



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

## 1. Call to Order

## 2. Committee Minutes



Oversight Committee Minutes, April 20, 2017


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## 3. Public Comments

- Citizens who would like to speak under Public Comments shall submit a request form to the Assistant Secretary prior to the meeting. Forms are available at the door.

## 4. Chief Executive Officer's Report

## 5. Committee Agenda Items

- A.  FY2018 Preliminary Operating Budget Recommendation

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-Attachments



## 6. Committee Discussion Items

- A.  Update on Legislative Session 2017

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-Attachments




- B.  Clever Device Full Fleet Conversion Plan

Pg 26

-Attachments




## 7. Committee Action Items

- A.  Authorization to Submit a Grant Application to the Federal Transit Administration (FTA) for the FY17 Competitive Funding Opportunity, Section 5339 Bus and Bus Facility, Low or No Emission Program

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## 8. Committee Information Items

- A.  FY2016 Audit Required Communication to LYNX Oversight Committee

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-Attachments 

## 9. Board of Directors Agenda Review

Section 286.0105, Florida Statutes states that if a person decides to appeal any decision made by a board, agency, or commission with respect to any matter considered at a meeting or hearing, he will need a record of the proceedings, and that, for such purposes, he may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based.

In accordance with the Americans With Disabilities Act of 1990, persons needing a special accommodation at this meeting because of a disability or physical impairment should contact Benjamin Gonzalez at 455 N. Garland Ave, Orlando, FL 32801 (407) 254-6038, not later than three business days prior to the meeting. If hearing impaired, contact LYNX at (407) 423-0787(TDD).



**LYNX**  
**Central Florida Regional Transportation Authority**  
**Oversight Committee Meeting Minutes**

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

**DATE:**        **April 20, 2017**

**TIME:**        **10:30 a.m.**

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**Members in Attendance:**

Viviana Janer, Chair, Osceola County  
Lee Constantine, Vice Chair, Seminole County  
Jo Santiago, FDOT  
Jim Harrison, Orange County  
Billy Hattaway, City of Orlando

**Staff Members in Attendance:**

Edward L. Johnson, CEO  
Tiffany Homler-Hawkins, CAO  
Bert Francis, CFO  
Thomas Stringer, COO  
Patrice C. Murphy, Executive Assistant  
Matt Friedman, Director of Communication  
Blanche Sherman, Director of Finance  
Donna Tefertiller, Director of Human Resources  
James Goldsmith, Legal Counsel  
Scott Penvose, Maintenance Supervisor  
Jody Bell, Safety and Security Officer

**Members Absent:**

Steve Martin, Secretary, FDOT

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**1. Call to Order**

Chair Janer called the meeting to order at 10:32 a.m.

**2. Approval of Minutes**

Chair Janer asked the Committee if there were any discussion about the January 26, 2017 meeting minutes. A motion was made by Vice Chair Constantine and seconded by Jim Harrison to approve the minutes. Motion carried.



### **3. Public Comments**

No members of the public were present to speak.

### **4. Chief Executive Officer's Report**

Edward L. Johnson, Chief Executive Officer, LYNX presented the report. Mr. Johnson introduced Billy Hattaway, City of Orlando, as the newest member of the Oversight Committee as the City of Orlando representative. Mr. Johnson also mentioned that James Goldsmith of Akerman LLP was sitting in for Pat Christiansen, General Counsel.

### **5. Finance and Audit Committee Report**

#### **A. Finance and Audit Committee Report**

Chair Janer recognized Ray Walls, Chair, LYNX Finance and Audit Committee, to make a presentation. Mr. Walls reported on the Finance and Audit Committee meeting held April 19, 2017 stating the Committee received the Comprehensive Annual Financial Report (CAFR) from Ronald Conrad of Cherry Bekaert. The CAFR was recommended for approval. Mr. Walls reviewed the FY2017 Amendment to the Operating and Capital Budgets as procedural and stated the item was recommended for adoption. Mr. Walls further discussed the FY2018 Preliminary Operating Budget stating the Finance and Audit Committee did not make any recommendations as this is an initial and preliminary consideration of the FY2018 budget proposals. Mr. Walls concluded the Finance and Audit Committee presentation.

### **6. Committee Action Items**

#### **A. Presentation on the Annual Financial Audit and Comprehensive Annual Financial Report (CAFR) Year Ended September 30, 2016**

Chair Janer recognized Mr. Bert Francis, Chief Financial Officer (CFO), to introduce Mr. Ronald A. Conrad, Partner, and Cherry Bekaert to present the Annual Financial Audit and Comprehensive Annual Financial Report (CAFR) Year Ended September 30, 2016.

Mr. Francis stated annually LYNX does a financial compliance audit using the firm of Cherry Bekaert and introduced Mr. Ronald A. Conrad to present the results of the audit. Mr. Conrad provided a detailed report and concluded this was a clean audit and there were no findings.

Mr. Johnson followed Mr. Conrad's presentation by discussing cybersecurity and threats against transportation systems. Mr. Johnson stated LYNX first line of defense will be employee training in recognizing issues, suspicious emails, attachments, or operate outside of LYNX policies. An additional component to be addressed is penetration testing of LYNX



information technology systems, allowing for recognition of openings and vulnerabilities in LYNX and contractual vendor applications open to the public or to staff.

Chair Janer thanked Mr. Conrad and congratulated staff for an unmodified opinion and clean audit.

Chair Janer requested a motion. Motion to accept the CAFR made by Jim Harrison, second by Commissioner Constantine. Motion carried.

## **B. Authorization to Increase the Not-to-Exceed amount of the Contract with Mears Destination Services for Service on LYNX Route 208**

Chair Janer recognized Mr. Johnson. Mr. Johnson provided an overview and clarification of LYNX Route 208 authorization to increase the not-to-exceed amount, and synopsis of previous activities presented and approved by the Board of Directors. Blanche Sherman, Director of Finance, additionally provided background and history of the Mears Destination Services contract stating that originally the contract had a capped amount at 2,800 hours per year as stated in the Joint Planning Agreement (JPA) and any amount over would be covered by LYNX.

