

LYNX Finance & Audit Committee Agenda

Meeting Date: 04/17/2025
Meeting Time: 1:30 PM

Central Florida Regional Transportation Authority
455 N. Garland Ave.
2nd Floor Board Room
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

-  Finance Committee Minutes - March 20, 2025

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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's Report

5. Consent Agenda


A. Extension of Contracts

- i.  Authorization to Exercise the First Option Year of Contract 22-C48 with Barracuda Building Corporation for the Installation of Bus Shelters and Amenities Throughout the LYNX Service Area for a Not to Exceed Amount of \$3,303,687 Pg 8

B. Miscellaneous

- i.  Authorization to Purchase Thirty (30) 40-Foot Compressed Natural Gas (CNG) Replacement Buses for a Not to Exceed Amount of \$27,609,656 Pg 10
- ii.  Authorization to Award a Contract to GrayRobinson, P.A. for Pension Legal Services for a Not to Exceed Amount of \$300,000 Pg 12

6. Action Agenda


- A.  Authorization to Submit a Grant Application to the Florida Department of Transportation (FDOT) for the SFY2027 Public Transit Service Development Grant Program (SDG) in the amount of \$2,200,000 and Adoption of Resolution 25-003 Pg 14

-Attachments 

- B.  Approval of the Updated Investment Policy Pg 18

-Attachments 

- C.  Approval of the FY2025 Amended Operating Budget Pg 31

- D.  Approval of the FY2026 Preliminary Operating Budget Pg 34

7. Discussion

- A.  Discussion on the FY2024 Reserve Analysis

Pg 37

8. Other Business

9. Adjourned

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, Board Room
Orlando, FL 32801

DATE: March 20, 2025

TIME: 1:30 p.m.

Members in Attendance:

Amanda Clavijo, Osceola County
Jose Fernandez, City of Orlando
Tim Jecks, Seminole County
Kurt Petersen, Orange County
Libertad Acosta-Anderson, FDOT, 5th District

Staff in Attendance:

Leonard Antmann, Chief Financial Officer
Michelle Daley, Director of Finance
David Vance, Manager of Financial Planning & Analysis

1. Call to Order

Vice Chair Petersen called the meeting to order at 1:31 p.m.

2. Approval of Minutes

A motion to approve the February 20, 2025 Finance and Audit Committee meeting minutes was made by Tim Jecks and seconded by Jose Fernandez. Motion passed unanimously.

3. Public Comments

Marc Simmons – Oviedo, FL. Mr. Simmons acknowledged the efforts of various LYNX transportation teams and recommended increasing the number of diesel vehicles in the fleet mix.

4. Chief Financial Officer's Report

Lenny Antmann, Chief Financial Officer, provided the following updates:

- Fixed Route ridership remains steady, averaging 68-70,000 trips per day. Paratransit remains consistent, averaging 55-58,000 trips per month.
- The Investment policy will be on next month's agenda to allow time for review of the FDOT consultant report and General Counsel will provide comments during "Other Business" today.
- Two discussion items this month: FY2026 Operating Budget and Medical Benefit Reserves.
- One Consent item added to the Oversight and Board Agendas after Finance & Audit published:
 - Authorization to Negotiate and Award a Contract to Don Wood Inc. for the Hose Reel and Lubricant Line Replacement in the Maintenance Shop and Fuel Service Island located at the LYNX Operations Center (LOC A/C) for a Not to Exceed Amount of \$221,042. This is federally funded capital.
- Next week Oversight and the Board will have a joint work session on the Fleet Composition and Southern Operation Base.

5. Consent Agenda

A. Request for Proposal (RFP)

- i. Authorization to Release a Request for Proposal (RFP) for a Bus Tracker Mobile Application and Website
- ii. Authorization to Release a Request for Proposal (RFP) for General Planning Consultant Services

B. Award Contracts

- i. Authorization to Negotiate and Award a Contract to Cathcart Construction Company - Florida, LLC for the LYNX Operations Center Building B (LOC B) Bus Entrance Driveway Concrete for a Not to Exceed Amount of \$636,500

C. Extension of Contracts

- i. Authorization to Exercise the Second Option Year of Contract 21-C37 with Remix Technologies, LLC for Transit Planning Software-as-a-Service and Increase the Not to Exceed Amount to \$403,200
- ii. Authorization to Exercise the First Option Year of Contract 22-C54 with Tolar Manufacturing Company, Inc. for the Manufacturing of Commercial Style Transit Shelters and Increase the Not-to-Exceed Amount to \$3,500,000

D. Miscellaneous

- i. Authorization for LYNX Insurance Broker to Negotiate and Bind Property, Fiduciary Liability, and Pollution Coverages
- ii. Authorization to Issue a Task Order to AECOM Technical Services, Inc. for Architectural & Engineering Services to Update LYNX's Transit Asset Management (TAM) Plan in an Amount Not to Exceed of \$311,002

Amanda Clavijo made a motion to approve Consent Agenda items 5.A.i. – 5.D.ii. Second by Libertad Acosta-Anderson. Motion passed unanimously.

6. Action Agenda

A. Recommendation to Authorize Approval of FY2024 Annual Financial Report and Subsequent Submittal to the Government Financial Officers Association's (GFOA) Certificate of Achievement Program

Mr. Joel Knopp, Partner with Forvis Mazars, provided the audit results and communication of the for fiscal year ended September 30, 2024.

Forvis Mazars (formerly MSL) conducted an audit of LYNX's financial statements for the fiscal year ended September 30, 2024. The summary of the audit results reflects an unmodified clean opinion, meaning the statements are presented in accordance with Generally Accepted Accounting Principles. There were no findings on Internal Controls over Financial Reporting and on Compliance and Other Matters, Examination Report on Investment Compliance, Compliance for Each Major Federal Program and Major State Project, and Internal Control Over Compliance with those grants. There were no unreported or unadjusted differences. LYNX staff will submit the audited financial statements to the Government Financial Officers Association by March 31, 2025.

Jose Fernandez made a motion for Recommendation to Authorize Approval of FY2024 Annual Financial Report and Subsequent Submittal to the Government Financial Officers Association's (GFOA) Certificate of Achievement Program, second by Tim Jecks. Motion passed unanimously.

7. Discussion

A. Discussion Regarding LYNX Medical Claims

Mr. Antmann provided an overview of LYNX medical claims and reserves for this committee's review in response to an Oversight question last month. The expectation will be for the Finance report to the Oversight committee this month include a statement on the conclusions drawn from the medical benefits plan and reserves presentation.

Mr. Antmann reviewed the Preliminary Reserve Analysis presented last month, focusing specifically on self-insured medical reserves. These reserve items are updated annually on actuary requirements and discussions with the Finance and Audit Committee as it applies to catastrophic reserve.

