

LYNX Audit C mmittee Agenda



Board Date: 4/7/2011
Time: 2:00 PM

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

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





1. Call to Order

2. Approval of Minutes

-  Minutes from the January 27, 2011 Audit Committee Meeting

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3. Audit Agenda Items

- A.  Presentation on the Annual Financial Audit and Comprehensive Annual Financial Report (CAFR) for the Fiscal Year Ending September 30, 2010 Pg 8
- B.  FY2012 Proposed Budget Development Discussion Pg 9
- C.  Update on Fuel Hedging Program Pg 10
- D.  Presentation on SunRail Connectivity Pg 11

5. Information Items

(For Review Purposes Only - No action required)

- I.  LYNX 12 Month Rolling Calendar

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LYNX
Central Florida Regional Transportation Authority
Audit Committee Meeting Minutes

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

DATE: **January 27, 2011**

TIME: **10:30 a.m.**

Members in Attendance:

Seminole County Commissioner, Carlton Henley, Chairman
Osceola County Commissioner, Brandon Arrington
FDOT District 5 Secretary, Noranne Downs, Secretary
Orange County, Carla Bell Johnson, Growth Management
City of Orlando, Christine Kefauver, Transportation Policy Advisor

1. Call to Order

The Chairman, Commissioner Carlton Henley, called the meeting to order at 10:30 a.m.

2. Approval of Minutes

Motion was made and seconded to approve the Minutes of the September 23, 2010 Audit Committee meeting. The motion passed unanimously.

3. Audit Agenda Items

A. FY2012 Proposed Budget Development Assumptions

The Chairman recognized Bert Francis, Chief Financial Officer, for presentation.

Mr. Francis presented the key assumptions that LYNX' budget team will use in the preparation of the FY2012 Operating and Capital Budgets.

- Funding Partner requests for FY2012
- Maintain same level of service throughout the system
- Increase number of Flex service routes
- Impact of Southern Operations Base
- Closing of South Street

- Key Budget Assumptions – Revenue
 - ARRA funding expiring FY2011
 - Federal Preventative Maintenance Funding Level
 - No plan to utilize Operating Reserves
 - Fare increase in FY2012 (?)
 - Advertising revenue program decrease
 - Lease more space in LCS

- Key Budget Assumptions – Expenses
 - Maintain current staffing levels
 - Pay increase in 2012 (?)
 - Hiring freeze for all but the most crucial positions
 - Effects of new Group Health Insurance program
 - Impact of Union negotiations
 - Decrease retirement contribution rate (?)
 - Continue bio-diesel program
 - Reduced deadhead cost due to change in operating facility
 - Reductions based on LYNX ownership of paratransit vehicles

- Pending Items Not Currently in Budget
 - Apply Regional Funding Model (?)
 - AARA under budget issue – additional P.M.
 - Advertising RFP for shelters
 - Re-negotiate Contract Maintenance Agreements
 - Fuel cost hedging options
 - Impact of New Paratransit provider

- Future Items
 - Review type of fixed route vehicles used in future operations
 - Increased efficiency of additional interlining with Southern Operating Facility
 - Review of Southern Operating Facility expenses

In conclusion, Mr. Francis presented the Budget Calendar:

January 27	Key Budget Assumptions Presentation to the Audit Committee
March 24	Present Overview of FY2012 Preliminary Operating Budget to Board of Directors
April	Funding Request Letters Submitted to Funding Partners
June/July	Budget Presentation Osceola & Orange Counties
August	Budget Presentation Seminole County
September 22	Final Board Action
October 1	Budget Year 2011-2012 Commences

B. Update on the Downtown Circulator LYMMO Expansion

The Chairman recognized Edward Johnson, Chief Administrative Officer, for presentation.