Chair Janer requested additional discussion of Route 208 at a future date. Chair Janer recognized Mr. Harrison. Mr. Harrison asked for clarification of the contract, asking is LYNX staffing and providing hours above the 2,800 contracted amount? Ms. Sherman replied in the affirmative. Ms. Sherman stated the original JPA was presented and approved by the Board of Directors for approval. Chair Janer requested the meeting dates be provided to the Oversight Committee as it was brought to the Board of Directors. Chair Janer provided clarification by stating that this occurred in the past, but would like to know this type of information going forward as to the actual costs of contracting versus LYNX staffing and these type of projects are fiscally sound going forward with Route 208 as this is now being staffed by LYNX.

## **C. Overview of the FY2017 Amended Operating and Capital Budgets**

Chair Janer recognized Blanche Sherman, Director of Finance. Ms. Sherman provided an overview of the FY2017 Amended Operating and Capital budgets explaining adjustments that were brought before the Board of Directors to change to operating and capital budgets respectively.

Mr. Johnson commented on the FY2017 budget and impacts upon the FY2018 budget. Mr. Johnson has asked staff to put a hold on purchasing new revenue vehicles, stating LYNX past practice has been to retire vehicles when they reach the Federal standard for retirement at 500,000 miles or 12 years; whichever one is first. Mr. Johnson reasons that LYNX can keep vehicles longer through the use of preventative maintenance and overhauls by investing \$50,000 to \$100,000 into the useful life of the vehicle thereby creating a cost reduction. Extending the useful life of vehicles permits LYNX to utilize funding for capital



projects and activities such as construction on the recently purchased property behind the LYNX Operations Center for paratransit operations; preparing for the location of an operations base in Osceola County and a number of demands for other capital funding. Mr. Johnson stated that a Capital Improvement Program (CIP) will be developed and presented to the Board of Directors that will show the direction of LYNX and how to best utilize funding to meet needs.

Chair Janer agreed with Mr. Johnson, stating other transit agencies buy LYNX buses, overhaul them and extend the life of the buses for their respective agency and if LYNX can get another year or two from the useful life of the buses then the savings would be beneficial.

Chair Janer requested a motion to accept the amended budgets. Motion made by Jim Harrison, second by Commissioner Constantine. Motion carried.

#### **D. FY2018 Preliminary Operating Budget Discussion**

Chair Janer recognized Mr. Bert Francis, CFO. Mr. Francis furnished the Oversight Committee with an initial FY2018 operating budget. First, Mr. Johnson, CEO, provided additional guidance as the draft budget was being created. Mr. Johnson wanted it to be clear staff is not seeking approval of the budget at this time, but wants to have a discussion on the impacts of policy related matters that impact the budget before seeking the Committee and Board of Directors approval. Mr. Johnson stated LYNX wants to take a careful look at all items, budget impact and policies that may need adjusting to reach goals. Mr. Johnson further detailed the goal is to cap the funding partners increase to 3.5% over FY2017 and LYNX needs to review items that are driven by Board policy and would like to discuss those items today to recommend to the full Board of Directors to take action. With this staff supplied numbers to assist guiding the preliminary budget discussion. Mr. Francis further stated some assumptions used to formulate and create the preliminary budget.

Mr. Francis stated with the challenges LYNX is facing and the objectives that required to be met LYNX is confronted with going into reserves for \$1.3 million dollars, and is not significant and not what LYNX expects to be able to continue. Going forward Mr. Francis stated that the Finance and Audit Committee and Oversight Committee will receive an analysis and update of LYNX reserve funds at their respective meeting in May 2017.

Mr. Francis then moved to the consideration of customer fares and stated that LYNX has not increase fares since 2009. In the proposed, preliminary budget a fare increase .25 cents to the basic fare has been incorporated. That generates approximately \$1.4 million dollars. Mr. Francis further stated LYNX has not even kept up with the consumer price index (CPI) in term of fare costs and increases.



Mr. Francis revealed LYNX marketing revenues are down and revenues are not at the levels that were expected. Following, Mr. Francis discussed the adjustments from the federal revenues, state revenues remain approximately the same, and local revenues shows a 3.65% increase, but the actual to the funding partners is 3.5%.

Mr. Francis discussed expenses, stating the big difference will be seen in purchase transportation. This item moves contracted personnel from one line item and brings them under LYNX salary line.

Mr. Francis provided a conclusive overview of the budgetary discussion to include the three main items needed to maintain and meet objectives and that the proposed budget will be presented to the Finance and Audit Committee as well as the Oversight Committee for input before full presentation and adoption to the Board of Directors in September.

Mr. Johnson discussed with the Oversight Committee coordination of an additional meeting in May to accommodate the schedule and be thorough in the budget process. Mr. Johnson as well as members of the Committee and the Board of Directors know that fare rates are always sensitive to LYNX customers as well as possible service changes to produce efficiencies within LYNX routes.

Chair Janer recognized Mr. Harrison for discussion about the timeframe for discussing items regarding the budget. Mr. Johnson stated that LYNX would like to coordinate an additional work shop meeting to present FY2018 budget items. Chair Janer request each member be allowed enough time to review items as well as a way to understand one by one each assumption and recommendation and impact. Chair Janer and Mr. Johnson will coordinate the additional meeting.

Chair Janer requested a copy of the presentation be sent electronically to each Oversight Committee member.

## **7. Committee Action Items**

### **A. Authorization to Submit a Grant Application to the Commission for the Transportation Disadvantaged for a Mobility Enhancement Grant**

Chair Janer recognized Belinda Balleras, Manager of Grants, to present.

Ms. Balleras provided background information regarding the grant that included discussion of the target population, geographic coverage, transportation systems for non-urbanized areas, and coordination of services to encourage private transportation providers to participate. The grant is awarded provides 90% of funding and requires a 10% local funding match, including administrative fees.



Mr. Johnson stated the request if for the Oversight Committee to authorize staff to make the grant application deadline and present it to the Board of Directors at the May 25, 2017 meeting.

Chair Janer requested a motion. Motion made by Jim Harrison, second by John Booker. Motion carried.

### **B. Authorization to Release Request for Proposal (RFP) for Legal Services**

Chair Janer recognized Tiffany Homler-Hawkins, Chief Administrative Officer, to present.