Reserve Medical Claims – IBNR	\$ 1,333,093
Reserve for Catastrophic Medical Claims	3,000,000
Reserve for 60-Day Medical insurance Claims	2,659,984
State Required – Medical Self Insurance	<u>2,368,000</u>
Total Reserve for Medical Self Insurance Costs	\$ 9,361,077

The actuary annually reviews the Authorites medical claims and expenses, and determines the State required reserve. The actuary's 2024 and draft 2025-2027 *Operating Projections for Self-Insured Health Benefit Plans* summaries were shared indicating the increase in medical claims and the estimated increase in the required 60-day surplus reserve.

The actual medical claims are paid monthly from our operating budget funded by funding partners.

- Kurt Petersen mentioned that Orange County's process is similar to LYNX's approach regarding medical claims and reserves.
- Tim Jecks noted that the reserves appear to be set in line with LYNX's policy and raised a question about how claims are paid from the funding partner contributions:
 - Tim Jecks: "You mentioned you pay the claims out of the funding partner contributions. Is that shown on here?"
 - Lenny Antmann responded, "No."
- Tim Jecks asked for clarification about premium income, and whether it is considered revenue for LYNX:
 - Tim Jecks: "Where does the premium income come from? Is that revenue into LYNX?"
 - Amanda Clavijo clarified that the document follows State statute and the premium income should reflect the amount budgeted for claims, matching the first-year actuarial projections.
- Tim Jecks further sought clarity on how the premium income is allocated between employees and LYNX. "It's reported here as premium income. I would assume those are premiums collected from the employee or premiums paid by LYNX on behalf of the employee?"
 - Lenny Antmann confirmed that the premium income is a combination of both employee and employer-paid premiums, with the majority being employer-paid.
- Kurt Petersen asked for the split of employee vs. employer contributions to premium income:
 - Lenny didn't have the exact split but clarified that LYNX covers 100% of the employee's insurance, with employees contributing only toward coverage beyond a single plan such as family coverage.
- Amanda Clavijo mentioned that this approach is similar to Osceola County's health insurance fund management and added that LYNX also has contingency reserves. These reserves could be used if additional funding is needed beyond what is allocated for medical claims, as part of the overall operating reserves.

Lenny confirmed that the \$2.6M 60-Day medical insurance claims reserve and the \$2.3M State

Required reserves are separate. LYNX's reserves total \$9.4M, which is more than 50% of the entire expected claims for the year.

Lenny explained that LYNX does not typically make transactions in and out of these reserves throughout the year. Instead, they are adjusted at year-end unless: claims exceed expectations and available funding, or catastrophic claims occur, in which case they may need to dip into these reserves.

Kurt Petersen stated that, in his opinion, the reserves are sufficient and well-broken down. Tim Jecks recommended that the premium breakdown (LYNX-paid vs employee-paid premiums) be included in the Oversight report. Lenny Antmann agreed to email the premium breakdown to the Finance Committee members, which will also be shared with the Oversight Committee.

B. Discussion Regarding Preliminary FY2026 Operating Budget

Lenny Antmann introduced the discussion on the FY2026 Budget, noting that the timing of the budget presentations will differ this year from prior years due to pending Seminole County service adjustments. The pending Seminole Service changes may impact the cost-per-service hour and funding requirements. Updated models will be presented to the Finance Committee in April, with a subsequent presentation to the Oversight Committee in May (one month later than usual) for approval.

A base budget and contribution models were presented with current information based on the approved regional funding model policy. The budget assumptions did not change from the presentation last month which was the basis for all the calculations.

Several operating contribution models were presented: 14%, 15%, 16% and the 15.5% model being the one followed in previous years (and proposed for FY2026 and FY2027, normalizing thereafter). Capital contribution, local capital based on three dollars per service hour, increased approximately \$51K largely due to increased service for Orange County's ATSP program and a new service to Universal. Osceola County saw a slight decrease, attributable to two canceled routes.

Mr. Antmann asked the committee on how to proceed if pending Seminole County changes are not finalized in the next three to four weeks.

The updated models will be presented in April – including the Seminole services changes if available. In May, the full FY2026 preliminary operating plan will be presented and authorization requested to move it forward to Oversight and then to counties in June and July. The Proposed budget will be presented in August along with a Board work session followed by a second presentation in September to the Board for adoption.

Kurt Petersen requested that LYNX provide a historical chart showing the actual total budget and year-over-year increases. The goal is to see the relationship between the partner funding contributions which range from zero during COVID years to the recent 15-15.5% years and estimated annual step up beginning FY2028.

Mr. Antmann estimated the historical expense increase likely in the eight percent range with the minimal expense increases and no administrative staff increases for three years in efforts to control expenses. The majority of the expense increases are attributable to Purchase Transportation, and Wages & Benefits pension program change and market adjustment on wages. LYNX will prepare a chart comparing the adopted and amended budgets for FY2019-FY2025 and will analyze the average increase in each category over that period.

Kurt Peterson recommended proceeding with the third model (15.5%) and then rework the model and identify the impact of the Seminole changes when they are known. Changes in service hours may affect the fixed costs shared by the funding partners. Specifically, Orange County needs to

prepare for these changes, as they may not want to cover additional fixed costs for another county.

Lenny Antmann explained that if the funding model remains the same and there is a significant reduction in service hours, the fixed costs would have to be spread over fewer hours. This would result in an increase in the cost per service hour since there would be fewer hours absorbing the same total fixed cost.

Tim Jecks shared that Seminole County will not have definitive information within the next three weeks, but they are scheduled to hold a work session in early April to discuss potential changes.

Amanda Clavijo (Osceola County) emphasized the need to provide a worst-case scenario to Osceola County, as the exact service changes are still unknown. This will give Osceola County time to process the information and ask any follow-up questions once the full details are available.

The committee consensus was for LYNX staff to prepare the budget based on Option Three (15.5%), using the approved funding model and assuming business as usual. A worst-case projection, including fixed cost changes, will be provided to the Finance Committee. If the Seminole County changes are finalized after adoption or publication, an amendment will be required. The committee will need to decide how to structure the amendment once the Seminole changes are available.

8. Other Business

FDOT's Ernst and Young Review of Investment Policy Draft

The General Counsel provided an overview of the findings from FDOT's Ernst and Young review of the draft intermediate Investment Policy. The review identified seven key findings, which included: simple language changes to improve clarity, educational requirements that were already included in the policy, adding back language that had been previously removed and a couple of recommendations that were not relevant to LYNX.

Finance Committee Discussion on Report Presentation to Oversight Committee

The Finance Committee discussed the current process of the Finance Committee chair presenting the committee report in person to the Oversight Committee. The policy requires that the chair or a designee regularly provides updates to the Oversight Committee on matters before the Finance and Audit Committee and reports to the governing Board as needed.

