

LYNX Finance & Audit Committee Agenda

Meeting Date: 10/17/2019
Meeting Time: 2:00 PM

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

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

1. Call to Order

2. Approval of Committee Minutes



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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 Financial Officer Report

5. Committee Discussion Items



Cherry Bekaert Presentation on FY2019 Audit Plan

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Presentation of Mobility Services Policy Level Options for FY2020 Budget Mitigation

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Discussion on Audit Selection Committee

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6. Committee Action Items



Authorization to Increase Contract #15-C12 for Cherry Bekaert, LLP by \$35,000 to Provide Support Services Related to the LYNX Business Control Assessment

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Authorization to Increase Contract #15-C12 for Cherry Bekaert, LLP by \$21,400 for One Year to Perform an Internal Control and Data Security Audit for Florida Department of Highway Safety and Motor Vehicles Data Exchange

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7. Other Business

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
Finance and Audit Committee Meeting Minutes

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

DATE: September 19, 2019

TIME: 2:00 p.m.

Members in Attendance:

Amanda Clavijo, Osceola County
Michelle McCrimmon, City of Orlando
Kurt Petersen, Orange County
Timothy Jecks, Seminole County
Jo Santiago, FDOT, 5th District

Staff in Attendance:

Bert Francis, Chief Financial Officer
Tiffany Homler-Hawkins, Chief Administrative Officer
John Slot, Chief Innovation & Sustainability Officer
Leonard Antmann, Director of Finance
Norman Hickling, Director of Mobility Services
Michelle Daley, Manager of Financial Planning & Budgets
Terri Settingrton, Director of Human Resources

Members Absent:

1. Call to Order

Chair Clavijo called the meeting to order at 2:00 p.m.

2. Approval of Minutes

Chair Clavijo requested a motion for approval of the Finance & Audit Committee minutes from the August 16, 2019, Finance & Audit Committee meeting. Motion to approve the August 16, 2019, minutes was made by Michelle McCrimmon, seconded by Tim Jecks and unanimously adopted. The minutes were approved as presented.

3. Public Comments

No members of the public were present to speak.

4. Chief Financial Officer's Report

Chair Clavijo recognized Bert Francis, LYNX Chief Financial Officer. Mr. Francis stated that we are doing better than we had projected in the budget by about two million dollars.

We have tentatively heard that we may receive an additional amount of up to seven hundred thousand dollars for the FY2020 budget from TD funding. Once we get confirmation, we will come back to the committee with a budget adjustment.

We have additional hours that can be billed to SunRail for phase II. This includes the current year and next fiscal year. We will add this amount to the budget with the midyear budget amendment.

Cherry Bekaert will make a presentation on the audit plan for FY2019 at the next committee meeting.

5. Committee Discussion Items

A. Presentation on Bus Shelters

Jeff Reine, Senior Project Manager, made the presentation. Our shelter program started in 1994. We currently have one thousand one hundred thirty-five shelters which equates to about twenty six percent of our stops. Shelter placement depends on curb placement, accessibility, ADA, line of sight, Florida Administrative code, and ridership. In FY2020 we will start construction on the Rosemont transfer center. We are going from four shelters to ten. We try to look at equitable distribution between the counties for shelter placement. Michelle McCrimmon asked for the percentage of stops that have shelters or benches. Mr. Reine stated that he will run the numbers and supply the answer at a later date.

6. Committee Action Items

A. Authorization to Approve Insurance Renewal

Mr. Francis stated that this is our annual renewal, and this is within the budget. There is a modest increase in the premium. Motion to Approve Insurance Renewal was made by Kurt Peterson, second by Michelle McCrimmon. Motion passed unanimously.

B. Authorization to Execute Change Order #2 in the Amount of \$310,955 to McCree General Contractors & Architects, Inc. for the LOC Expansion Project

Mr. Francis continued with this item. This is the LOC expansion project. We needed to add restrooms to the maintenance building, add components to the bus wash, and add some permit items. We had anticipated this contingency, and this will not change the budget amount. Motion to authorize the Execution of Change Order #2 in the Amount of \$310,955 to McCree General Contractors & Architects, Inc. for the LOC Expansion Project was made by Tim Jecks, second by Kurt Peterson. Motion passed unanimously.

C. Authorization to Change the Longevity Program to Annual Lump-Sum Payment Policy

Terri Settingington, Director of Human Resources, made the presentation. Currently, our longevity program allows our top-of-grade employees to receive a capped, lump sum payment as an annual increase, if increases are approved in the amount of \$1,500 annually. This change would remove the cap and allow the employees affected to receive the full percentage increase as a lump sum. There are twenty employees affected by this program. Motion to Authorize the Change of the Longevity Program to Annual Lump-Sum Payment Policy made by Michelle McCrimmon, second by Tim Jecks. Motion passed unanimously.