Mrs. Homler-Hawkins reviewed the current contracts and stated it is time to request proposals for all legal services. The RFP will cover a three (3) year period with two (2) one-year options to continue service at the Board of Director's discretion.

Chair Janer requested a motion. Motion made by Commissioner Constantine, second by Mr. Hattaway. Motion carried.

**The meeting adjourned at 12:04 p.m.**

### **Certification of Minutes:**

I certify that the foregoing minutes of the April 20, 2017 Oversight Committee meeting are true and correct, approved by the Oversight Committee.

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**X**

Patrice C. Murphy, MPA  
Executive Assistant



**Oversight Committee Agenda Item #5.A.**

**To:** LYNX Oversight Committee

**From:** Albert Francis  
CHIEF FINANCIAL OFFICER  
Julie Caple  
(Technical Contact)

**Phone:** 407.841.2279 ext: 6058

**Item Name:** FY2018 Preliminary Operating Budget Recommendation

**Date:** 5/25/2017

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LYNX Staff will provide an overview of the FY2018 Preliminary Operating Budget at the May 25, 2017 Oversight Committee meeting.



# FY2018 Preliminary Operating Budget

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Presented to the  
LYNX Oversight Committee  
by Bert Francis, Chief Financial Officer  
May 25, 2017



# Key Budget Assumptions - Overall



- FY2018 Funding based on the adopted LYNX Funding Model
- Maximize current service levels through continuation of ongoing efficiencies and route optimization
- Enhance Fixed Route, NeighborLink (NL) and ACCESS Link services by implementing New Mobility Management



# Key Budget Assumptions - Revenue



## **Federal Funding:**

- Maintain current Preventative Maintenance funding Level, as approved by LYNX' Board

## **State Funding:**

- Continue to maximize State Operating Assistance

## **Advertising Revenue:**

- Continue to attempt to maximize Advertising Revenue, considering safety issues

## **Customer Fares:**

- Consideration of a Fare increase in FY2018, if deemed appropriate

## **Other Revenues:**

- Maximize anticipated Compressed Natural Gas (CNG) Rebates and Royalties



# Key Budget Assumptions - Expenses



## **Personnel Expenses:**

- Salary increases consistent with Funding Partners and anticipated Union negotiations
- Continue to monitor the Health Insurance Program to identify potential savings and efficiencies

## **Fixed Route, Paratransit, and NL Services:**

- Implement Mobility Management Model, as appropriate

## **Fuel Programs:**

- Continuation of Fuel Programs, as appropriate
  - ✓ Fuel Hedging
  - ✓ Bio-diesel
  - ✓ Compressed Natural Gas (CNG)

## **LYNX 25 Year Celebration:**

- LYNX will be considering events and various branding efforts for the 25 year celebration



# Other Considerations



- Laddered Investment Program
- Pension Assumptions
- Healthcare Cost Shifting
- P-Card Rebates
- Evaluation of Existing Positions
- Fare Policy Creation



# Other Initiatives



## **Service Expansion:**

- Impacts of SunRail Phase 2 expansion (feeder service)

## **Technology:**

- Impact of potential cost savings from implementing Mobile Ticketing System

## **Facility Improvements:**

- Relocation of Paratransit Facility from LB McLeod to NoPetro Land site



# FY2018 Operating Budget Overview

	<b>FY2018 Preliminary Budget</b>	<b>FY2017 Amended Budget</b>	<b>% Change</b>
<b>Operating Revenue</b>	\$ 132,543,898	\$ 131,392,067	0.9%
<b>Operating Expenses</b>	132,543,898	131,392,067	0.9%
<b>Operating Income/(Deficit)</b>	\$ -	\$ -	N/A



# FY2018 Operating Revenue



	<b>FY2018 Preliminary Budget</b>	<b>FY2017 Amended Budget</b>	<b>Dollar Change Amount</b>	<b>% Change</b>
<b>Operating Revenues</b>				
Fund Balance	\$ 1,299,590	\$ 2,182,828	\$ (883,238)	-40.46%
Customer Fares	26,674,318	26,167,535	506,783	1.94%
Contract Services	6,051,580	5,742,153	309,427	5.39%
Advertising on Buses	1,975,000	2,332,134	(357,134)	-15.31%
Advertising - Trade	30,000	30,000	-	0.00%
Interest & Other Income	754,158	1,080,514	(326,356)	-30.20%
Federal Revenue	17,252,055	17,231,868	20,187	0.12%
State Revenue	13,291,020	13,704,285	(413,265)	-3.02%
Local Revenue	65,216,177	62,920,750	2,295,427	3.65%
<b>Total Revenue</b>	<b>\$ 132,543,898</b>	<b>\$ 131,392,067</b>	<b>\$ 1,151,831</b>	<b>0.9%</b>



# FY2018 Operating Expenses

	<b>FY2018 Preliminary Budget</b>	<b>FY2017 Amended Budget</b>	<b>Dollar Change Amount</b>	<b>% Change</b>
<b>Operating Expenses</b>				
Salaries/Wages/Fringes	\$ 78,377,565	\$ 75,960,271	\$ 2,417,294	3.18%
Other Services	11,935,866	13,384,328	(1,448,462)	-10.82%
Fuel	9,871,486	9,329,958	541,528	5.80%
Materials & Supplies	7,874,180	7,973,395	(99,215)	-1.24%
Utilities	1,604,244	1,475,080	129,164	8.76%
Casualty & Liability	1,597,385	1,583,631	13,754	0.87%
Taxes & Tags	457,330	436,843	20,487	4.69%
Purchased Transportation	19,195,607	19,810,012	(614,405)	-3.10%
Leases & Miscellaneous	1,549,188	1,336,700	212,488	15.90%
Interest	81,047	101,849	(20,802)	-20.42%
<b>Total Operating Expenses</b>	<b>\$ 132,543,898</b>	<b>\$ 131,392,067</b>	<b>\$ 1,151,831</b>	<b>0.9%</b>