Alternatives Proposed: CFO could present the Finance Committee Chair's written report, Finance Committee members could rotate the responsibility of presenting the report, FDOT Representative (offered by Libertad Acosta-Anderson) could present the report, given their regular attendance at Oversight meetings. James Goldsmith will follow up with Pat Christiansen, who plans to reach out to the Oversight Committee chair to clarify expectations for the reports. Chair Petersen will present the report at the next Oversight meeting. The Finance Committee will revisit the issue next month to explore alternatives further.

9. Adjourned

The meeting adjourned at 2:59 p.m.

LYNX Finance & Audit Committee Agenda

Consent Agenda Item #5.A. i

To: LYNX Finance & Audit Committee

From: Leonard Antmann
Chief Financial Officer
Jennifer Hall
Technical Contact

Phone: 407.841.2279 ext: 6125

Item Name: Authorization to Exercise the First Option Year of Contract 22-C48 with Barracuda Building Corporation for the Installation of Bus Shelters and Amenities Throughout the LYNX Service Area for a Not to Exceed Amount of \$3,303,687

Date: 04/17/2025

ACTION REQUESTED:

Staff is requesting the Board of Directors' authorization for the Chief Executive Officer (CEO) or designee to exercise the first option year of Contract 22-C48 with Barracuda Building Corporation for the Installation of Bus Shelters and Amenities throughout the LYNX Service Area for a not to exceed amount of \$3,303,687.

BACKGROUND:

On February 24, 2022, the LYNX Board of Directors approved the award of Contract 22-C48 to Barracuda Building Corporation for the Installation of Bus Shelters and Amenities throughout the LYNX Service Area for three (3) years with two (2) one (1) year options with a not to exceed of \$3,128,583. The initial term of Contract 22-C48 expires on April 7, 2025.

For this contract, the contractor provides all Buy America compliant materials, supplies, labor, and equipment necessary for complete installation of bus shelters and amenities per specifications. This includes site preparation, pouring concrete, verification, assembly, and transportation of adequate shelter materials, attachment of the bus shelter, trash receptacle, bike rack, and bench, sod installation, reinstallation of sprinkler heads, and site cleanup to the satisfaction of LYNX and the local jurisdiction.

LYNX Finance & Audit Committee Agenda

DISADVANTAGED BUSINESS ENTERPRISE (DBE) PARTICIPATION:

A DBE participation goal of 13% is assessed for this contract. LYNX's procurement policy requires contractors to use a good faith effort to subcontract portions of their work for material, supplies and services to Disadvantaged Business Enterprise (DBE) Firms.

FISCAL IMPACT:

The FY2025 Approved Capital Budget includes \$11,701,605 for the installation of new shelters which are 100% Federal Funded.

LYNX Finance & Audit Committee Agenda

Consent Agenda Item #5.B. i

To: LYNX Finance & Audit Committee

From: David Burrowes
Chief Operations Officer
Aubrey Moses
Technical Contact

Phone: 407.841.2279 ext: 6161

Item Name: Authorization to Purchase Thirty (30) 40-Foot Compressed Natural Gas (CNG) Replacement Buses for a Not to Exceed Amount of \$27,609,656

Date: 04/17/2025

ACTION REQUESTED:

Staff is requesting the Board of Directors' authorization for the Chief Executive Officer (CEO) or designee to purchase thirty (30) 40' Low Floor CNG replacement buses in a not to exceed amount of \$27,609,656.

BACKGROUND:

LYNX has an active fleet of two hundred ninety-three (293) buses, eighty-nine (89) of which have met their useful life with an average of 626,368 miles per vehicle. This bus purchase is part of LYNX Transit Development Plan (TDP). Upon arrival, some or all the buses identified for replacement will be retired by LYNX. The disposition of the buses will be based on potential service expansion-related fleet increases, and in accordance with Federal Transit Administration (FTA) guidelines.

This purchase is Grant funded utilizing the Federal LoNo Grant LYNX was recently awarded in the amount of \$27,609,656. These replacement buses will be purchased from Gillig, LLC through the State of Florida Heavy Duty Buses Contract, P-23-030.

LYNX Finance & Audit mmittee Agenda

Fixed Route Revenue Vehicles From the State of Florida Heavy Duty Buses Contract	Quantity	Total
40' Buses with CNG Package	30	\$27,609,656
Major Options Include: Voith Transmission, Amerex Fire Suppression System, Trapeze Mentor (Ranger) ITS System, Driver Protection Shields, Fast Fare Fareboxes and bus disinfecting systems.		
Fixed Route Revenue Vehicle Cost	\$27,609,656	

DISADVANTAGED BUSINESS ENTERPRISE (DBE) PARTICIPATION:

The DBE requirement for the purchase of rolling stock is monitored by the Federal Transit Administration.

FISCAL IMPACT:

This project is fully funded in the amount of \$27,609,656 for up to 30 Replacement CNG Buses. This project is 100% funded through the competitive Federal Lo No Grant.

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Consent Agenda Item #5.B. ii

To: LYNX Finance & Audit Committee

From: Terri Setterington
Director Of Human Resources
Terri Setterington
Technical Contact

Phone: 407.841.2279 ext: 6106

Item Name: Authorization to Award a Contract to GrayRobinson, P.A. for Pension Legal Services for a Not to Exceed Amount of \$300,000

Date: 04/17/2025

ACTION REQUESTED:

Staff is requesting the Board of Directors' authorization for the Chief Executive Officer (CEO) or designee to execute a contract with GrayRobinson, P.A. for Pension Legal Services for a term of three (3) years with two (2) one (1) year renewal options in a not to exceed amount of \$300,000 for the initial three-year term.

BACKGROUND:

There is no statutory authority that requires LYNX to competitively procure legal services. As a multi-county special independent district, LYNX is not subject to Section 287.057, Florida Statutes, which is the general law applicable to competitive procurements. Even if it were, Section 287.057 does not require the competitive procurement of legal services. LYNX does not use federal funds to pay for its legal services, therefore federal law would not apply to the procurement of legal services.

In the absence of any legislative requirements regarding the method of awarding contracts for legal services, the Board may exercise reasonable discretion and a contract may be negotiated and awarded by any practicable method that will safeguard the public interest.

DISADVANTAGED BUSINESS ENTERPRISE (DBE) PARTICIPATION:

A DBE participation goal is not applicable for this activity.

LYNX Finance & Audit Cmmittee Agenda

FISCAL IMPACT:

The FY2025 Approved Operating Budget includes \$100,000 for Pension Legal Services.

