

Transportation Authority Monitoring and Oversight



FISCAL YEAR 2009 REPORT

FLORIDA TRANSPORTATION COMMISSION



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Charlie Crist
Governor

May 24, 2010

Honorable Charlie Crist, Governor
State of Florida
The Capitol
400 South Monroe Street
Tallahassee, Florida 32399-0001

Dear Governor Crist:

I take pleasure in transmitting the Florida Transportation Commission's (FTC) annual *Transportation Authority Monitoring and Oversight, Fiscal Year 2009 Report*, which was adopted at our public meeting on May 6, 2010. This annual report is produced in fulfillment of the Commission's expanded oversight role, which resulted from the passage of HB985 in 2007 and HB1213 in 2009. That oversight encompasses the monitoring and oversight of 15 transportation authorities created under Chapters 343, 348 and 349, Florida Statutes. During the course of this review, we have found that many of the authorities have instituted "best practices" and have realized significant cost savings since being placed under FTC oversight.

As a result of the legislative mandates, the FTC, in concert with the statutorily designated authorities, adopted performance measures and objectives, operating indicators and governance criteria to assess the overall responsiveness of each authority in meeting their responsibilities to their customers. As expected, the vast majority of the performance measures and operating indicators remained unchanged from Fiscal Year (FY) 2008, though several were refined and updated to assure the continued relevance of the measures and objectives. With the addition of the Jacksonville Transportation Authority in FY 2009, performance measures, objectives and operating indicators were established for their three modes of transportation as well.

To varying degrees, each authority was successful in meeting the performance measures established by the FTC. High standards were set for the authorities with the expectation that long-term improvements would be implemented. Performance results presented herein are based on FY 2009 financial and operational data. We believe the authorities will continue to utilize the findings within this report to more efficiently and effectively operate their respective expressway, toll and transit systems.

In addition to gathering, analyzing and reporting performance and operating data, FTC staff members conducted limited reviews of minutes of meetings, agendas, public meeting notices, conflict of interest disclosures, bond documents and audits. Commissioners and staff also attended public board meetings and conducted site visits with various authorities in order to obtain documentation and to gain firsthand knowledge of the workings and cultures of the individual authorities. With few exceptions or minor deviations, all of the authorities are operating in accordance with Florida Statutes and policies regarding ethics, conflicts of interest, open meetings and public records. With only one exception, authorities complied with the requirement to prepare audited financial statements and the continuing disclosure and debt service requirements contained in bond covenants.

The Honorable Charlie Crist, Governor

May 24, 2010

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Significant governance, compliance and financial issues continue to be noted for the Santa Rosa Bay Bridge Authority (SRBBA). That Authority entered into a lease-purchase agreement with the Florida Department of Transportation (Department) in 1996, whereby the Department maintains and operates the Garcon Point Bridge and remits tolls collected to the SRBBA as lease payments. SRBBA is currently in technical default on its bonds and, continued draws on the debt service reserve fund, based on current revenue forecasts, are projected to deplete the fund in FY 2012. The Authority is not conducting regular meetings and the FTC finds there is inadequate governance in place. Currently, there are two vacant positions on the SRBBA Board, which forced a lack of quorum for scheduled meetings. No instances of Department noncompliance were noted during the review.

For the purposes of this report, the authorities are organized into three main sections for clarity; Established Toll Authorities, Transit Authorities, and Emerging Authorities. Background and a detailed analysis of actual performance assessed relative to adopted objectives, operating statistics and trends, and compliance with governance requirements are reported in each respective authority's individual chapter. An Executive Summary provides an overview and summary of results. The Introduction section describes the history pertaining to the legislation, included transportation authorities and development of the reporting criteria. A Summary of FY 2009 Findings and the Plan for FY 2010 that describes activities related to production of next year's (FY 2010) report are also included. Finally, Appendices are provided for legislative excerpts, five-year trend data for each authority and Orlando-Orange County Expressway Authority audit findings.

If you have any questions regarding this report, please do not hesitate to contact me or the FTC staff at (850) 414-4105. Your comments are always welcomed.

With regards,



Marty Lanahan, Chairman
Florida Transportation Commission

cc: Honorable Andy Gardiner, Chair, Senate Committee on Transportation, and Members
Honorable Mike Fasano, Chair, Senate Committee on Transportation and Economic Development
Appropriations, and Members
Honorable J.D. Alexander, Chair, Senate Policy and Steering Committee on Ways and Means, and
Members
Honorable Richard Glorioso, Chair, House Transportation and Economic Development Appropriations
Committee, and Members
Honorable David Rivera, Chair, House Full Appropriations Council on Education and Economic
Development, and Members
Honorable Gary Aubuchon, Chair, House Roads, Bridges and Ports Policy Committee, and Members
Ms. Stephanie Kopelousos, Secretary, Florida Department of Transportation
Mr. Jerry McDaniel, Director, Office of Policy and Budget, Executive Office of the Governor