# FY2018 Local Revenue by Jurisdiction



LYNX					
FY2018 Preliminary Local Funding					
	Adopted		Preliminary		
Local Operating Funding:	Local Funding		Regional Model	Dollar	Percentage
	FY2017		Need for FY2018	Change	Change
Orange County	\$ 41,805,229	*	\$ 43,266,413	\$ 1,461,184	3.50%
Osceola County	6,889,938	#	7,130,935	240,997	3.50%
Seminole County	7,004,157	*	7,249,404	245,247	3.50%
City of Orlando	4,542,603	*	4,499,189	(43,414)	-0.96%
City of Orlando - LYMMO	2,200,910		2,607,482	406,572	18.47%
Subtotal	\$ 62,442,837		\$ 64,753,423	\$ 2,310,586	3.70%
St. Cloud	\$ -		\$ -	\$ -	0.00%
Altamonte Springs	120,900		120,900	-	0.00%
Sanford	93,000		93,000	-	0.00%
Lake County	264,013		248,854	(15,159)	-5.74%
Subtotal	\$ 477,913		\$ 462,754	\$ (15,159)	-3.17%
Total Local Operating Funding	\$ 62,920,750		\$ 65,216,177	\$ 2,295,427	3.65%
Local Capital Contributions:					
Orange County	\$ 1,698,160		\$ 1,738,768	\$ 40,608	2.39%
Osceola County	198,914		237,704	38,790	19.50%
Seminole County	215,822		211,366	(4,456)	-2.06%
Subtotal	\$ 2,112,896		\$ 2,187,838	\$ 74,942	3.55%
Total Local Funds	\$ 65,033,646		\$ 67,404,015	\$ 2,370,369	3.64%
*Includes funding from Orange County, Seminole County and City of Orlando for State Road 436 Study of which Seminole County has prepaid.					
# Osceola County funding amounts include service improvements for Link 10 and Link 26. The improvements were implemented in April 2016.					



# Budget Calendar



FY2018 Key Budget Assumptions Presentation to Finance & Audit Committee	February 21 <sup>st</sup>
FY2018 Preliminary Operating Budget Presentation to Finance & Audit Committee	April 19 <sup>th</sup>
FY2018 Preliminary Operating Budget Presentation to Oversight Committee	April 20 <sup>th</sup>
FY2018 Preliminary Operating Budget Presentation to Board	May 25 <sup>th</sup>
Budget Presentation to City of Orlando, Osceola County and Orange County	June/July
Budget Presentation Seminole County	August
FY2018 Proposed Operating Budget Presentation to Finance & Audit Committee	September 20 <sup>th</sup>
Final Oversight Committee and Board Action	September 28 <sup>th</sup>
Budget Year 17 – 18 Commences	October 1



LYNX staff will be seeking direction from the Oversight Committee and Board regarding the Preliminary FY2018 Operating Budget. After Board direction, the preliminary budget will be submitted to the funding partners for their consideration.

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**Oversight Committee Discussion Item #6.A.**

**To:** LYNX Oversight Committee

**From:** Tiffany Homler  
CHIEF ADMINISTRATIVE OFFICER  
Tiffany Homler  
(Technical Contact)

**Phone:** 407.841.2279 ext: 6064

**Item Name:** Update on Legislative Session 2017

**Date:** 5/25/2017

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**ACTION REQUESTED:**

LYNX staff will be providing an update on the 2017 Legislative Session.



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## LYNX Board of Directors Legislative Report – May, 2017

The 2017 Florida Legislative Session concluded on Monday, May 8<sup>th</sup> after having been extended to Monday from its scheduled end of Friday, May 5<sup>th</sup>. The extension was necessary due to disagreements regarding the Fiscal Year 2017-2018 budget that the Legislature must complete. As we have done since 2002, JEJ & Associates worked diligently on behalf of LYNX on our assigned tasks, and other issues as directed by Tiffany Homler, Director of Government Affairs.

We are very appreciative to continue our work with the LYNX Board, LYNX leadership team, and other consultants as we achieve the Authority's legislative priorities. Outlined below are the outcomes of this year's legislative session priorities.

### **CLARIFY LYNX BORROWING ABILITY**

In previous legislative sessions, JEJ & Associates had added language to Chapter 343, Florida Statutes allowing for the refinance of LYNX obligations. Language was inserted in Chapter 343.64(2)(q), Florida Statutes which allowed LYNX to borrow money in a principal amount of not more than \$10 million annually for such refinancing purposes.

This Legislative Session, LYNX sought to expand its ability to issue revenue bonds not just through refinancing, but also to finance the completion of infrastructure projects. Lena Juarez's initial discussions with LYNX staff centered upon amending the statute to include financing of new projects.

However, after meeting with Ben Watkins, the Director of the Division of Bond Finance for the State of Florida, Lena Juarez reported back to LYNX that Mr. Watkins believed LYNX would have the authority to finance projects without amending existing statutes. In order to accomplish this, LYNX would need to develop a debt management practice policy. Ms. Juarez spoke with Bert Francis, LYNX's Chief Financial Officer, about the Division of Bond Finance's suggested course of action and forwarded a copy of the State of Florida's debt management practice policy that might be used as a guide. Ms. Juarez will meet again with Mr. Watkins after this policy is drafted and confirm that the Authority will have the power to issue revenue bonds, subject to the maximum allowed, for financing of projects.

### **NATURAL GAS FUEL FLEET VEHICLE PROGRAM**

For the current fiscal year, LYNX has been able to take advantage of the natural gas fuel fleet rebate program for the purchase of additional natural gas powered buses. LYNX received the maximum rebate available of \$250,000. The program, which was begun in 2013, provided financial incentives to both governmental and private groups for the purpose of purchase and conversion of natural gas powered vehicles. An annual \$6 million appropriation has been made by the Legislature since the program's inception.

Knowing that the program and its funding were in jeopardy, JEJ & Associates spoke with the Office of Energy to gauge their interest in continuing the program. Lena Juarez met with Senator Wilton Simpson (R-Spring Hill), who has a strong interest in seeing the program extended past 2018. Robert Miller also discussed the program during a FPTA legislative update conference to report on the progress and to encourage the Association members to lobby their



respective legislative delegation. In addition to LYNX, other transit agencies who have participated in the program include Broward County Transit, Hillsborough Area Regional Transit Authority and the Jacksonville Transportation Authority.

As the respective chambers released their budget proposals, the Senate had the \$6 million but the House did not fund the program. Unfortunately, the funding for the program was eliminated when the Senate agreed to the House position during a budget conference subcommittee meeting.