LYNX Finance & Audit Committee Agenda

Action Item #6.A

To: LYNX Finance & Audit Committee

From: **James Boyle**
Interim Chief Planning And Development Officer
Prahallad Vijayvargiya
Technical Contact
Kenneth Jamison
Technical Contact

Phone: 407.841.2279 ext: 6036

Item Name: **Authorization to Submit a Grant Application to the Florida Department of Transportation (FDOT) for the SFY2027 Public Transit Service Development Grant Program (SDG) in the amount of \$2,200,000 and Adoption of Resolution 25-003**

Date: 04/17/2025

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 Florida Department of Transportation (FDOT) for the procurement, installation, licensing and support of real-time digital screens at LYNX Central Station and LYNX Transfer Centers (SuperStops) in the amount of \$2,200,000, and adoption of Resolution 25-003.

BACKGROUND:

On March 5, 2025, the Florida Department of Transportation (FDOT), under District Five's Modal Development Office announced its funding solicitation and guidance for eligible operating and capital projects for the State Fiscal Year (SFY) 2026-2027 Public Transit Service Development Program (SDG). Applications must be submitted by May 30, 2025, with funding available by July 1, 2026.

Staff is requesting authorization to submit an application for the procurement, installation, licensing and support of real-time digital screens at LYNX Central Station and LYNX Transfer Centers (SuperStops). The Service Development Program's funding would enable LYNX to acquire and install twenty-four (24) digital screens at LYNX Central Station, and up to eighty-four (84) digital screens at seventeen (17) LYNX Transfer Centers (SuperStops).

LYNX Finance & Audit Committee Agenda

The seventeen (17) Transfer Centers (SuperStops) tentatively identified to have real-time digital screens installed are: Apopka SuperStop, Colonial Plaza SuperStop, Destination Parkway SuperStop, Disney Springs Transfer Center, Fern Park SuperStop, Florida Mall, Kissimmee Intermodal Station, Orlando International Airport, Osceola Square Mall, Rosemont SuperStop, Sand Lake SunRail Station, Sanford Seminole Center SuperStop, Universal Studios, University of Central Florida SuperStop, Washington Shores SuperStop, West Oaks Mall SuperStop, and Winter Park Village SuperStop.

The grant cost share is fifty (50) percent with a fifty (50) percent match. The requested budget will be submitted as follows:

FDOT Service Development Funding Request Approximately:	\$1,100,000
Local Match Approximately:	<u>\$1,100,000</u>
Total Project Cost Approximately:	\$2,200,000

DISADVANTAGED BUSINESS ENTERPRISE (DBE) PARTICIPATION:

A DBE participation goal is not applicable for this activity.

FISCAL IMPACT:

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

CFRTA RESOLUTION NO. 25-003

A RESOLUTION OF THE CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY (d/b/a/ LYNX) AUTHORIZING THE CHIEF EXECUTIVE OFFICER (CEO) TO EXECUTE AND SUBMIT A GRANT APPLICATION WITH THE FLORIDA DEPARTMENT OF TRANSPORTATION (FDOT) FOR THE STATE FISCAL YEAR 2027 PUBLIC TRANSIT SERVICE DEVELOPMENT GRANT PROGRAM, IN THE AMOUNT OF \$2,200,000 DOLLARS.

WHEREAS, LYNX has satisfied the requirement to complete a Transportation Development Plan (TDP) for FY2023-2032 which has been submitted to FDOT in August 2022. LYNX TDP update is consistent with METROPLAN Orlando's 2045 Plan and Five-Year Transportation Improvement Plan (TIP); and

WHEREAS, the LYNX Board of Directors (BOARD) has the authority and believes it is in the best interest of LYNX to authorize the CEO, or designee, to file and execute these grant applications and all supporting documents, agreements and assurances which may be required in connection with the applications as authorized by Chapter 341, Florida Statutes and/or by the Federal Transit Administration Act of 1964, as amended;

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The BOARD has the authority to authorize the submission of grant applications to the Florida Department of Transportation.
2. The BOARD has the authority to authorize the execution of Public Transportation Grant Agreements to be issued by FDOT in SFY2027.
3. The BOARD authorizes Tiffany Homler Hawkins, Chief Executive Officer, or designee, to submit a grant application to the Florida Department of Transportation for the Federal Fiscal Year (FFY) 2026-2027, in the amount of \$2,200,000 dollars on behalf of LYNX and the ability for the CEO to execute the application, amendments, warranties, certifications, assurances, reimbursement invoices and any other documents in connection with the grant applications.
4. The BOARD authorizes Tiffany Homler Hawkins, Chief Executive Officer, or designee, to sign all agreements or contracts, which may be required in connection with the application, and subsequent agreements, with the Florida Department of Transportation.
5. The BOARD authorizes Tiffany Homler Hawkins, Chief Executive Officer, or designee, to make purchases and/or expend funds pursuant to grant awards made by the Florida Department of Transportation authorized by Chapter 341, Florida Statutes and/or by the Federal Transit Administration Act of 1964, as amended.
6. The above authorization shall be continuing in nature until revoked by the Chairman of the Governing Board.

CERTIFICATION OF THE ADOPTION OF THE PROPOSED RESOLUTION OF THE CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY (d/b/a/ LYNX) AUTHORIZING THE CHIEF EXECUTIVE OFFICER (CEO) TO EXECUTE AND SUBMIT A GRANT APPLICATION WITH THE FLORIDA DEPARTMENT OF TRANSPORTATION (FDOT) FOR THE STATE FISCAL YEAR 2027 PUBLIC TRANSIT SERVICE DEVELOPMENT GRANT PROGRAM, IN THE AMOUNT OF \$2,200,000 DOLLARS.

APPROVED AND ADOPTED this 24th day of April 2025 by the Governing Board of the Central Florida Regional Transportation Authority.

CENTRAL FLORIDA REGIONAL
TRANSPORTATION AUTHORITY

By: Governing Board

Chairman

ATTEST:

Assistant Secretary

LYNX Finance & Audit Committee Agenda

Action Item #6.B

To: LYNX Finance & Audit Committee

From: Leonard Antmann
Chief Financial Officer
Michelle Daley
Technical Contact

Phone: 407.841.2279 ext: 6125

Item Name: Approval of the Updated Investment Policy

Date: 04/17/2025

ACTION REQUESTED:

Staff is requesting the Finance Committee authorization for the Chief Executive Officer (CEO) or designee to approve advancing the updated LYNX Investment policy to the Oversight Committee.

BACKGROUND:

The LYNX Investment Policy was adopted on January 7, 2010. Recently, the LYNX Finance Committee with the assistance of LYNX General Counsel has been reviewing the policy and making recommendations for updating. The Finance committee has been meeting and discussing the policy since September 19, 2024.

The changes include, but not limited to, the removal of use of derivatives, adding the Finance Committee as the designated investment committee

DISADVANTAGED BUSINESS ENTERPRISE (DBE) PARTICIPATION:

A DBE participation goal is not applicable for this activity.

FISCAL IMPACT:

There is no fiscal impact.