Florida Transportation Commission

Transportation Authority Monitoring and Oversight

Fiscal Year 2009 Annual Report



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EXECUTIVE SUMMARY

“Active” Authorities under Florida Transportation Commission Oversight

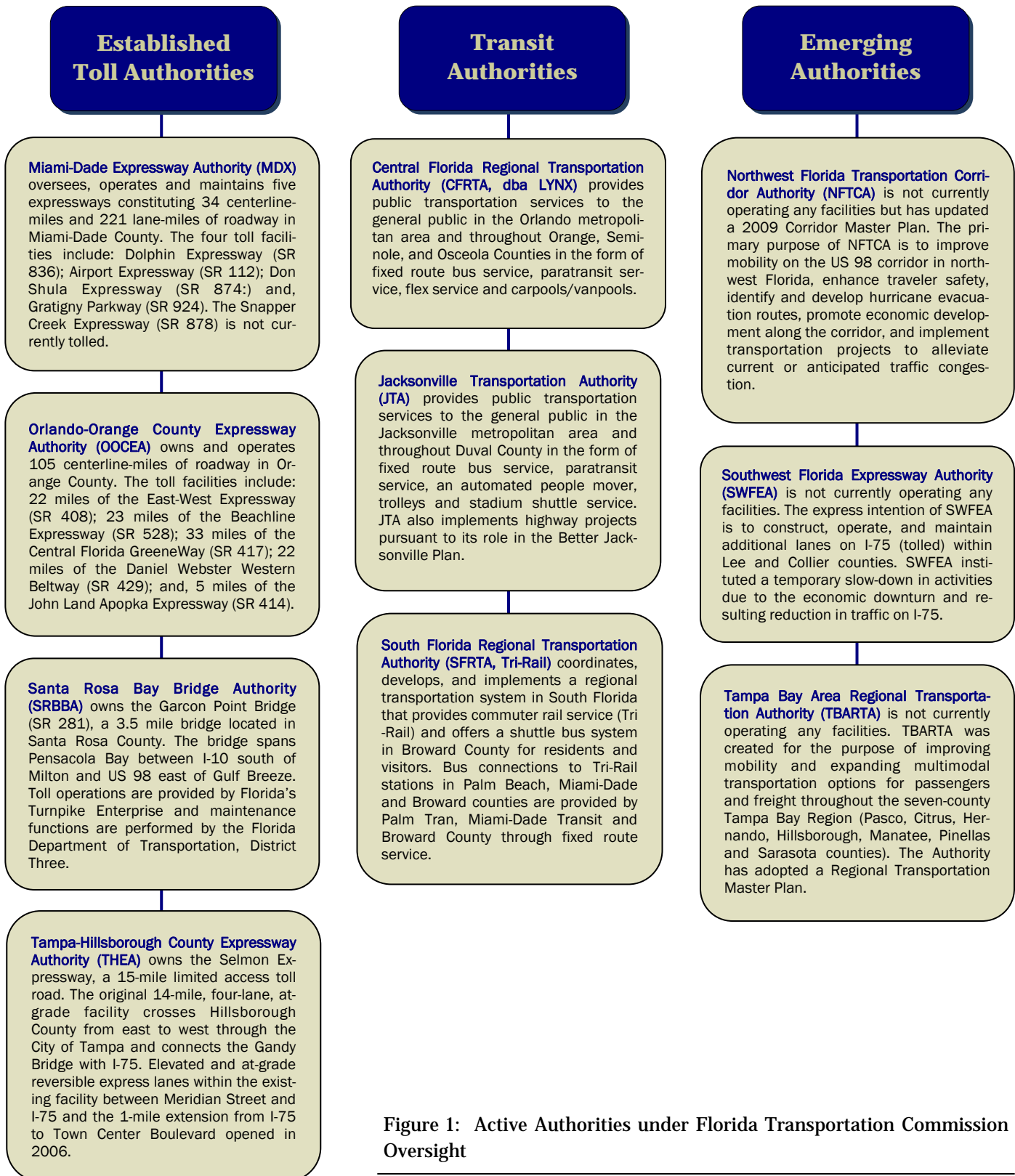


Figure 1: Active Authorities under Florida Transportation Commission Oversight

Executive Summary

Background

The Florida Transportation Commission (Commission) was charged with an expanded oversight role as a result of provisions contained in House Bill (HB) 985 that was passed by the 2007 legislature. This legislation amended Section 20.23, Florida Statutes, requiring the Commission to monitor the transportation authorities established in Chapters 343 and 348, Florida Statutes. HB 1213, passed by the 2009 legislature, further expanded Commission oversight responsibilities to include the Jacksonville Transportation Authority (JTA), established in Chapter 349, Florida Statutes.

Of the 15 transportation authorities subject to Commission monitoring and oversight, 10 are actively pursuing or operating facilities and 5 are considered “inactive.” The organization of each of the 10 active authorities, as presented in this fiscal year (FY) 2009 report, is shown in Figure 1.

The Commission, in concert with the designated authorities, adopted performance measures and objectives, operating indicators and governance criteria to assess the overall responsiveness of each authority in meeting their responsibilities to their customers. As expected, the vast majority of the performance measurement objectives remained unchanged from FY 2008; however, several were refined and updated to assure the continued relevance of the measures and objectives.

With the addition of JTA in FY 2009, Commission staff worked with the authority through site visits and teleconferences to develop applicable performance measures and operating indicators

for their fixed route bus service, automated guideway (Skyway), and highway operations. These were approved by the Commission’s Transportation Authority Oversight Committee and subsequently adopted by the full Commission.

In addition to gathering, analyzing and reporting performance and operating data, Commission staff conducted limited reviews of minutes of meetings, agendas, public meeting notices, conflict of interest disclosures, bond documents and audits. Commissioners and staff also attended public board meetings and conducted site visits with various authorities in order to obtain documentation and gain first hand exposure to the workings and cultures of the individual authorities.

Actual Results

As the Commission is charged to “Monitor the efficiency, productivity, and management of the authorities. . .” it has dynamically reviewed the activities of the designated authorities and has worked closely with the authorities throughout the year to complete the performance review. Although this report is for FY 2009, significant events subsequent to year-end reporting have also been included.

During the course of this review, we have found that many of the authorities have instituted “best practices” and have realized significant cost savings since they were placed under oversight and monitoring by the Commission. To varying degrees, each authority was successful in meeting the performance measures established by the Commission. High standards were set for the authorities with the expectation that long-term improvements would be implemented. With few exceptions or minor deviations, all of the authorities are operating in accordance with Florida Statutes and policies regarding ethics,

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conflicts of interest, open meetings, and public records. With only one exception, authorities complied with the requirement to prepare audited financial statements and the continuing disclosure and debt service coverage requirements contained in bond covenants. Detailed results for applicable performance measures, operating indicators and governance criteria for each of the 10 transportation authorities are presented as individual chapters in this report.