The current statute authorizes the program through June 30, 2018. The statutory authority will remain available should the Legislature choose to fund the program in the future. JEJ & Associates suggests that funding for the rebate program be included in LYNX legislative priorities for 2018.

## **TRANSPORTATION DISADVANTAGED TRUST FUND ALLOCATIONS**

The Senate and House released their respective budget proposals in mid-March. Included within those budgets was the allocation for transportation disadvantaged (TD). The House proposed \$50,783,704 which was the amount in Fiscal Year's 2016-2017 budget. The Senate increased funding to \$55,856,668. The Senate was proposed an additional \$1.75 million for non-urban trips, another \$1.75 million to be awarded through competitive grants, and the balance to be distributed to community transportation coordinators based on a new funding formula. This budget item was sent to budget conference for resolution. The final appropriations bill (SB 2500) contained the Senate language. As a result of the new funding formula, the tri-county area served by LYNX will receive:

Orange County	\$377,141 increase
Seminole County	\$ 95,801 increase
Osceola County	\$238,448 decrease

TD funding was not only protected, but in two of LYNX counties, funding was increased for Fiscal Year 2017-2018.

## **OTHER ITEMS OF INTEREST FOLLOWED BY JEJ & ASSOCIATES**

**Appropriations Bill (SB 2500)** The Legislature passed its Fiscal Year 2017-2018 budget, but it has not yet been sent to Governor Rick Scott for his action. There have been demands from various special interest groups, especially educational allied ones, that the Governor veto the budget. The Governor is also not pleased with the level of funding for his priorities, particularly VISIT Florida and Enterprise Florida. It remains to be seen what decision the Governor makes regarding a general or line item veto.

The following represents funding levels for of interest to LYNX:

Transportation Disadvantaged	55,856,668
Public Transit Development/Grants	558,512,207
Rail Development/Grants	76,845,821
Intermodal Development/Grants	111,840,706
Florida Rail Enterprise	
Public Transit Development/Grants	74,439,959
Florida Rail Enterprise	



Rail Development/Grants	159,628,820
Florida Rail Enterprise	
Intermodal Development/Grants	2,832,566

**Red Light Cameras** Bills were filed in both chambers to repeal the existing statute regarding the use of traffic infraction devices, or red light cameras as they are commonly known. The legislation would have sunset the use of such devices as of July 1, 2020. HB 6007, sponsored by Representative Bryan Avila (R-Hialeah), was reported favorably in all three committee stops by large vote margins. The bill was taken up by the House on March 23<sup>rd</sup> and passed on a 91-22 vote. Meanwhile, SB 178 (the companion Senate bill) had its first committee hearing on February 7<sup>th</sup> but was reported unfavorably on a 2-2 vote, effectively killing the bill in the Senate. The House sent its legislation to the Senate in messages, but it was never taken up and died on the calendar.

**Texting While Driving** Four bills were filed dealing with texting while driving. Two would have prohibited the practice of texting while driving, making it a primary, rather than a secondary offense. The remaining two bills would have created a primary offense for drivers 18 and under. None of these bills gained traction during the Session and subsequently died in their respective referenced committees.

**Rideshare Services** After failing to pass meaningful legislation last year, both chambers approved a bill that sets up a statewide regulatory framework for ride-sharing companies like Uber and Lyft that includes requirements for insurance coverage and driver background checks. SB 340 by Senator Jeff Brandes (R-St. Petersburg) and HB 221 by Representative Chris Sprowls (R-Clearwater) sponsored the bills. The House bill, which was passed nearly unanimously in both chambers, includes a provision that requires any such service who contracts with a governmental entity to abide by all state and federal rules governing individuals with disabilities. The bill was signed into law by the Governor on May 9<sup>th</sup>.

**FPTA Briefings** JEJ & Associates participated each week in the Florida Public Transportation Association's legislative briefings either in person or telephonically. Lena Juarez continually worked with FPTA Executive Director Lisa Bacot throughout the session on issues important to both LYNX and the FPTA. Ms. Juarez also attended the FPTA legislative reception during the second week of session. She also followed proviso language in the transportation conforming bill regarding the transportation disadvantaged.

**Toll Road Legislation** JEJ & Associates continually monitors legislation that might impact LYNX. One such bill was HB 1049, by Representative Avila, which dealt with toll facilities including Florida's Turnpike and expressway authorities. The bill passed on May 5<sup>th</sup> with unanimous votes, and will be sent to the Governor for action. There is a provision requiring that a minimum of 20%, to a maximum of 50%, of toll facilities' excess revenues (as defined in Chapter 348.0002(12), Florida Statutes) be dedicated to "transportation- and transit-related expenses for projects in the area served by the authority". The MPO is responsible for annually selecting the projects that will receive funding.

In summary, LYNX had a very successful 2017 Legislative Session. Several opportunities for transit are available and funding is secure for the upcoming fiscal year. We will continue to update the Authority as the budget is received and considered by Governor Scott.



**Oversight Committee Discussion Item #6.B.**

**To:** LYNX Oversight Committee

**From:** **Tiffany Homler**  
CHIEF ADMINISTRATIVE OFFICER  
**Tiffany Homler**  
(Technical Contact)  
**LEONARD ANTMANN**  
(Technical Contact)  
**Kenneth Jamison**  
(Technical Contact)

**Phone:** 407.841.2279 ext: 6064

**Item Name:** Clever Device Full Fleet Conversion Plan

**Date:** 5/25/2017

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**ACTION REQUESTED:**

At the July 2017 LYNX Board meeting, LYNX staff will be requesting the Board of Directors' authorization for the Chief Executive Officer (CEO) or designee to negotiate with Clever Devices, LTD and to procure the hardware and software to complete the conversion of the fixed route system to the Clever Devices Computer Aided Dispatch system.

**BACKGROUND:**

LYNX deployed a Computer Aided Dispatch (CAD) system for the fixed route fleet developed by Mentor Engineering, Inc. (Mentor) procured in 2010. Note that Trapeze Group later acquired Mentor Engineering, Inc. and now service the system. All fixed route buses were equipped with the Mentor equipment providing Automatic Vehicle Location (AVL) and CAD, allowing LYNX to identify the location of the fleet and to manage it in real-time.