Mr. Johnson noted that purpose of the Alternatives Analysis Study for the Downtown Transit Circulator Expansion proposed in the City of Orlando's Downtown Transit Circulator Expansion Study is to provide a fresh look at potential LYMMO expansion, following the Federal Transit Administration (FTA) Alternatives Analysis (AA) procedures for:

- ✓ Mode and alignment alternatives
 - ✓ Ridership demand
 - ✓ Costs and impacts
 - ✓ Potential funding strategies
- The Study Area
- The Downtown Community Redevelopment Area
 - Residential areas:
 - Parramore
 - Thornton Park
 - College Park
 - Activity Centers:
 - Florida Hospital
 - Orlando Health
 - Amway Center
 - Performing Arts Center
 - Creative Village
 - SODO
 - Mills Park
 - Connections to SunRail and existing transit
- East / West Corridor Alternatives
- A proposed Circulator to serve the Lake Eola / Thornton Park area west to the Parramore area. The bus rapid transit system is being considered for the proposed corridor. The alternatives being considered are:
- Central Boulevard / Church Street (via Rosalind Avenue)
 - South Street / Central Boulevard
- North / South Corridor Alternatives
- Northern Corridor alternatives being considered are:
 - Downtown to Florida Hospital
 - Downtown to College Park
 - Florida Hospital to Mills Park
 - Florida Hospital to College Park
 - Southern Corridor alternative being considered are:
 - Downtown to SODO (South Of Downtown Orlando)

- Parramore / Creative Village Corridor

An alternative corridor includes the possible extensions of proposed corridor with service between the Creative Village project to the new Downtown venues.

 - Creative Village south on Hughey Ave. to State of Florida Office Complex and U.S. Courthouse and FAMU Law School
- Revised Study Schedule
 - January 2011: Refine screening and corridor alternatives for East / West Corridor and the Parramore / Creative Village Corridor
 - February to April 2011: East / West Corridor
 - Address public comments
 - Develop concept design and cost estimates for refined alternative(s)
 - Identify Locally Preferred Alternative (LPA)
 - Conduct environmental screening for LPA
 - Conduct neighborhood and public meetings
 - Submit to FTA for review (March)
 - Submit Federal earmark application (April)
 - February to August 2011: Complete System Alternatives Analysis (North / South Corridor and connections to East / West Corridor and Creative Village to Amway Center)

C. Update on LYNX' Property and Liability Insurance Program

The Chairman recognized Bert Francis, Chief Financial Officer, for presentation.

Mr. Francis noted that LYNX' insurance renewed on October 1, 2010. LYNX' current policies include:

- ✓ Property Coverage
 - \$70,912,301 limit for all other perils
 - Various deductibles: \$10,000 for all perils, except 2% per building for named windstorm
 - \$25,000 windstorm insurance limit
 - \$2,100,000 various shelters and superstops limit
- ✓ Automobile Coverage
 - Coverage for physical damage to LYNX buses valued \$25,000 or above and private passenger vehicles 2003 and newer
 - Deductibles \$10,000 per bus / \$1,000 per private passenger vehicle
- ✓ Crime Coverage
 - Various limits: employee dishonesty, fraud, and theft
 - Self Insured over the \$250,000
 - Deductible for all covered limits per incident - \$1,000
- ✓ Corporate Fiduciary Liability
 - Covers money purchase plan & deferred compensation plan

- ✓ Public Officials / Employment Practices Liability
 - Public Officials Liability: extends coverage to “wrongful acts” made by the Board of Directors of Officers of LYNX
 - Employment Practices Liability: centers around employment litigation
- ✓ General Liability
 - \$200,000 self insured retention per occurrence
 - \$1,000,000 per occurrence / \$2,000,000 annual aggregate
 - Bodily Injury; Property Damage; Personal Injury; etc.
- ✓ Automobile Liability (Buses & Support Vehicles)
 - Self insured with exception of 21 Leased Buses
 - 21 Leased Buses
 - Per contract – special limits required

Pat Christiansen, LYNX’ General Counsel, discussed the difference of Operating and Capital bus leasing. He noted that included in the state’s 2010 Transportation Bill, an amendment was added allowing LYNX the ability to borrow \$10,000,000 per year giving LYNX the ability to purchase buses and provide a lien. The Capital leasing will eliminate the insurance requirement of the current Operating leasing. Staff is currently working on the opportunity to convert the leases from Operating to Capital.