**Central Florida Regional Transportation Authority
Policies and Procedures**

Policy: Investment Policy

Approved By: LYNX Board of Directors

Issuing Dept: Finance

Effective Date: [____], 2025

SCOPE

To document the investment policy which applies to the investment and reporting of all financial assets of the Central Florida Regional Transportation Authority (“**LYNX**” or “**Authority**”), except for LYNX’s retirement funds. Such financial assets may be in the form of operating funds or bond proceeds funds. However, bond proceeds may be further limited or expanded as to their permitted investments by their respective bond resolutions or covenants.

AUTHORITY:

Board of Directors and Section 218.415, Florida Statutes.

POLICY

1.1 Definitions

In addition to the other terms defined in this Policy, the following terms when used in this Policy shall have the meanings as provided below.

1.1.1 Bank Trust Receipts: Advance deposits to cover a prospective liability for services to be rendered and/or disbursements to be made; and composite amounts consisting of trust and business monies.

1.1.2 Book Entry Form: A chronological record of a Specialist’s inventory of securities and orders that other exchange members have placed with the Specialist.

1.1.3 Derivative: A financial instrument whose characteristics and value depends upon the characteristics and value of an underlying security; typically a commodity, bond, equity or currency. Examples of derivatives include futures and options. Advanced investors sometimes purchase or sell derivatives to manage the risk associated with the underlying security, to protect



Central Florida Regional Transportation Authority Policies and Procedures

against fluctuations in value, or to profit from periods of inactivity or decline. These techniques can be quite complicated and quite risky.

1.1.4 Designated Employee: An employee of LYNX that reports to either the Chief Executive Officer or the Chief Financial Officer, who has been designated to carry out certain responsibilities contemplated herein, and who has been identified in a schedule of Designated Employees submitted to and approved by the Investment Committee. Any Designated Employee must have a sufficient understanding of the investment of financial assets as contemplated herein and shall be subject to the continuing education requirements set forth in Section 1.19.

1.1.5 Internal Controls: Policies and procedures designed to provide reasonable assurance that specific entity objectives will be achieved. It consists of the control environment, risk assessment, control activities, information and communications, and monitoring.

1.1.6 Investment Committee: The LYNX Finance and Audit Committee.

1.1.7 Liquidity: The ability of an asset to be converted into cash quickly and without any selling of the asset below its normal price.

1.1.8 Market Value: The price at which a security can be purchased or sold in the financial market.

1.1.9 Qualified Public Depository: Any bank, savings bank, or savings association that is organized under the laws of the United States or the State of Florida; has its principal place of business or a branch office to receive deposits in Florida; has deposit insurance under the provisions of the Federal Deposit Insurance Act; meets the requirements of Chapter 280, Florida Statutes (Florida Security for Public Deposits Act); and has been designated by the Chief Financial Officer of the State of Florida as a “qualified public depository”.

1.1.10 Repurchase Agreement: A contract in which the seller of securities, such as Treasury Bills, agrees to buy them back at a specified time and price. Also known as repo or buyback.

1.1.11 Return on Investment: Measures how effectively the portfolio’s principal is invested to generate profit by comparing the gain or loss on an investment by its cost.

1.1.12 Risk: The quantifiable likelihood of loss or less-than-expected returns. There are many different types of risk e.g., inflation risk (decrease in purchasing power); currency risk (devaluation of currency to the American dollar or vice versa); market risk (decline of the asset’s value due to economic changes which effect the entire market) or unsystematic risk (price change in relation to a specific security).



1.1.13 Safekeeping: A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the banks' vaults for protection.

1.1.14 Specialist: A stock exchange member who makes a market for certain exchange-traded securities, maintaining an inventory of those securities and standing ready to buy and sell shares as necessary to maintain an orderly market for those shares. This can be an individual, partnership, corporation or group of firms.

1.1.15 Yield: The rate of annual income return on an investment, expressed as a percentage.

1.2 Investment Objectives

Preservation of principal and safety - An important objective of this investment program is the preservation of the principal of those funds within the portfolio. Investment transactions shall be consistent with the other investment objectives, and seek to ensure that capital losses are minimized, whether they be from securities defaults or erosion of Market Value.

Liquidity - The portfolio shall be managed in such a manner that funds are available to meet reasonably anticipated cash flow requirements in an orderly manner.

Return on Investment - All investments will be made striving to maximize portfolio return, consistent with the quality, safety and Liquidity restrictions. Yield shall be the primary source of investment returns. The pursuit of this goal will be continuous, but may not be done at the expense of assuming avoidable investment risk. The optimization of investment returns shall be secondary to the requirements for quality, safety, and Liquidity.

1.3 Risk and Diversification

Adequate diversification of LYNX's portfolio will be necessary to minimize market volatility risk, Liquidity risk and default risk. Diversification will come in the form of investing in different security types, and in different financial institutions. It is the policy of LYNX to diversify its investment portfolios so as to protect against issuer defaults, market price changes, technical complications leading to temporary lack of Liquidity, or other risks resulting from an over concentration of assets in a specific maturity, a specific issuer, a specific geographical distribution, or a specific class of securities. The following strategies will be reviewed quarterly by the Investment Committee.

Maintenance of public trust - All participants in the investment process shall seek to act responsibly as custodians of the public trust. Investment officials shall avoid any transaction that might reasonably impair public confidence in the ability of LYNX to effectively implement the investment program.



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Investment officials shall recognize that the investment portfolio is subject to public review and evaluation. The overall program shall be designed and managed with a degree of professionalism worthy of the public trust.

Asset liability management - To the extent consistent with the investment objectives and restrictions and the Authority's debt management policies, all herein adopted, LYNX will strive to maintain an investment/asset portfolio duration approximately equal to its debt/liability "portfolio". Equilibrium with respect to the duration of assets and liabilities may help LYNX earn interest on aggregate investments at its overall cost of capital or better.

1.4 Prudence

LYNX has adopted the Prudent Person Rule, which states that: "Investments should be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived from the investment." Investment officers acting in accordance with written procedures and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

Prudent expert standard - While the standard of prudence to be used by investment officials who are officers or employees is the "prudent person" standard, any person or firm hired or retained to invest, monitor, or advise concerning these assets shall be held to the higher standard of prudent expert. The standard shall be that in investing and reinvesting monies and in acquiring, retaining, managing, and disposing of investments of these funds, the contractor shall exercise the judgment, care, skill, prudence and diligence under the circumstances then prevailing, which persons of prudence, discretion and intelligence, acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character and with like aims by diversifying the investments of the funds so as to minimize the risk of material losses, unless under the circumstances it is clearly prudent not to do so, and not in regard to speculation but in regard to the permanent disposition of similar funds, considering the probable income as well as the probable safety of their capital.