In general, it was noted that the economic recession adversely impacted traffic and ridership for most of the transportation authorities. However, the toll/fare increases implemented in FY 2009 by Orlando-Orange County Expressway Authority (OOCEA), Central Florida Regional Transportation Authority (CFRTA/LYNX), and South Florida Regional Transportation Authority (SFRTA/Tri-Rail) helped to mitigate revenue declines.

Miami-Dade Expressway Authority (MDX) estimates that only 45 percent of vehicles currently pay a toll because MDX facilities allow for numerous free movements. The authority plans to implement Open Road Tolling (ORT) on all MDX facilities by 2012, when all vehicles will pay a toll electronically. Tampa-Hillsborough County Expressway Authority (THEA) plans to implement All Electronic Tolling (AET) on all THEA facilities by September 2010. THEA secured a private firm for toll collection services and has partnered with MDX in the development and operation of a customer service center for video toll collection and violation enforcement, with significant cost savings projected. THEA also secured a private contractor to provide routine maintenance on all of its facilities and increased the maintenance condition rating requirement to 90, while reducing overall costs.

Significant governance, compliance and financial issues continue to be noted for Santa Rosa Bay Bridge Authority (SRBBA). SRBBA is currently in technical default on its bonds, and, based on current revenue forecasts, continued draws on the debt service fund are projected to deplete the fund in FY 2012.

Several authorities engaged in bonding activity. In March 2010, OOCEA issued \$335 million in fixed rate Revenue Bonds, Series 2010A, to partially fund Work Plan projects. MDX also plans to issue approximately \$300 million in Revenue Bonds in 2010 to partially fund Work Program projects. In FY 2009, THEA recovered \$75 million in a mediation settlement from claims that arose from design errors that became evident during construction of the Reversible Express Lanes project. The authority intends to use \$60 million of the settlement to partially defease current outstanding bonds.

Legislation was passed during a special session of the Florida Legislature that significantly impacts SFRTA (Tri-Rail). House Bill 1B, signed into law by Governor Charlie Crist on December 16, 2009, amended Section 20.23, Florida Statutes, and created the Florida Statewide Passenger Rail Commission (Rail Commission). The legislation also provides additional dedicated funding for Tri-Rail from the State Transportation Trust Fund and the Department's Work Program, effective July 1, 2010 (FY 2011). The new Rail Commission is responsible for monitoring and oversight of all publicly funded passenger rail systems in the state, including authorities created under Chapters 343, 349 or 163, if the authority receives public funds for the provision of passenger rail service. As such, SFRTA falls under the purview of the Rail Commission. However, the legislation does not preclude the Florida Transportation Commission from conducting its performance and work

program monitoring responsibilities. Moving forward, the Florida Transportation Commission will work with the Rail Commission in defining oversight roles and responsibilities.

The Southwest Florida Expressway Authority (SWFEA) instituted a temporary slow-down in activities due to the economic downturn and resulting reduction in traffic on Interstate 75. Operating costs were reduced to minimum levels necessary to maintain the entity as active and in compliance with applicable laws and regulations. The Authority will consider the impacts of early termination of SWFEA at the Board meeting scheduled in June 2010.

The 2009 Legislature, through House Bill 1021, dissolved the Tampa Bay Commuter Transit Authority and required that any assets or liabilities of the Authority be transferred to TBARTA. As a result, approximately nine thousand dollars in cash was transferred to TBARTA. Tampa Bay Commuter Transit Authority existed in name only. The Authority did not meet, have any revenues or expenses, and provided no services. In addition, Bay Area Commuter Services (BACS) is currently merging with TBARTA to increase program effectiveness, decrease overall costs and take advantage of efficiencies through the collocation of programs and operations. BACS has served District Seven since 1992 as a regional commuter assistance program agency with the purpose of promoting and encouraging transportation alternatives to the single occupant vehicle within

the five-county area. When the merger is finalized, the Commission will examine TBARTA's expanded operations and determine if any performance measures or operating indicators should be established beyond the governance criteria currently in place.

Conclusion

The Commission is committed to carrying out its designated responsibilities in a deliberative fashion and encourages input, feedback or suggestions to help improve the report and monitoring process. Performance monitoring is a dynamic process, and the Commission continually considers any enhancements or changes to performance measures, management objectives, reportable indicators, governance areas, or reporting format that would yield a more thorough review.

The Commission acknowledges with appreciation the assistance of the boards and staff of all transportation authorities, and the Center for Urban Transportation Research at the University of South Florida, for providing the resources necessary to conduct this review and to complete this report.

We believe the authorities will continue to utilize the findings within this report to more efficiently and effectively operate their respective expressway, toll and transit systems.

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INTRODUCTION

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Introduction

Transportation authorities have played a vital role over the years in helping to deliver transportation services to the citizens of Florida. New transit service has been provided and innovative toll projects have flourished as a result of the authorities. Public authorities have long been used in the United States to develop revenue producing projects and programs that general government has not been able to deliver for various reasons. In general, it is accepted that single purpose authorities are well equipped to remain singularly focused, resulting in a positive track record of delivering services and projects.

Some level of autonomy is required to insulate authorities from political forces sometimes associated with general purpose government, and that autonomy can and has led to policy questions of public accountability. In an effort to ensure public accountability of the authorities, the 2007 Florida Legislature amended Section 20.23, Florida Statutes, expanding the role of the Florida Transportation Commission (Commission) to monitor the efficiency, productivity, and management of the authorities created under Chapters 343 and 348, including any authority formed using the provisions of Part 1 of Chapter 348. In 2009, that responsibility was expanded to include Chapter 349 as well.