LYNX procured a real-time information system in 2013 for the expansion of LYMMO to include the future Grapefruit and Lime lines. Clever Devices, LTD. (Clever Devices) was chosen to supply the real-time information system, including kiosks and CAD on LYMMO buses, through the contract to construct the Grapefruit Line. The system included a back of house CAD system, transit control heads (TCH), and In Vehicle Network (IVN).

LYNX decided in 2013 to expand on the Clever Devices system, with fixed route buses ordered from the manufacturer from 2013 forward with the Clever Devices system installed. LYNX decided that as new buses arrived with the Clever Devices system installed and older buses with the Mentor system were retired, the fleet would incrementally transition from the Mentor system to the Clever Devices system. At a bus replacement rate of 15 buses per year, it would take



## LYNX Board Agenda

approximately 14 years to transition the full fleet to the Clever Devices. Technology advancements during that time would render the system obsolete.

The phased transition from the Trapeze CAD system to the Clever Devices CAD system has resulted in the fixed route bus fleet operating on two separate systems. Dispatchers have to monitor both systems to manage the fleet. A dispatcher focusing on an incident on one system can potentially miss an incident on the other system.

Clever Devices submitted a quote to LYNX for the conversion of the remaining 207 fixed route buses currently on the Trapeze CAD system to the Clever Devices system. This quote includes the cost of additional spare equipment to allow for replacement during maintenance and warranty repairs. The cost is summarized below compared to that of the LYNX team installing the equipment:

Total Installed Equipment Cost for 207 Buses			
	Description	Per Bus	Extended Price
	Clever Devices Quote, Installed by Clever		\$5,650,030
	Clever Devices, Installed by LYNX (\$2.3M equipment/\$200,000 labor)		\$2,500,000*

*\*Final amount will be determined during the negotiation process*

The installation schedule is still being determined. Options include one full weekend with team working around the clock or several weekends with one team. LYNX staff anticipates beginning the installation in January 2018.

The Trapeze CAD system was initially procured in 2010 with components procured over the subsequent years. The LYNX Finance Department has supplied the following remaining net book value as of July 31, 2017:



Hardware			
Units	Acquisition Cost	Accumulated Depreciation 07/31/2017	Net Book Value 07/31/2017
99 Mentor Ranger Material Spares LYNX WHSE <sup>4</sup>	\$516,681.00	\$208,768.06	\$307,912.94
4 Units Damaged at L.B. McLeod	\$20,876.00	\$8,907.73	\$11,968.27
207 Ranger MDT in Fixed Route Buses + Antenna <sup>5</sup>	\$1,619,005.70	\$1,398,609.90	\$220,395.80
2 Training	\$13,917.33	\$11,829.73	\$2,087.60
35 Supervisor BBX Units	\$51,809.84	\$42,781.71	\$9,028.13
Total 312 MDT & 35 Separate BBX	\$2,222,289.87	\$1,670,897.13	\$551,392.74
Software			
Units	Acquisition Cost	Accumulated Depreciation 07/31/2017	Net Book Value 07/31/2017
MENTOR STREET/ X GATE CAD/AVL SOFTWARE	\$191,917.00	\$163,129.45	\$28,787.55
RANGER IN VEHICLE NAVIGATION SOFTWARE CAD/AVL	\$145,425.02	\$123,611.27	\$21,813.75
XMOBILE MANAGER SOFTWARE CAD/AVL	\$13,426.00	\$11,412.10	\$2,013.90
Card Reader Interface for SunRail	\$97,570.00	\$-	\$97,570.00
GPS Customization for SunRail	\$15,400.00	\$-	\$15,400.00
Trapeze Web Services	\$105,005.00	\$-	\$105,005.00
Total Software	\$568,743.02	\$298,152.82	\$270,590.20
Total Net Book Value Remaining			
Units	Acquisition Cost	Accumulated Depreciation 07/31/2017	Net Book Value 07/31/2017
	\$2,791,032.89	\$1,969,049.95	\$821,982.94

### **FISCAL IMPACT:**

LYNX Staff will include \$5,650,030 in the FY2018 Proposed Capital Budget. In addition, LYNX will recognize the estimated amount due to FTA of \$821,983 in FY2018 or the year the conversion occurs. All differences in maintenance cost between Trapeze and Clever will be adjusted accordingly.



# Clever Device Full-Fleet Conversion

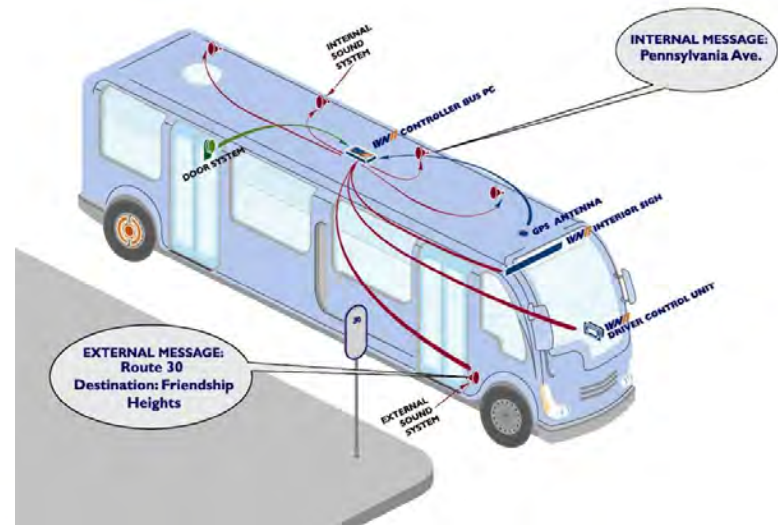
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May 25, 2017