1.5 Ethics and Conflicts of Interest

Officers and employees involved in the investment process shall not engage in personal business activities (e.g. directing business to favored broker/dealers) that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Officers and employees shall immediately disclose to the Chief Executive Officer and the Investment Committee any material interest in any financial institution that



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conducts business with LYNX. For purposes of this paragraph, “material interest” shall have the same meaning as in Section 112.312(15), Florida Statutes, or as set forth in any successor statute.

1.6 Delegation of Authority

The authority to manage the investment program is granted to the Chief Financial Officer [pursuant to Sections 218.415 and 343.64, Florida Statutes](#), subject to the terms and conditions of this Policy.

1.7 Internal Controls

System of Controls - The Chief Financial Officer will establish a system of Internal Controls, which shall be documented in writing, provided to the Chief Executive Officer and the Investment Committee, and shall be subject to their respective approvals. The Internal Controls shall be designed to prevent losses of public funds arising from fraud, employee error, and misrepresentation by third parties, or imprudent actions by employees or by those individuals and/or entities under contract to LYNX. The Internal Controls shall provide that all transactions are confirmed in writing. In the development of the system of Internal Controls, consideration shall be given to documentation of strategies and transactions, techniques for avoiding collusion, separation of functions, delegation of authority and limitations of action, custodial Safekeeping, and avoidance of bearer-form securities.

1.8 Independent Audit

The independent public accounting firm retained to conduct the annual audit of LYNX is directed to evaluate the system of Internal Controls relating to the investment of assets in accordance with Section 218.415(13), Florida Statutes. Procedures should be performed by the accountants to provide reasonable assurance that investment officials have acted in accordance with this Investment Policy. To the extent allowed by professional standards, the auditor may rely on work performed by other independent public accountants or internal auditors.

1.9 Reporting

A quarterly investment report shall be provided to the Chief Executive Officer and the Investment Committee, which report shall include (without limitation): (i) current interest rates by investment type; (ii) a description of investments, including identification of accounts; and (iii) prior quarter earnings. Actual returns should be compared against planned figures. Any areas of concern should be addressed and portfolio changes made as warranted. Following its review of the quarterly investment report, the Investment Committee shall submit a copy of the report, with its comments, to the Oversight Committee and the Governing Board.



1.10 **Performance Benchmarks**

Investment performance benchmarks should be consistent with the quality, safety and Liquidity restrictions and utilized to evaluate portfolio performance. These benchmarks will allow LYNX to compare returns to other investors in the same markets.

Based on the investment and maturity parameters for each portfolio, LYNX shall establish specific performance benchmarks. When establishing a performance benchmark for a portfolio, there are three main factors which will be considered:

1. it is independently compiled.
2. it represents true total return.
3. it is representative of the types of securities in the appropriate maturity range.

The quarterly report required under Section 1.9 will show performance on both a book value and Market Value return basis and will compare the results to the established benchmarks.¹

1.11 **Prohibited Investments**

In addition to the statutory restriction on common stock, no financial assets may be invested in Derivatives or in an investment company portfolio containing common stock in real estate, in options ~~and~~or futures, ~~and~~or in precious metals.

1.12 **Permitted Investments**

Investment alternatives, other than securities, must have an established market. Investments should be made subject to the cash flow needs of LYNX. Such cash flows are subject to revisions as market conditions and agency needs change. The Chief Financial Officer shall avoid assets that require a significant time to liquidate and, in any event, investments should have maturities not to exceed one year.

The following is a list of authorized investments in which the Chief Financial Officer may invest LYNX operating and surplus funds at the prevailing market rates and at an appropriate amount thereof (subject to any percentage limitations set forth below).²

¹ ~~Note to Draft: Given the limited investment options in Section 1.12, consider whether this section is still required.~~

² ~~Note to Draft: Percentages to be evaluated by Finance Committee. Orange County initially proposed a 50% limitation as to SBA and a 40% limitation as to QPDs with no more than 5% of the portfolio invested in any one issuer. However, since then, the investment options have been significantly limited.~~



1. The Local Government Surplus Funds Trust Fund, as created by Section 218.405, Florida Statutes and administered by the State Board of Administration (SBA). A maximum of ~~{75}~~% of the portfolio may be invested in the SBA.
2. United States Treasury Securities (including mutual funds where the underlying investments are solely United States Treasury Securities), whereby all principal and interest payments are guaranteed by the full faith and credit of the United States government. A maximum of ~~{100}~~% of the portfolio may be invested in United States Treasury Securities.
3. Interest-bearing time deposits or savings accounts in Qualified Public Depositories (QPD) as defined in Section 280.02, Florida Statutes. A maximum of ~~{100}~~% of the portfolio may be invested in Qualified Public Depositories.

1.13 Selection of Qualified Institutions

The Chief Financial Officer shall maintain a formalized written procedure for the selection of depositories in money market instruments and broker dealers in the execution of securities transactions, which procedure shall be provided to the Chief Executive Officer and the Investment Committee, and which procedure shall be subject to the approval of the Investment Committee. Such procedure should describe the competitive selection process and rationale for selection. The procedure shall state that the selection of the depositories and broker deals shall be made by the Chief Financial Officer, subject to the approval of the Chief Executive Officer. The selection of such depositories pursuant to this Section 1.13 shall not be subject to LYNX Administrative Rule

4. Authorized investments shall only be purchased from financial institutions which are Qualified Public Depositories, the SBA, or from primary dealers as designated by the Federal Reserve Bank of New York.

1.14 Competitive Selection of Investment Instruments

After the Chief Financial Officer has determined the approximate maturity date based on cash flow needs and market conditions, not to exceed one (1) year for operating funds, and has analyzed and selected one or more optimal types of investments, a minimum of three (3) qualified institutions must be contacted and asked to provide bids on securities of interest. Subject to compliance with Florida's Public Records Act, bids will be held in confidence until the highest bid is determined and awarded.

However, on an exception basis, securities may be purchased utilizing the comparison to current market price method. Acceptable current market price providers include, but are not limited to:

1. The Wall Street Journal or a comparable nationally recognized financial publication providing daily market pricing.



2. Daily market pricing provided by the Authority's custody agents or their correspondent institutions.
3. Interactive Data Corporation (IDC).
4. Various third party sources currently utilized by the Investment Advisor.

The Chief Financial Officer shall utilize the competitive bid process to select the securities to be purchased or sold. Selection by comparison to a current market price, as indicated above, shall only be utilized when, in the judgment of the Chief Financial Officer, competitive bidding would inhibit the selection process. Any usage of the comparison to market price method shall be identified in the quarterly investment report described in Section 1.9.

Examples of when this method may be used include:

1. When time constraints due to unusual circumstances preclude the use of the competitive bidding process.
2. When no active market exists for the issue being traded due to the age or depth of the issue.
3. When a security is unique to a single dealer.
4. When the transaction involves new issues or issues in the "when issued" market.