The Commission was also required to conduct periodic reviews of each authority's operations and budget, acquisition of property, management of revenue and bond proceeds, and compliance with applicable laws and Generally Accepted Accounting Principles (GAAP). Nonetheless, the Commission was specifically restricted not only from entering into the day-to-day operation of the

Department of Transportation (Department) or a monitored authority, but also from taking part in:

- Awarding of contracts
- Selection of a consultant or contractor or the prequalification of any individual consultant or contractor
- Selection of a route for a specific project
- Specific location of a transportation facility
- Acquisition of rights-of-way
- Employment, promotion, demotion, suspension, transfer, or discharge of any department personnel
- Granting, denial, suspension, or revocation of any license or permit issued by the Department

The Commission may, however, recommend to the Secretary standards and policies governing the procedure for selection and prequalification of consultants and contractors.

Transportation authorities created under Chapters 343 and 348, Florida Statutes, subject to Commission oversight totaled 15, and included 9 authorities that were actively pursuing or operating facilities and 6 authorities considered by the Commission as "inactive." The status of "inactive" was assigned to those organizations that had never met, operated no facilities, disbanded, or were active at one time and transferred their facilities.

Since July 2007, when House Bill (HB) 985 became law, a number of workshops and teleconferences have been held annually with the designated authorities to establish and fine tune measures of performance, clarify objectives for the measures, and evaluate governance criteria. The

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meetings allowed for input from the authorities relating to organization, operations, revenues, financial provisions, and statutory requirements. Through these meetings, the Commission gained consensus and established performance measures for the authorities, recognizing toll authority measures would differ from transit authority measures. The Commission issued its first report on transportation authority oversight in March 2008, followed by a second annual report in March 2009.

During the 2009 legislative session, there was a renewed focus on Florida's toll and transit authorities. Four specific pieces of legislation significantly impacted operations and reporting responsibilities of all toll and transit authorities in Florida. House Bill (HB) 5013, which became law immediately upon approval by Governor Crist on May 27, 2009, amended Section 348.54, Florida Statutes, and expanded the Tampa-Hillsborough County Expressway Authority's (THEA) power to make and to issue "bonds of the Authority" for the purpose of financing all or part of the improvement or extension of the expressway system and appurtenant facilities. (The relevant language from HB 5013 is detailed in Appendix A.)

House Bill 1021, which also was approved by Governor Crist on May 27, 2009 and became effective on July 1, 2009, requires the members of each expressway authority, transportation authority, bridge authority, or toll authority, created pursuant to Chapters 348, 343, or 349, Florida Statutes, to "comply with the applicable financial disclosure requirements of s. 8, Art. II of the State Constitution." In addition to establishing more stringent financial disclosure requirements for the members of all authorities, active and inactive, established within Florida Statutes, HB 1021 repealed Chapter 343, Part III, Florida Statutes, that created the Tampa Bay Commuter Transit

Authority and required all assets and liabilities of the Authority be transferred to the Tampa Bay Area Regional Transportation Authority (TBARTA). HB 1021 also amended Section 120.52(1), Florida Statutes. Any Transportation Authority created under Chapter 343, Florida Statutes, is no longer an agency subject to Florida's Administrative Procedures Act. As such, SFRTA/Tri-Rail no longer advertises meeting notices in the Florida Administrative Weekly. (Selected text from HB 1021 is presented in Appendix A.)

In addition, House Bill 1213, an act relating to the Jacksonville Transportation Authority (JTA), redefined and expanded the overall function of JTA; amended Section 20.23, Florida Statutes, to expand the authority of the Commission to monitor the efficiency, productivity, and management of the authorities created under Chapter 349, Florida Statutes, and, required that the Department direct a study to be conducted and funded by JTA for the purpose of recommending to the Legislature by February 1, 2010 the framework for a regional transportation authority for the northeast region of Florida. HB 1213 was approved by Governor Crist on June 1, 2009 and became effective on July 1, 2009. (The relevant language from HB 1213 is also detailed in Appendix A.)

House Bill 1B, legislation passed during a special session of the Florida Legislature, was signed into law by Governor Crist on December 16, 2009. The legislation established a comprehensive framework for Florida's current and future passenger rail system that includes SunRail, Tri-Rail, and plans for high speed rail. It also provided additional funding for Tri-Rail in the form of a dedicated source of revenue from the Transportation Trust Fund and the Department's Work Program, effective July 1, 2010.

HB 1B amended Section 20.23, Florida Statutes, and created a new Florida Statewide Passenger Rail Commission. Pursuant to Section 20.23(3)(b) 1., Florida Statutes, a primary responsibility of the newly created Rail Commission is *“Monitoring the efficiency, productivity, and management of all publicly funded passenger rail systems in the state, including but not limited to, any authority created under chapter 343, chapter 349, or chapter 163 if the authority receives public funds for the provision of passenger rail service.”* South Florida Regional Transportation Authority (SFRTA/Tri-Rail) was created under Chapter 343 and does receive public funds for the provision of passenger rail service. Section 20.23(3)(b)1., Florida Statutes, further states that *“This paragraph does not preclude the Florida Transportation Commission from conducting its performance and work program monitoring responsibilities.”* (Selected text from House Bill 1B is presented in Appendix A.)

Table 1 shows the status of the authorities subject to Commission monitoring and oversight, effective July 1, 2009.

Table 1
Status of Authorities

Active Authorities
Central Florida Regional Transportation Authority
Jacksonville Transportation Authority
Miami-Dade Expressway Authority
Northwest Florida Transportation Corridor Authority
Orlando-Orange County Expressway Authority
Santa Rosa Bay Bridge Authority
South Florida Regional Transportation Authority
Southwest Florida Expressway Authority
Tampa Bay Area Regional Transportation Authority
Tampa-Hillsborough County Expressway Authority
Inactive Authorities
Brevard County Expressway Authority
Broward County Expressway Authority
Pasco County Expressway Authority
St. Lucie County Expressway and Bridge Authority
Seminole County Expressway Authority

Transportation authorities created under Chapters 343, 348, and 349, Florida Statutes, subject to Commission oversight now total 15, and include 10 authorities that are actively pursuing or operating facilities and 5 authorities considered by the Commission as “inactive.”