# Overview

- What is CAD?
- History of LYNX CAD System
- Conversion Plan
- Conversion Cost





# What is CAD?

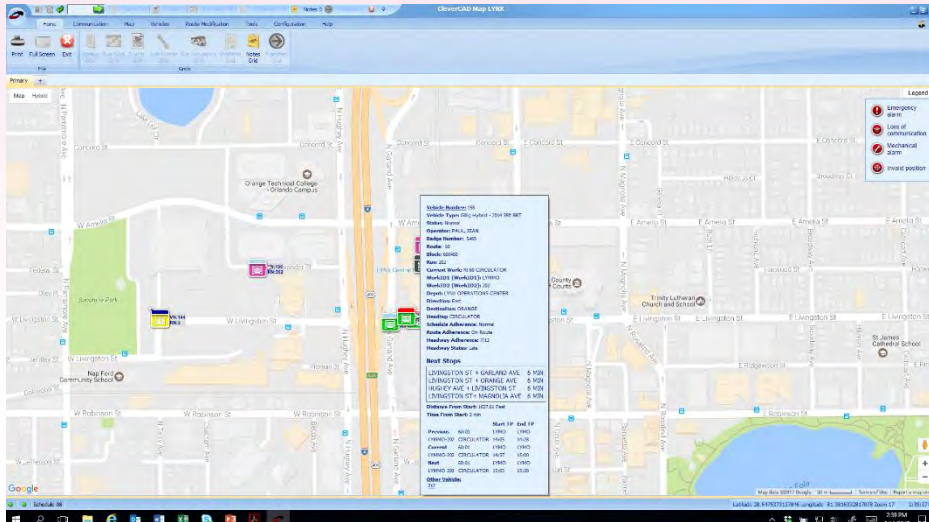
- CAD = Computer-Aided Dispatch
- Improves Fleet Communications
- Improves Dispatcher Efficiency
- Working with the Automated Vehicle Location (AVL)/CAD improves safety and situational awareness
- Tracks vehicle status
- Tracks all communications and events

## History of LYNX CAD

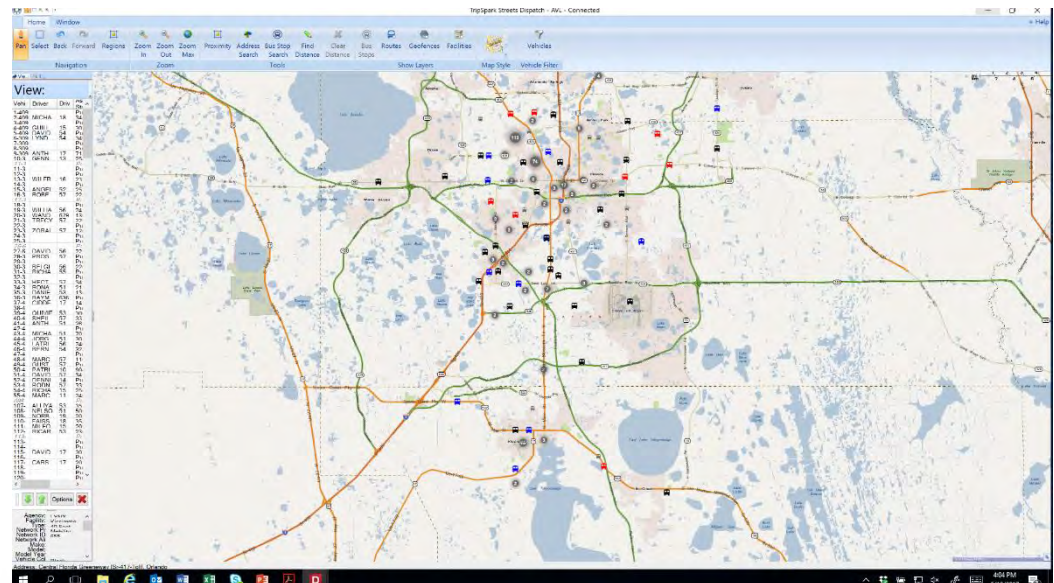
- 2010: LYNX Deploys Mentor Engineering CAD System
- 2013: LYNX Procures Clever Devices CAD System for LYMMO along with Real-Time Information System
- 2013: LYNX begins incremental transition to Clever Device
- *Issue: Running two separate systems*



# Clever Devices



## Trapeze Streets





# Conversion Plan



- Currently evaluating LYNX team install vs Clever Device install
- Potential to install over one full weekend with 3 teams working around the clock

## Conversion Cost

Total Installed Equipment Cost for 207 Buses			
	Description	Per Bus	Extended Price
Clever Devices Quote, Installed by Clever			\$5,650,030
Clever Devices, Installed by LYNX			\$2,500,000





**Oversight Committee Action Item #7.A.**

**To:** LYNX Oversight Committee

**From:** **Tiffany Homler**  
CHIEF ADMINISTRATIVE OFFICER  
**Thomas Stringer**  
(Technical Contact)  
**David Rodriguez**  
(Technical Contact)  
**Belinda Balleras**  
(Technical Contact)

**Phone:** 407.841.2279 ext: 6064

**Item Name:** **Authorization to Submit a Grant Application to the Federal Transit Administration (FTA) for the FY17 Competitive Funding Opportunity, Section 5339 Bus and Bus Facility, Low or No Emission Program**

**Date:** 5/25/2017

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**ACTION REQUESTED:**

Staff is requesting the Board of Directors' authorization for the Chief Executive Officer (CEO) or designee to submit a grant application to the Federal Transit Administration (FTA) for the FY17 Competitive Funding Opportunity, Section 5339 Bus and Bus Facility Low or No Emission Program.

Funding request in the amount of \$1,930,000 will be for two electric 35' buses, including plug-ins, specialty tools for maintenance and bus inspection costs. These buses are planned to be utilized for the LYMMO service to coincide with the anticipated service needs for the opening of the University of Central Florida/Valencia Community College campus and Creative Village developments.

**BACKGROUND:**

On April 27, 2017, FTA released a Notice of Funding Opportunity (NOFO) for \$55 million in FY 2017 funds for the Low or No Emission bus discretionary grant program. Grant applications are due June 26, 2017.

A low or no-emission bus is defined as "a passenger vehicle used to provide public transportation that significantly reduces energy consumption or harmful emissions, including direct carbon emissions, when compared to a standard vehicle." As required by Federal transit law (49 U.S.C. 5339(c)) and subject to funding availability, funds will be awarded competitively for the purchase or lease of low or no emission vehicles that use advanced technologies for



transit revenue operations, including related equipment or facilities. Projects may include costs incidental to the acquisition of buses or to the construction of facilities, such as the costs of related workforce development and training activities, and project administration expenses. The Low No program allows for partnerships with other entities that intend to participate in the implementation of the project, including, but not limited to, specific vehicle manufacturers, equipment vendors, owners or operators of related facilities, or project consultants. LYNX staff has been in contact with some of the leading electric bus manufacturers for potential partnerships, including the Orlando Utilities Commission for the powering station.