Overnight sweep Repurchase Agreements will not be bid, but may be placed with the depository bank relating to the demand account for which the Repurchase Agreement was purchased.

The purchase of securities pursuant to this Section 1.14 shall not be subject to Administrative Rule 4.

1.15 Safekeeping and Collateralization

All cash, assets, and investment securities purchased by LYNX or held as collateral on investments shall be delivered versus the payment of funds and held in Safekeeping by a qualified bank, or some other financial institution designated as custodian. The custodian will be selected by the Chief Financial Officer and notification of same shall be provided to the Chief Executive Officer and the Investment Committee. All securities held as collateral will be held free and clear of any lien, and also shall be held by a third party custodian.

All securities purchased by LYNX may be held by a third party custodian and no withdrawal of such securities may be made by anyone except the Chief Financial Officer or the Chief Financial Officer's Designated Employees. Pursuant to Section 218.415(10), Florida Statutes, securities transactions between a broker-dealer and the custodian involving purchase or sale of securities by



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transfer of money or securities must be made on a “delivery vs. payment” basis, if applicable, to ensure that the custodian will have the security or money, as appropriate, in hand at the conclusion of the transaction.

The Chief Executive Officer’s or Chief Financial Officer’s Designated Employees will execute all third party custodial agreements with LYNX’s banks and public depositories. Such agreements will include letters of authority from the Chief Financial Officer as to the responsibilities of each party, notification of security purchases, sale, delivery, Safekeeping and transaction agreements and wire transfers, Safekeeping and transaction costs, and procedures in the event of wire failure.

Any funds invested in a certificate of deposit from a Qualified Public Depository may be collateralized by any of the securities listed in Sections 280.13, Florida Statutes. The list of Qualified Public Depositories, agreeing to the provisions in Chapter 136, Florida Statutes, is available upon request from the Department of Insurance and Treasurer of the State of Florida.

1.16 Security Disposition

Every security purchased must be properly earmarked and:

1. registered with the issuer and maintained in a safe place.
2. if held in Book Entry Form, held for the credit of LYNX by a depository chartered by the Federal Government, the state or any other state or territory in the US as described in Section 658.12, Florida Statutes, or by national organization existing under the laws of the U.S. Securities must be held in a depository in a separate account from assets of the financial institution.
3. if physically issued to the holder but not registered with the issuer or its agents, must be immediately placed for Safekeeping in a secured vault.
4. LYNX may also receive Bank Trust Receipts in return for investment of surplus funds in securities. All Bank Trust Receipts received must list the various securities held with the specific number of securities held in accordance with 2) above.

This section does not apply to the Local Government Surplus Funds Trust Fund.

1.17 Sale of Security

When the invested funds are needed in part or in whole for the purpose originally intended or for more optimal investments, LYNX may sell such investments at the then prevailing market rate and place proceeds into the proper account or fund. Any such sales shall be reported in the quarterly



report referenced in Section 1.9. If invested funds are sold at a loss, the report should explain why the situation was not foreseen and the reason for the sale.

1.18 Preemption

Any provision of any special act, municipal or other law which prohibits or restricts a local government entity from complying with Section 218.415, Florida Statutes, or any rules adopted under this section is void to the extent of the conflict.

1.19 Continued Education

Pursuant to Section 218.415, Florida Statutes, the Chief Financial Officer and the Chief Financial Officer's Designated Employees responsible for making investment decisions shall each obtain eight (8) hours per year of continuing education in subjects or courses of study related to investment practices and products.

1.20 ~~Transfer of Funds~~

Authorized personnel who can transfer funds: Chief Executive Officer, Chief Financial Officer or Manager of Finance.~~]~~

1.21 Investment Committee

The Investment Committee shall oversee the Chief Financial Officer's management of the investment program. The Investment Committee shall be authorized to amend, waive, or modify any provision of this Investment Policy; provided, that any such amendment, waiver, or modification of this Investment Policy is not material. Any material amendment, waiver, or modification of this Investment Policy shall require the approval of the Governing Board.

1.22 Investment Decisions

1.22.1 As used in this subsection, the term "pecuniary factor" means a factor that the governing body of the unit of local government, or in the absence of the existence of a governing body, the respective principal officer of the unit of local government, prudently determines is expected to have a material effect on the risk or returns of an investment based on appropriate investment horizons consistent with applicable investment objectives and funding policy. The term does not include the consideration of the furtherance of any social, political, or ideological interests.

1.22.2 Pursuant to Section 218.415(24), Florida Statutes, notwithstanding any other law, when deciding whether to invest and when investing public funds pursuant to this section, the unit of local government must make decisions based solely on pecuniary factors and may not subordinate the interests of the people of this state to other objectives, including sacrificing investment return or undertaking additional investment risk to promote any nonpecuniary factor.



The weight given to any pecuniary factor must appropriately reflect a prudent assessment of its impact on risk or returns.

1.23 Review of Investment Policy

This Policy shall be reviewed by the Investment Committee no later than twelve (12) months following its initial adoption. Following the initial year's review, this Policy shall be reviewed by the Investment Committee every five (5) years. Following any such review, the Investment Committee shall provide any comments and recommended revisions (if any) to the Oversight Committee and the Governing Board.

Summary report: Litera Compare for Word 11.9.1.1 Document comparison done on 3/21/2025 11:49:17 AM	
Style name: Akerman Default	
Intelligent Table Comparison: Active	
Original DMS: iw://pdc-dm.ase.akerman.com/ACTIVE/79546810/5	
Modified DMS: iw://pdc-dm.ase.akerman.com/ACTIVE/79546810/6	
Changes:	
<u>Add</u>	11
Delete	24
Move From	0
<u>Move To</u>	0
<u>Table Insert</u>	0
Table Delete	0
<u>Table moves to</u>	0
Table moves from	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	35

LYNX Finance & Audit Cmmittee Agenda

Action Item #6.C

To: LYNX Finance & Audit Committee

From: Leonard Antmann
Chief Financial Officer
Michelle Daley
Technical Contact

Phone: 407.841.2279 ext: 6125

Item Name: Approval of the FY2025 Amended Operating Budget

Date: 04/17/2025

ACTION REQUESTED:

LYNX Staff is requesting the Finance Committee's recommendation for the Chief Executive Officer (CEO) or designee to present the FY2025 Amended Operating Budget to the Oversight Committee.

BACKGROUND:

The proposed Adjustments to the FY2025 Operating Budget will not change the amounts requested from the funding partners.

