use of equipment
 - Wearing safety protection
 - Haste causes injuries
 - Simulated retraining