The Seminole County Expressway Authority (SCEA), does not operate any facilities, but does have a Board that meets semi-annually. The Board is made up of five County Commissioners and two City Commissioners, who meet to track planning for future toll roads in the county. SCEA is currently working with the Department and the Orlando-Orange County Expressway Authority on the location of the Wekiva Parkway. For purposes of this report, SCEA is considered an Inactive Authority.

On July 1, 2009, pursuant to House Bill 1213, the Jacksonville Transportation Authority joined the nine Active Transportation Authorities subject to Commission oversight. JTA currently operates fixed route bus service and an automated people mover, known as Skyway, in addition to building highways under the Better Jacksonville Plan. Since transit performance measures for fixed route bus service had already been established for an agency currently monitored by the Commission, the Central Florida Regional Transportation Authority (CFRTA/LYNX), the Commission, in conjunction with JTA, agreed upon the use of the LYNX established measures and operating indicators. JTA performance objectives were slightly modified based on JTA historic performance.

Since JTA’s Skyway represented a new mode of transportation not previously monitored by the Commission, performance measures and objectives as well as indicators had to be established. After conducting multiple analyses, it

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was determined that all performance measures and operating indicators for Skyway operations would mirror those established for fixed route bus with the exception of the definition of on-time performance.

JTA does not currently operate toll roads, but builds highways, bridges, interchanges, etc., and then turns the assets over to the Florida Department of Transportation or the City of Jacksonville for maintenance. As a result, only some performance measures and operating indicators adopted for toll authorities under Commission oversight were recommended and adopted for JTA highways.

The Commission recommended that debt service coverage and compliance with bond covenants not be included as required JTA reporting due to the limited control and accountability over the bond issue (Senior Lien Refunding Bond, Series 1997). The JTA half cent local option sales tax (Duval County Transportation Discretionary Sales Tax) is the only revenue pledged by the Authority for repayment of the outstanding bonds. Duval County also pledges their Constitutional Gas Tax revenues for payment of this outstanding bond issue (one series of bonds is also backed by the full faith and credit pledge of the State of Florida).

JTA performance measures, objectives and operating indicators for highways were agreed upon. Objectives for applicable performance measures for highways were established and are the same as those applied to other toll authorities under Commission oversight.

On November 6, 2009, the Commission unanimously adopted the JTA recommended performance measures, objectives and operating indicators.

In addition to establishing new performance measures for JTA, the Commission adopted the following revisions to FY 2009 performance measures and operating indicators:

FY 2009 Changes to Performance Measures and Operating Indicators – “Established” Toll Authorities

Bridge Condition – Weight Restrictions – If any bridges with weight restrictions are reported, a description of how Work Program projects address the deficiencies is now required.

Electronic Toll Collection (ETC) – Transactions – The performance objective of greater than 75 percent participation by December 31, 2008 was changed to greater than 75 percent participation by June 30, 2012.

Safety – The five-year moving average performance objective was recomputed.

Cost to Collect a Toll Transaction – Facility insurance was added to other costs (indirect charges, law enforcement, collection depreciation and interest) and is excluded from toll collection costs used in the calculation. Historical cost data were revised for consistency in comparing trends. Beginning in FY 2009, transponder expenses are amortized to normalize annual variances caused by purchases and sales in different years.

FY 2009 Changes to Performance Measures and Operating Indicators – Transit Authority – Central Florida Regional Transportation Authority (CFRTA/ LYNX)

Revenue Miles between Safety Incidents – The five-year moving average performance objective was recomputed.

FY 2009 Changes to Performance Measures and Operating Indicators – Transit Authority – South Florida Regional Transportation Authority (SFRTA/ Tri-Rail)

Revenue Miles between Failures – The performance objective was changed to represent a 10 percent increase over actual FY 2007 performance.

The Commission also established reporting requirements in areas of organizational governance. Seven governance areas were identified, and the monitored authorities are required to submit documentation in each area for review by the Commission. Following is an overview of the seven governance areas.

Ethics

- Provide the Commission with a copy of ethics policy
- Report any revisions to or reviews of the ethics policy since the last report
- Enumerate any ethics violations reported or investigated in the previous 12 months

Conflict of Interest

- Provide the Commission with all requirements for board members and staff relating to disclosure and handling of conflicts or perceived conflicts of interest
- Indicate any changes to related policies or procedures
- Enumerate any reported or investigated violations
- Submit any disclosures that have been required under authority policy and procedures
- Maintain records of those instances where abstentions or recusals occurred

Audit

- Provide the Commission with a copy of annual independent audit and management responses

Public Records and Open Meetings

- Provide authority procedures dealing with compliance with applicable statutes
- Report any changes to procedures dealing with open meetings or public records
- Inform the Commission of any briefings or seminars provided to board members or staff to ensure knowledge of the laws
- Report any allegations or instances of non-compliance

Procurement

- Provide authority policies relating to delegated procurement authority including: organizational level of delegated authority; dollar level associated with each level of delegation; and, reporting requirements to board of delegated procurement actions

Consultant Contract Reporting

- Provide a list of all “General Consulting” contracts for functions such as General Engineering Consultant (GEC), Traffic and Revenue, General Construction Management, and Maintenance Management
- For General Consultant sub contracts that in aggregate or in total exceed \$25 thousand provide:
 - ◊ Identity of sub contractor
 - ◊ Brief description of service
 - ◊ Cost of sub contract

Compliance with Bond Covenants

- Provide the Commission with annual financial information and operating data that have been submitted pursuant to Rule 15c2-12 of the Securities and Exchange Commission
- Submit evidence of compliance with other requirements, e.g., annual facility inspections

While annual reporting will be the main focus of the Commission's monitoring effort, authorities have been alerted that they are expected to notify the Commission, in a timely fashion, of any externally prompted audits or investigations. It is

the Commission's intent to provide an annual report at one of its public meetings and to issue an annual document for distribution to the Governor and legislative leadership.