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FY2025 Operating Budget Amendment

	FY2025 APPROVED	PROPOSED ADJUSTMENTS	FY2025 PROPOSED AMENDED
REVENUE			
Customer Fares	\$ 21,271,417	\$ 1,000,000	\$ 22,271,417
Contract Services	3,878,350	(228,301)	3,650,049
Advertising	2,705,000	-	2,705,000
Interest & Other Income	1,280,000	2,000,000	3,280,000
Federal Revenue	14,618,873	(600,197)	14,018,676
State Revenue	15,475,742	-	15,475,742
Local Revenue	18,563,608	880,106	19,443,714
Local Revenue Funding Partner	106,250,401	-	106,250,401
Use of Budget Stabilization Funds	<u>24,089,552</u>	<u>-</u>	<u>24,089,552</u>
TOTAL REVENUE	\$ <u>208,132,943</u>	\$ <u>3,051,608</u>	\$ <u>211,184,551</u>

Explanation of Revenue Changes:

Customer Fares – Revenue has been favorable to budget due to the increased ridership on fixed route and increased trips for paratransit.

Contract Services – The adjustment due to the decrease in the Transportation Disadvantaged Grant funding.

Interest & Other Income – Interest Income is projected to increase as federal interest rates continue to remain steady.

Federal Revenue – Federal Revenue is adjusted to correct the award for Federal 5311 grant on rural fixed route service.

Local Revenue – The increase in local revenue is to add the new agreement with Shingle Creek service starting in April and the amendment to the Orange County ATSP agreement for the new services added in December.

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	FY2025 APPROVED	PROPOSED ADJUSTMENTS	FY2025 PROPOSED AMENDED
EXPENSE			
Salaries, Wages & Fringe Benefits	\$ 123,294,100	\$ -	\$ 123,294,100
Other Services	15,090,016	(2,000,000)	13,090,016
Fuel	14,087,408	(500,000)	13,587,408
Materials and Supplies	10,535,051	-	10,535,051
Utilities	2,229,634	-	2,229,634
Casualty & Liability	4,927,301	-	4,927,301
Taxes and Licenses	642,086	-	642,086
Purchased Transportation			
Services	34,166,500	4,551,608	38,718,108
Leases & Miscellaneous	2,706,857	(863,942)	1,842,915
GASB 87 Lease Expense	378,638	-	378,638
GASB 96 Software Expense	-	1,863,942	1,863,942
Interest	75,352	-	75,352
TOTAL EXPENSE	\$ 208,132,943	\$ 3,051,608	\$ 211,184,551

Explanation of Expense Changes:

Other Services – The adjustment is related to a reduction for projects that will not be initiated this year, as well as a reclassification related to the GASB96 pronouncement for Software As A Service (SAAS).

Fuel – the adjustment is to reflect current fuel pricing.

Purchased transportation – Increase purchased transportation which is attributable to the continued trip growth and the increase in the cost per trip per the contract amendment in July, 2024.

Leases & Miscellaneous, GASB 96 expense – Reclassification and recognition for the new GASB96 pronouncement for SAAS. This includes the cost of implementing the new ERP system and licensing for the ERP and Microsoft Office 365.

DISADVANTAGED BUSINESS ENTERPRISE (DBE) PARTICIPATION:

A DBE participation goal is not applicable for this activity.

FISCAL IMPACT:

The Amended FY2025 Operating Budget has been balanced from offsetting adjustments in other categories.

LYNX Finance & Audit Committee Agenda

Action Item #6.D

To: LYNX Finance & Audit Committee

From: Leonard Antmann
Chief Financial Officer
Michelle Daley
Technical Contact

Phone: 407.841.2279 ext: 6125

Item Name: Approval of the FY2026 Preliminary Operating Budget

Date: 04/17/2025

ACTION REQUESTED:

LYNX Staff is requesting the Finance Committee's recommendation for the Chief Executive Officer (CEO) or designee to present the FY2026 Preliminary Operating Budget to the Oversight Committee.

BACKGROUND:

On March 20, 2025, staff presented to the Finance & Audit Committee several contribution scenarios based on the base case of the Preliminary FY2026 Operating budget.

The following are the overall assumptions in developing the operating budget:

- Maintain 2025 level of service.
- No Changes in Fixed Route Fare Structure
- Vanpool contract in process, includes a new fare structure.
- Preventative Maintenance funding of \$6.8 million; ADA funding of \$2.5M.
- Wage increases consistent with funding partners and board approved labor agreements.
- Purchase transportation costs based on the current trip trends.
- Funding Partners contributions based on the approved Regional Funding Model.

OVERVIEW:

The FY2026 Preliminary Operating Budget totals \$222,833,766 in revenues and \$222,833,766 in expenses. The Preliminary Operating Budget is funded by a combination of LYNX generated

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revenue, federal, state and local dollars. These funds are used to fund personnel expenses, services, materials, supplies, taxes, utilities, casualty and liability expenses, purchased transportation expenses, leases and miscellaneous expenses. Specifically, this budget includes funds from the following sources:

	FY2026 Preliminary Budget
REVENUES	
Customer Fares	\$ 23,305,042
Contract Services	3,645,885
Advertising	2,805,000
Interest & Other Income	2,056,000
Federal Revenue	14,005,183
State Revenue	15,480,209
Local Revenue	19,554,775
Local Revenue Funding Partner	122,719,213
Use of Budget Stabilization Funds	19,262,459
TOTAL REVENUE	\$ <u>222,833,766</u>

The funds are programmed to fund the following types of expenses:

	FY2026 Preliminary Budget
EXPENSE	
Salaries, Wages & Fringe Benefits	\$ 131,839,824
Other Services	13,828,096
Fuel	13,968,113
Materials and Supplies	11,056,789
Utilities	2,082,438
Casualty & Liability	4,912,482
Taxes and Licenses	707,959
Purchased Transportation Services	41,211,975
Leases & Miscellaneous	1,814,670
GASB 87 Lease Expense	397,260
GASB 96	950,500
Interest	63,660
TOTAL EXPENSE	\$ <u>222,833,766</u>

LYNX will utilize the regional funding model to allocate each jurisdiction's share of the costs of operations in FY2026.

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The following chart shows the local funding breakdown:

	Orange County	Osceola County	Seminole County	TOTAL
Operating	\$ 92,178,040	\$ 16,345,426	\$ 15,904,069	\$ 124,427,535
Capital	3,097,869	413,812	376,197	\$ 3,887,877
Total Partner Contribution	\$ 95,275,908	\$ 16,759,238	\$ 16,280,266	\$ 128,315,412

CONCLUSION:

LYNX staff will be seeking approval of the FY2026 Preliminary Operating Budget for presentation to the funding partners in June and July 2025.

LYNX Finance & Audit Committee Agenda

Discussion Item #7.A

To: LYNX Finance & Audit Committee

From: Leonard Antmann
Chief Financial Officer
Michelle Daley
Technical Contact

Phone: 407.841.2279 ext: 6125

Item Name: Discussion on the FY2024 Reserve Analysis

Date: 04/17/2025

LYNX Staff will lead a discussion regarding the FY2024 Reserve Analysis.