- ✓ Environmental / Storage Tank / Pollution Liability
 - Buses, maintenance activities, spills, etc.
 - \$25,000 self insured retention per occurrence
 - \$50,000 self insured retention which applies to underground storage tanks
 - \$1,000,000 / \$3,000,000 limits
- ✓ Road Rangers/Automobile Liability
 - PIP Statutory
 - \$300,000 limits
 - \$50,000 uninsured / underinsured
- ✓ Workers Compensation
 - Statutorily required
 - Entirely self insured
 - No excess coverage
 - LYNX Experience Modifier .51
- ✓ Third Party Liability
 - \$100,000 / \$200,000 self insured Sovereign Immunity
 - No excess coverage

For comparison of LYNX' Workers Compensation and Third Party Liability insurance, Mr. Francis provided information regarding Orange County, Seminole County, and Pinellas Suncoast Transit Authority program coverages.

- ✓ Sovereign Immunity Change
 - Tort Cap Increased by \$100,000
 - Current tort cap: \$100,000 per person / \$200,000 per occurrence
 - Change Effective 10/1/2011: \$200,000 per person / \$300,000 per occurrence

Mr. Francis noted that LYNX' actual insurance cost for FY2010 was \$530,659 and the budgeted cost for FY2011 is \$508,592.

Mr. Francis provided various plan and coverage options for consideration:

- Worker's Compensation - LYNX is self insured; no excess coverage
 - Continue self insurance only
 - Purchase excess coverage with premium of approximately \$150,000 to \$200,000
- Automobile Liability – LYNX is self insured
 - Continue self insurance only
 - Purchase excess coverage
- Environmental / Storage Tank
 - Continue with new policy
- Property Coverage
 - Policy coverage changed to 18 months which changes the renewal from October to April moving the renewal out of Florida's hurricane season.
- 21 Leased Buses
 - Continue working on leases changes
- Claims made coverage
 - This coverage can be purchased to cover liability that exceeds sovereign immunity limits

4. Review of Board Package

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

1. Staff will request that Consent Agenda Item 6.C.ii be pulled from the Agenda and allow staff to have continued discussions.
2. Staff will be seeking authorization to release Request for Proposals for design and engineering of LYNX Orlando Trail, for healthcare benefits, for federal lobbying services, and for security services.
3. Staff will be seeking authorization to award contracts for an automated fueling system, for architecture and engineering services, and for soil removal at LYNX' South Street Operations Facility.

4. Staff will be seeking authorization to ratify the City of Kissimmee License Agreement for the LYNX Osceola Satellite Facility.
5. Staff will be seeking authorization to execute an Agreement with the University of Central Florida (UCF) Student Government Association (SGA) for late evening weekend service
6. Staff will be seeking authorization to amend LYNX' fare policy with an effective date of April 24, 2011.
7. Staff will be seeking authorization to extend Contract #06-001 with Akerman Senterfitt for Federal lobbying services.

Discussion ensued regarding the implementation of the changes to the fare policy.

The Committee asked that staff provide an update on the FlexBus project and the connectivity of all systems.

Commissioner Arrington thanked LYNX and FDOT staff efforts in acquiring the Alternative Analysis conducted on 192. It presents an opportunity for Osceola County to revitalize the corridor.

The meeting adjourned at 11:50 am.

LYNX Board Audit Committee Agenda

Audit Committee Agenda Item #3.A

To: LYNX Board of Directors

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

Phone: 407.841.2279 ext: 6047

Item Name: Presentation on the Annual Financial Audit and Comprehensive Annual Financial Report (CAFR) for the Fiscal Year Ending September 30, 2010

Date: 4/7/2011

Mr. Ronald Conrad, Partner with the firm of Cherry, Bakeart & Holland, L.L.P. will present results of the annual financial audit and Comprehensive Annual Financial Report (CAFR) for the fiscal year ending September 30, 2010.

LYNX Board Audit Committee Agenda

Audit Committee Agenda Item #3.B

To: LYNX Board of Directors

From: Bert Francis
CHIEF FINANCIAL OFFICER
Blanche Sherman
(Technical Contact)
Christopher Plummer
(Technical Contact)

Phone: 407.841.2279 ext: 6047

Item Name: FY2012 Proposed Budget Development Discussion

Date: 4/7/2011

Staff is in the process of developing the FY2012 Operating and Capital Budgets. The key assumptions that LYNX' budget team will use in the preparation of these budgets were presented at the January 27, 2011 Audit Committee meeting. Staff also presented the budget calendar for the FY2012 budget.