D. Authorization to Approve the Top Rate Increase Based on Wage Re-Opener with Amalgamated Transit Union (ATU) Local 1749

Mr. Francis stated that this is the Supervisor's Union. The Board approved the Operator's union last month, and this increase is already in the budget. This is consistent with the increase that the organization has received, and what was negotiated with the Operator's Union. Motion to Authorize the Approval of the Top Rate Increase Based on Wage Re-Opener with Amalgamated Transit Union (ATU) Local 1749 made by Kurt Peterson, second by Michelle McCrimmon. Motion passed unanimously.

E. Authorization to Release a Request for Proposal (RFP) for Auditing Services

Mr. Francis stated that this is the last contract year with Cherry Bekaert. The Florida statutes have changed regarding the SEC for the RFP process, and the audit committee must contain a member of the entity and may not contain the CEO or the CFO. The Board of Directors will have to select the committee members with one of the Board members as chair of the audit committee. There must be a minimum of three members on the committee. We can establish the committee after the RFP is released, or the committee may be established after this authorization is approved. Motion to Authorize the

Release of a Request for Proposal (RFP) for Auditing Services made by Tim Jecks, second by Michelle McCrimmon. Motion passed unanimously.

F. Authorization to Issue a Contract to SPX d/b/a Genfare for Procurement of Fast Fare Fareboxes and Associated Hardware for Acceptance of Fare from Cash, Smart Cards, and Mobile Ticketing for an amount not to exceed \$4,880,740

Mr. Slot made the presentation. After issuing the RFP, Genfare was the recommendation of the SEC. This amount is an increase, but we are still negotiating the services portion. The new fareboxes will take the place of two different validators and the old fareboxes. They will take cash, bar codes, QR codes, and RFI codes. Motion to Authorize a Contract to SPX d/b/a Genfare for Procurement of Fast Fare Fareboxes and Associated Hardware for Acceptance of Fare from Cash, Smart Cards, and Mobile Ticketing for an amount not to exceed \$4,880,740 made by Kurt Peterson, second by Tim Jecks. Motion passed unanimously.

G. Authorization to Extend the Contract Year Two for Purchase Transportation Services Provided by Taxi and Transportation Network Companies (TNC) and Increase the Spending Authority by \$8,233,500 through the end of FY2020

Mr. Norm Hickling stated that this is for Mears Taxi, Owl Transportation and Uzurv. This is a contract authorization and this amount has been included in the proposed budget for FY2020. Motion to Authorize the Extension of Contract Year Two for Purchase Transportation Services Provided by Taxi and Transportation Network Companies (TNC) and Increase the Spending Authority by \$8,233,500 through the end of FY2020 made by Kurt Peterson, second by Michelle McCrimmon. Motion passed unanimously.

H. Authorization to Execute Bus Service Agreements: 1.) #20-C001 with the Econ River High School – Greater Orlando Campus (SHS) in the Amount of \$225,335.68 for a Period of One (1) Year; 2.) #18-C145 with Reedy Creek Improvement District (RCID) in the Amount of \$342,995 for a Period of One (1) Year; and 3.) #... with Lake County in the Amount of \$... for a Period of One (1) Year

Mrs. Homler-Hawkins stated that Lake County will be transitioning to providing their own service, but they require time to complete this process. This contract will be prepared at the funding partner rate. We will bring back to the committee an additional amount for ADA service, when finalized. Motion to Authorize the Execution of Bus Service Agreements: 1.) #20-C001 with the Econ River High School – Greater Orlando Campus (SHS) in the

Amount of \$225,335.68 for a Period of One (1) Year; 2.) #18-C145 with Reedy Creek Improvement District (RCID) in the Amount of \$342,995 for a Period of One (1) Year; and 3.) Recommend that the Lake County transition be completed at no less than the funding partner rate for the service hours utilized made by Chair Clavijo, second by Michelle McCrimmon. Motion passed unanimously.

I. Authorization to Enter into the FY2020 Service Funding Agreements with the Regional Funding Partners

Mr. Francis stated that there is language in these agreements that refer to an addendum, but there is no addendum. Mr. Christiansen stated that in the past, LYNX would not have funding partner agreements completed on time, so an addendum was added. The FY2020 funding agreements will be changed to state "N/A" in the addendum area. Motion to Authorize the Entrance into the FY2020 Service Funding Agreements with the Regional Funding Partners made by Tim Jecks, second by Kurt Peterson. Motion passed unanimously.

J. Authorization to Enter into the FY2020 Service Funding Agreements with the Municipal Funding Partners

Mr. Francis stated that these are the same agreements as in the past. We are approving these agreements as a separate item. Motion to Authorize the Entrance into the FY2020 Service Funding Agreements with the Municipal Funding Partners made by Tim Jecks, second by Michelle McCrimmon. Motion passed unanimously.

7. Other Business

No other business was discussed.

The meeting adjourned at 3:17 p.m.

LYNX Finance & Audit Committee Agenda

Finance Committee Discussion Item #5.A.