The report is organized by authority and the authorities are grouped by "Established Toll Authorities," "Transit Authorities," and "Emerging Authorities." The Florida Transportation Commission is committed to carrying out its statutorily authorized responsibilities in a deliberative fashion and encourages input, feedback or suggestions to help improve the report and the monitoring process.

ESTABLISHED TOLL AUTHORITIES

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Established Toll Authorities

Introduction

There are numerous authorities in Florida that operate toll facilities and collect and reinvest toll revenues. Aside from Florida's Turnpike Enterprise (Enterprise), which is a part of the Florida Department of Transportation (Department), most, but not all, are established under Chapter 348, Florida Statutes (Expressway and Bridge Authorities). Part I of Chapter 348 details the authority for any county or counties to establish an expressway authority and prescribes the conditions under which these entities will be governed. Parts II through X authorize specific authorities and designate the powers, duties and requirements applicable to each individual authority.

Other authorities that are not limited to the construction and operation of expressways are established in Florida Statutes under Chapter 343 (Regional Transportation and Transit Authorities) and Chapter 349 (Jacksonville Transportation Authority).

Of the ten active transportation authorities that statutorily fall under Florida Transportation Commission (Commission) oversight, the Commission has designated four as "Established Toll Authorities," three as "Transit Authorities" and three as "Emerging Authorities." This section of the report pertains to Established Toll Authorities that include:

- Miami-Dade Expressway Authority (MDX)
- Orlando-Orange County Expressway Authority (OOCEA)
- Santa Rosa Bay Bridge Authority (SRBBA)

- Tampa-Hillsborough County Expressway Authority (THEA)

As discussed in the Introduction section of this report, performance measures, operating indicators, and governance areas have been established for all authorities under Commission review. For the four Established Toll Authorities, all



Lake Underhill Bridge.

performance measures, operating indicators and governance areas are the same, given that the toll authorities are well established and have been operating for a considerable amount of time. Reporting for these four authorities is presented in the following format that includes:

- Background on the authority
- Performance measure results for fiscal year (FY) 2009
- Operating indicators for FY 2007 through FY 2009
- Governance assessment
- Summary

Transportation Authority Monitoring and Oversight

The 17 performance measures and objectives adopted by the Commission for toll authorities are included in the following table. These measures attempt to set standards for the efficient and effective operation, maintenance, and management of the toll facilities and the respective organizations.

In addition to the performance measures, the Commission established a set of operating indicators reported by each authority for the last five fiscal years. As with the performance measures, a summary is included in each authority's section of the report, with a full five-year accounting included in Appendix B. The 21

Table 2
Florida Transportation Commission
Toll Authority Performance Measures
FY 2009

<i>Performance Measure</i>	<i>Detail</i>	<i>Objective</i>
Operations		
SHS Roadway Maintenance Condition Rating	Condition rating of at least 90	90
Pavement Condition Rating	% SHS lane miles rated "excellent or good"	> 85%
Bridge Condition - Rating	% bridge structures rated "excellent or good"	> 95%
Bridge Condition - Weight Restrictions	% SHS bridge structures with posted limit	0%
Electronic Toll Collection (ETC) - Transactions	Number of ETC transactions as % of total transactions	> 75% by 06/30/12
Revenue Variance	Variance from indicated revenue (without fines)	< 4%
Safety	Fatalities per 100 million vehicle miles traveled	> 10% below 5 yr. avg. (.58)
Customer Service	% customers satisfied with level of service	> 90%
Operations and Budget		
Consultant Contract Management	Final cost % increase above original award	< 5%
Construction Contract Adjustments - Time	% contracts completed within 20% above original contract time	≥ 80%
Construction Contract Adjustments - Cost	% projects completed within 10% above original contract amount	≥ 90%
Cost to Collect a Toll Transaction	Total toll collection cost/number of transactions (net of exclusions)	< \$0.16
Annual Operating, Maintenance and Administrative (OM&A) Forecast Variance	Actual OM&A to annual budget	+/- 10%
Applicable Laws		
Minority Participation	M/WBE and SBE utilization as % of total expenditures (each agency establishes goal/target)	> 90%
Revenue Management and Bond Proceeds		
Debt Service Coverage - Bonded/Commercial Debt	[(Rev - interest) - (toll operating & maintenance expense)] / commercial debt service expense	> 1.5
Debt Service Coverage - Comprehensive Debt	[(Rev - interest) - (toll operating & maintenance expense)] / all scheduled debt service expense	> 1.2
Debt Service Coverage - Compliance with Bond Covenants	Debt service coverage meets or exceeds minimum Bond Covenant requirements	Yes

operating indicators adopted by the Commission are presented below. The indicators are grouped by the various areas for which the statute requires monitoring (e.g., operations, budget, property acquisition, revenue management and bond proceeds).

The Commission also established seven broad areas of governance that are monitored in order to provide an assessment of the on-going management of all of the organizations covered by

the current law. Specific governance areas that are reported include ethics, conflicts of interest, audits, public records/open meetings, procurement, consultant contracts, and compliance with bond covenants.

The individual reports for the four Established Toll Authorities are presented after Table 3, beginning with the Miami-Dade Expressway Authority (MDX).