This item gives the Audit Committee an opportunity to provide direction and feedback to management at the beginning of the budget development process. On April 7, 2011, staff will present the FY2012 Preliminary Operating Budget to the LYNX Audit Committee and Board for further direction.

LYNX Board Audit Committee Agenda

Audit Committee Agenda Item #3.C

To: LYNX Board of Directors

From: Bert Francis
CHIEF FINANCIAL OFFICER
Rich Bannon
(Technical Contact)

Phone: 407.841.2279 ext: 6047

Item Name: Update on Fuel Hedging Program

Date: 4/7/2011

Staff will give an update on the fuel hedging program as well as review the proposed ISDA Agreement being submitted to the Board for consideration.

LYNX Board Audit Committee Agenda

Audit Committee Agenda Item #3.D

To: LYNX Board of Directors

From: Edward Johnson
CHIEF ADMINISTRATIVE OFFICER
Rudolph Walter
(Technical Contact)

Phone: 407.841.2279 ext: 6058

Item Name: Presentation on SunRail Connectivity

Date: 4/7/2011

SunRail is a 61-mile commuter rail system extending from Deland in Volusia County to Poinciana in Osceola County. The system consists of 17 stations, 12 to be constructed in Phase I, 1 in Volusia County and 11 in Seminole and Orange counties. One key element to the success of SunRail is transit accessibility to the stations.

LYNX staff continues to work with the Florida Department of Transportation (FDOT) staff and the SunRail consultants to refine bus service to the SunRail stations in the LYNX service area. Following is a listing of the stations in the LYNX service area and the current routes serving them.

Station	Links
Sanford	34, 46E, 46W, 103
Lake Mary	45
Longwood	434
Altamonte Springs	41, 102, 103
Maitland	102
Winter Park	1, 9, 14, 23, 102, 443
Florida Hospital	102, 125
LYNX Central Station	28 Links and LYMMO Intermodal Center
Church Street	7, 11, 18, 40, 13, 51 (Service on Orange Ave.
Orlando Health	40
Sand Lake	11, 18, 42, 111

Staff will make a brief presentation of the current service plan and the additional improvements under consideration.

LYNX Board Audit Committee Agenda

Audit Committee Information Item #.I

To: LYNX Board of Directors

From: Bert Francis
CHIEF FINANCIAL OFFICER
Rich Bannon
(Technical Contact)

Phone: 407.841.2279 ext: 6047

Item Name: LYNX 12 Month Rolling Calendar

Date: 4/7/2011

May 2011

- Contract #08-C04 Authorization to exercise the third option year with JEJ Associates for State Consulting Services.
- Contract #08-C05 Authorization to exercise the third option year with Gray Robinson for State Consulting Services.
- Authorization to Ratify the Agreement with the Florida Department of Transportation (FDOT) for Construction, Operation and Maintenance of the Kissimmee Intermodal Center
- Authorization to Revise the American Recovery & Reinvestment Act (ARRA) Projects' Budgets and the Associated ARRA Grant Revision
- Authorization to Amend the City of Orlando Interlocal Agreement to include the Parramore BRT and the LYNX Orlando Trail Projects

July 2011

- Authorization to adopt the Transportation Development Plan

September 2011

- Adoption of the annual operating and capital budget
- Authorization to execute local funding agreements
- Annual Board of Directors' selection of officers

November 2011

- Acceptance of the Chief Executive Officer's (CEO) annual appraisal
- Authorization to submit annual certifications
- Authorization to submit annual appropriations grant to FTA
- Authorization to submit grant applications to the FDOT for rural transportation services

December 2011

LYNX Board Audit Committee Agenda

- No Activity

January 2012

- Authorization to issue an Invitation to Bid for the leasing of bus tires.

February 2012

- No Activity

March 2012

- Authorization to Issue and Invitation for Bid for the printing of Schedule Books.