To: LYNX Finance & Audit Committee

From: Albert Francis
Chief Financial Officer
Leonard Antmann
(Technical Contact)

Phone: 407.841.2279 ext: 6058

Item Name: Cherry Bekaert Presentation on FY2019 Audit Plan

Date: 10/17/2019

ACTION REQUESTED:

Cherry Bekaert will provide a presentation on the FY2019 audit plan.

LYNX Finance & Audit Committee Agenda

Finance Committee Discussion Item #5.B.

To: LYNX Finance & Audit Committee

From: Norman Hickling
Director Of Mobility Services
Selita Stubbs
(Technical Contact)

Phone: 407.841.2279 ext: 6169

Item Name: Presentation of Mobility Services Policy Level Options for FY2020 Budget Mitigation

Date: 10/17/2019

ACTION REQUESTED:

Presentation on Mobility Services Policy Level Options for program and budget mitigation for the FY2020 budget period. Specific discussion regarding Transportation Disadvantaged trip prioritization and hours of operation.

BACKGROUND:

On July 25, 2019 Mobility Services Management presented a complete overview of potential operations and policy level service mitigation alternatives for Mobility Services during the FY2020 period. Presentation was based on analysis and lessons learned during the FY2018 period. Upon conclusion of the briefing, the Chair and Committee members asked for continued dialog regarding specific recommendations. This briefing is in response to that request.

FISCAL IMPACT:

FY2020 budget improvement.

LYNX Finance & Audit Committee Agenda

Finance Committee Discussion Item #5.C.

To: LYNX Finance & Audit Committee

From: Albert Francis
Chief Financial Officer
Leonard Antmann
(Technical Contact)

Phone: 407.841.2279 ext: 6058

Item Name: Discussion on Audit Selection Committee

Date: 10/17/2019

ACTION REQUESTED:

Bert Francis, Chief Financial Officer, will outline the new state legislation regarding selection committees.

LYNX Finance & Audit Cmmittee Agenda

Finance Committee Action Item #6.A.

To: LYNX Finance & Audit Committee

From: **Leonard Antmann**
Director Of Finance
Warren Hersh
(Technical Contact)
Maurice Jones
(Technical Contact)

Phone: 407.841.2279 ext: 6125

Item Name: Authorization to Increase Contract #15-C12 for Cherry Bekaert, LLP by \$35,000 to Provide Support Services Related to the LYNX Business Control Assessment

Date: 10/17/2019

ACTION REQUESTED:

Staff is requesting the Board of Directors' Authorization for the Chief Executive Officer (CEO) or his designee to approve a one year increase for Cherry Bekaert, LLP's contract, #15-C12 by \$35,000.

BACKGROUND:

The purpose of this one year increase is to pay for additional work required to assist LYNX on matters relating to meeting the objectives specified under section 212.055(10) of the Florida Statutes as well as to identify improvement opportunities in key LYNX business functions. LYNX is in the process of conducting a high level internal assessment and Cherry Bekaert will provide technical support and staff augmentation as needed. Some of the key aspects of the Florida Statutes that will be assessed include:

- The economy, efficiency, or effectiveness of programs
- The structure or design of the programs to accomplish its goals and objectives
- Alternative methods of providing program services or products
- Goals, objectives, and performance measures used by the program to monitor and report program accomplishments.
- The accuracy or adequacy of public documents, reports, and requests prepared by the agency.
- Compliance with appropriate policies, rules, and laws.

The review includes a high level assessment of business risks and key controls in place; identification of opportunities; and determining next steps.

LYNX Finance & Audit Committee Agenda

FISCAL IMPACT:

LYNX staff included \$35,000 in professional services of the FY2020 Adopted Operating Budget for professional services for this project.

LYNX Finance & Audit Committee Agenda

Finance Committee Action Item #6.B.

To: LYNX Finance & Audit Committee

From: **Tellis Chandler**
Director Safety And Security
Warren Hersh
(Technical Contact)

Phone: 407.841.2279 ext: 6154

Item Name: Authorization to Increase Contract #15-C12 for Cherry Bekaert, LLP by \$21,400 for One Year to Perform an Internal Control and Data Security Audit for Florida Department of Highway Safety and Motor Vehicles Data Exchange

Date: 10/17/2019

ACTION REQUESTED:

Staff is requesting the Board of Directors' Authorization for the Chief Executive Officer (CEO) or his designee to approve a one year increase for Cherry Bekaert, LLP's contract, #15-C12 by \$21,400. The purpose of this one year increase is to pay for additional work required to perform an internal control and data security audit as required by the memorandum of understanding with the Florida Department of Highway Safety and Motor Vehicles.

BACKGROUND:

LYNX provides driver license data for all employees on a daily basis to identify on a real-time basis potential issues, e.g., suspensions, expirations, violations, etc. The purpose of the audit is to assess the internal control and data security over the use and dissemination of personal data in light of the requirements of the MOU and applicable laws and that the controls are adequate to protect the personal data from unauthorized access, distribution, use, modification, or disclosure.

FISCAL IMPACT:

LYNX staff included \$21,400 in the FY2020 Approved Operating Budget for the internal control and data security audit services.