Table 3
Florida Transportation Commission
Toll Authority Operating Indicators
FY 2009

<i>Operating Indicator</i>	<i>Detail</i>
Operations	
Growth in Value of Transportation Assets	Land Acquisition
	Infrastructure Assets
	Construction in Progress
	Total Value of Transportation Assets
Preservation of Transportation Assets	Renewal & Replacement of Infrastructure
	Routine Maintenance of Infrastructure
	Total Preservation Costs
Toll Collection Transactions	Revenue from Electronic Transactions
Annual Revenue Growth	Toll and Operating Revenue
Operations and Budget	
Operating Efficiency	Toll Collection Expense as % of Operating Expense
	Routine Maintenance Expense as % of Operating Expense
	Administrative Expense as % of Operating Expense
	Operating Expense as % of Operating Revenue
Rating Agency Performance	Toll Operations and Maintenance Expense as % of Operating Revenue
Property Acquisition	
Right-of-Way	Agency Appraisals
	Initial Offers
	Owners Appraisals
	Final Settlements
Revenue Management and Bond Proceeds	
Underlying Bond Rating (Uninsured)	Standard & Poor's Bond Rating
	Moody's Bond Rating
	Fitch Bond Rating

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Miami-Dade Expressway Authority (MDX)

Background



Miami-Dade County Expressway Authority (MDX) is an agency of the state of Florida, created in 1994 pursuant to Chapter 348, Part I, Florida Statutes, for the purposes of and having the power to acquire, hold, construct, improve, maintain, operate, own and lease an expressway system located in Miami-Dade County. The Authority may also fix, alter, change, establish and collect tolls, rates, fees, rentals, and other charges for the services and facilities of such system and is further authorized to issue bonds. MDX is reported as an Independent Special District of the State of Florida and subject to the provisions of Chapter 189, Florida Statutes (Uniform Special District Accountability Act of 1989) and other applicable Florida Statutes.

The governing body of MDX consists of 13 voting members. Seven members are appointed by the Miami-Dade County Commission, five members are appointed by the Governor, and the District Six Secretary of the Florida Department of Transportation (Department) is the *ex-officio* member of the Board. Except for the District Six

Secretary, all members must be residents of Miami-Dade County and each serves a four-year term and may be reappointed.

MDX currently oversees, operates and maintains five expressways constituting approximately 34 centerline-miles and 221 lane-miles of roadway in Miami-Dade County. The four toll facilities include: Dolphin Expressway (SR 836); Airport Expressway (SR 112); Don Shula Expressway (SR 874) and Gratigny Parkway (SR 924). The Snapper Creek Expressway (SR 878) is not currently tolled. The Authority reported toll revenue of \$113 million in FY 2009 based on 116 million transactions.

Highlights

- The Authority estimates that only 45 percent of vehicles currently pay a toll because MDX facilities allow for numerous free movements.
- MDX plans to implement ORT on all MDX facilities by 2012 whereby all vehicles will pay a toll.
- MDX met 16 of 17 performance measure objectives. The measure not met was Safety.
- FY 2009 revenue decreased 2.5 percent over FY 2008 due to economic conditions adversely impacted by the housing market and rising unemployment.
- The Executive Director can approve a Supplemental Agreement (SA) for a single contract up to \$2 million, and extend contract time, without prior approval of a Standing Committee or the MDX Board. The Executive Director is required to report all approved SAs to the Board on a monthly basis.
- As a result of MDX bond insurer's credit ratings being downgraded below AAA, MDX cash funded deficiencies in the Debt Service Reserve to comply with Bond Covenants.
- MDX plans to issue approximately \$300 million in Revenue Bonds in 2010 to partially fund Work Program projects.

Table 4
Miami-Dade Expressway Authority
Current Board Members

<i>Name</i>	<i>Affiliation</i>	<i>Position</i>
Maritza Gutierrez	Creative Ideas Advertising, Inc.	Chair
Louis V. Martinez, Esq.	Louis V. Martinez, P.A.	Vice-Chair
Carlos A. Lacasa, Esq.	Managed Care of North America, Inc.	Treasurer
Maurice A. Ferre'	Office of Maurice A. Ferre'	Board Member
Robert W. Holland, Esq.	Law Office of Robert W. Holland	Board Member
Nick A. Inamdar	The Gatehouse Group	Board Member
Felix Lasarte, Esq.	The Lasarte Law Firm	Board Member
Al Maloof, Ph.D.	GJB Consulting, LLC	Board Member
Shelly Smith-Fano	Miami Dade College	Board Member
Yvonne Soler-McKinley	City of Doral Manager	Board Member
Jorge Vigil, Esq.	Rasco, Reininger, Perez, Esquenazi & Vigil, P.L.	Board Member
Norman Wartman	Miami-Dade County Citizens	Board Member
	Transportation Advisory Committee	
Gus Pego, P.E.	District Six Secretary	Ex-Officio

In 2007 MDX opened its first cashless Open Road Tolling (ORT) segment, a three-mile extension of its SR 836 corridor. As previously noted, one MDX expressway (SR 878) is not currently tolled and numerous other non-tolled movements exist within the system. As a result of the opening of the SR 836 ORT segment and the new SR 836 toll plaza at 97th Avenue, the percentage of vehicles using MDX facilities that pay a toll increased to 45 percent. Continuing its initiative to provide safer, faster mobility through the implementation of ORT, in 2009 MDX competitively contracted with a vendor and commenced project implementation for the In-lane and Host System and Account Management Toll Enforcement System (AMTES). In addition, MDX contracted for infrastructure modifications required for the system conversion to ORT for three of its five corridors. Under the ORT environment, 100 percent of the users will pay a toll commensurate to the portion of the road they drive. It is expected that all five MDX roadways will be converted to ORT by 2012.

Pursuant to an MDX/Florida Department of Transportation Transfer Agreement, in December 1996 the Department transferred operational and financial control of the five roadways and certain physical assets to MDX. The Authority maintains, operates and improves the system with revenue generated from tolls collected on the system. MDX also received loans and advances from the Department's Toll Facility Revolving Trust Fund (TFRTF) and State Infrastructure Bank (SIB) to fund various projects. The following table indicates that approximately \$47.4 million in outstanding debt is due to the Department as of June 30, 2009.