FTA will only consider eligible projects relating to the acquisition or leasing of low or no emission buses or bus facilities that make greater reductions in energy consumption and harmful emissions than comparable standard buses or other low or no emission buses. All proposed projects must be part of the intended recipient's long-term integrated fleet management plan.

Low or No Emission applications will be evaluated based on the following:

- **Demonstration of Need:** Address an unmet need for capital investment in vehicles and/or supporting facilities
- **Consistency with Long-Term Fleet Management Plan:** Project proposals must demonstrate that they are part of the intended recipient's long-term integrated fleet management plan. FTA will evaluate the consistency of the proposed project with the applicant's long-term fleet management plan, as well as the applicant's previous experience with the relevant low or no emissions vehicle technologies.
- **Demonstration of Benefits:** FTA will consider the quality and extent to which the applications demonstrate how the proposed project will: (1) Reduce Energy Consumption; (2) Reduce Harmful Emissions; and (3) Reduce Direct Carbon Emissions.
- **Planning and Local/Regional Prioritization:** Quality and extent to which the project is consistent with the transit priorities identified in the long range plan
- **Local Financial Commitment:** Availability of the local cost share as evidence of local financial commitment to the project.

All eligible expenses under the Low-No Program are attributable to compliance with the Clean Air Act. The maximum Federal participation in the costs of leasing or acquiring a transit bus financed under the Low-No Program is 85 percent of the total transit bus cost. The maximum Federal participation in the cost of leasing or acquiring low or no emission bus related equipment and facilities under the Low-No Program, such as recharging or refueling facilities, is 90 percent of the net project cost of the equipment or facilities that are attributable to compliance with the Clean Air Act.

## Project Budget Summary:

Two 35' electric buses @\$850,000	\$ 1,700,000
2 Plug-ins, equipment, inspection costs	230,000
Total	\$ 1,930,000
FTA Share:	\$ 1,647,000
Local Share:	\$ 83,000



Local cash match in the amount of \$283,000 is currently under discussions with potential partners, including Protera the manufacturer, the City of Orlando and the Orlando Utilities Commission. This grant application will be contingent upon any funding commitments by prospective project partners.

### **FISCAL IMPACT:**

LYNX staff will include the FTA award for this program in the appropriate LYNX fiscal year budget upon confirmation of award and securing the local match.



**Oversight Committee Information Item #8.A.**

**To:** LYNX Oversight Committee

**From:** Blanche Sherman  
DIRECTOR OF FINANCE  
**CRAIG CHARRETTE**  
(Technical Contact)

**Phone:** 407.841.2279 ext: 6100

**Item Name:** FY2016 Audit Required Communication to LYNX Oversight Committee

**Date:** 5/25/2017

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Please find attached required communication as a result of the FY2016 Annual Audit as required by Governmental Accounting Auditing Standards.



March 15, 2017

To the Board of Directors, Oversight Committee and Finance & Audit Committee of  
Central Florida Regional Transportation Authority:

We have audited the financial statements of Central Florida Regional Transportation Authority d/b/a LYNX (the "Authority") for the year ended September 30, 2016, and have issued our report thereon dated March 15, 2017. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and the Single Audit Act Amendments of 1996; the provisions of the Uniform Guidance; and Chapter 10.550, Rules of the Auditor General, State of Florida, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 15, 2016. Professional standards also require that we communicate to you the following information related to our audit.

### **Significant Audit Findings**

#### ***Qualitative Aspects of Accounting Practices***

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Authority are described in Note 1 to the financial statements. There were no significant accounting policies adopted and the application of existing policies was not changed during the year ended September 30, 2016. We noted no transactions entered into by the Authority during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the Authority's financial statements were:

Management's estimate of depreciation is based on estimated useful lives of associated capital assets. Management's estimates of the liabilities for self-insurance unpaid claims, net pension obligation and other postemployment benefits obligation are based on actuarial calculations. We evaluated the key factors and assumptions used to develop these estimates to determine their reasonableness in relation to the respective financial statements to which they related for the year ended September 30, 2016, taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

#### ***Difficulties Encountered in Performing the Audit***

We encountered no significant difficulties in dealing with management in performing and completing our audit.



### ***Corrected and Uncorrected Misstatements***

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Attachment A summarizes uncorrected misstatements of the financial statements. Management has determined that the effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

### ***Disagreements with Management***

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### ***Management Representations***

We have requested certain representations from management that are included in the management representation letter dated March 15, 2017.

### ***Management Consultations with Other Independent Accountants***

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### ***Other Audit Findings or Issues***

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

### **Other Matters**

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We applied certain limited procedures to the management's discussion and analysis (MD&A) and required supplementary information, as provided in the table of contents, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the supplementary schedule of revenues and expenses – budget vs. actual (budgetary basis) and the schedules of expenditures of federal awards, local financial assistance, and state financial assistance, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.



We were not engaged to report on the introductory section and statistical section, which accompany the financial statements but are not RSI. We did not audit or perform other procedures on this other information and we do not express an opinion or provide any assurance on it.

**Restriction on Use**

This information is intended solely for use by the Board of Directors, Oversight Committee and Finance & Audit Committee and management of Central Florida Regional Transportation Authority and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

**Cherry Bekaert LLP**

A handwritten signature in black ink that reads "Cherry Bekaert LLP". The script is cursive and fluid, with the letters "Cherry" and "Bekaert" being more prominent than the "LLP" at the end.



**Appendix A - Schedule of Passed Adjusting Journal Entries**  
Central Florida Regional Transportation Authority D/B/A LYNX

	<b>Debit</b>	<b>Credit</b>
Accrued Compensated Absences	224,060	
Net Position - Unrestricted		224,060
Total	<u>224,060</u>	<u>224,060</u>
To remove the portion of accrued compensated absences related to duplication of pension related costs		
<b>Cumulative Misstatement</b>		<b>224,060</b>