Table 5
Miami-Dade Expressway Authority
Long-Term Debt Payable to the Department
Year Ended June 30, 2009

<i>Transaction</i>	<i>(millions)</i>
Loans from Toll Facilities Revolving Trust Fund ¹	\$4.8
Loans from State Infrastructure Bank ²	\$42.6
Total Due Department	\$47.4

Source: MDX Notes to Audited Financial Statements.

¹ To be repaid by FY 2019.

² To be repaid by FY 2018.

Performance Measures

Pursuant to the Florida Transportation Commission's (Commission) expanded role in providing oversight to specified authorities, the Commission conducts periodic reviews of each authority's operations and budget, acquisition of property, management of revenue and bond proceeds, and compliance with applicable laws and Generally Accepted Accounting Principles (GAAP). Consequently, the Commission, in concert with the authorities, developed performance measures and management objectives that establish best practices across the industry to improve the overall delivery of services to the traveling and freight moving communities that are critical to the overall economic well-being and quality of life in Florida. Fiscal Year (FY) 2009 results, as reported by MDX, are provided in the following table. Results for the last five fiscal years are included in Appendix B.

MDX met or exceeded 16 of the 17 performance measure objectives. The performance measure objective the Authority did not meet is described below and includes trend data, explanations and any action plan that MDX has developed to assist in meeting the measure. Explanations are based on input from MDX management.

Safety

The Department of Highway Safety and Motor Vehicles reports official fatalities based on a calendar year (CY). As such, the fatalities per 100 million vehicle miles traveled measure is based on CY 2008 data. Accident fatalities on MDX facilities totaled seven in CY 2008 and have decreased for the second consecutive year. Roadway conditions and high crash locations continue to be assessed for safety improvements and are part of a systematic annual review. MDX further indicated that a number of safety improvement projects

Table 6
Miami-Dade Expressway Authority
Summary of Performance Measures
FY 2009

<i>Performance Measure</i>	<i>Detail</i>	<i>Objective</i>	<i>Actual Results</i>	<i>Meets Objective</i>
Operations				
SHS Roadway Maintenance Condition Rating	Condition rating of at least 90	90	90.7	✓
Pavement Condition Rating	% SHS lane miles rated "excellent or good"	> 85%	89.1%	✓
Bridge Condition - Rating	% bridge structures rated "excellent or good"	> 95%	98.4%	✓
Bridge Condition - Weight Restrictions	% SHS bridge structures with posted limit	0%	0.0%	✓
Electronic Toll Collection (ETC) - Transactions	Number of ETC transactions as % of total transactions	> 75% by 6/30/12	74.8% ¹	✓
Revenue Variance	Variance from indicated revenue (without fines)	< 4%	3.0%	✓
Safety ²	Fatalities per 100 million vehicle miles traveled	> 10% below 5 yr. avg (.58)	0.61	X
Customer Service	% customers satisfied with level of service	> 90%	94.6%	✓
Operations and Budget				
Consultant Contract Management	Final cost % increase above original award	< 5%	-20.2%	✓
Construction Contract Adjustments - Time	% contracts completed within 20% above original contract time	≥ 80%	100.0%	✓
Construction Contract Adjustments - Cost	% projects completed within 10% above original contract amount	≥ 90%	100.0%	✓
Cost to Collect a Toll Transaction	Total toll collection cost / number of transactions (net of exclusions)	< \$0.16	\$0.14	✓
Annual Operating, Maintenance and Administrative (OM&A) Forecast Variance	Actual OM&A to annual budget	+/- 10%	-8.6%	✓
Applicable Laws				
Minority Participation ³	M/WBE and SBE utilization as % of total expenditures (each agency establishes goal/target)	> 90%	100+%	✓
Revenue Management and Bond Proceeds				
Debt Service Coverage - Bonded/Commercial Debt	[(Rev - interest) - (toll operating & maintenance expense)] / commercial debt service expense	> 1.5	1.59	✓
Debt Service Coverage - Comprehensive Debt	[(Rev - interest) - (toll operating & maintenance expense)] / all scheduled debt service expense	> 1.2	1.37	✓
Debt Service Coverage - Compliance with Bond Covenants	Debt service coverage meets or exceeds minimum Bond Covenant requirements	Yes	Yes	✓

¹ MDX exceeded the established objective of 75 percent in 7 months of FY 2009 (74.8 percent is an "annualized" rate).

² Safety objective based on five year average of fatalities per 100 million VMT for the four established Authorities. Actual results based on CY 2008 data.

³ Multiple goals established - see narrative in the performance measure section.

have been completed and more are planned at locations or segments experiencing higher numbers of crashes. System-wide striping, reflective pavement marker replacement, signage upgrades, resurfacing that includes high friction surface treatment in areas having higher numbers of crashes as well as guardrail improvements to protect all median openings have been completed or are currently underway. MDX recently completed the installation of an Intelligent Transportation System (ITS) network on its five expressways that include fiber communications and surveillance equipment that provides for reduced accident detection times and quick incident clearance. Additionally, the Rapid Incident Scene Clearance (RISC) Program, that complements the 24 hours per day/seven days per week Road Ranger Program, continues to aid in avoidance of serious secondary accidents through reducing clearance times.

The seven fatalities reported in CY 2008 are primarily attributed to late night accidents where other factors such as alcohol usage and excessive speed contributed to the unfortunate incidents. As a result, in addition to continuing roadway improvements, MDX launched a comprehensive yearlong campaign to address these issues. This campaign promoting driver awareness and safety included Memorial Day and Fourth of July holiday print and radio spots and encouraged drivers to "Take the Pledge" for safe driving as detailed in the newly established MDX Web site www.mdxsafety.com.

MDX did meet or exceed the following performance measure objectives. Explanations are provided to either clarify the source of the data, the methodology utilized by the Authority, or differences between adopted performance measure objectives and those required in bond documents.

Electronic Toll Collection (Transactions)

For the authorities, the Commission adopted the Department's ETC performance measure objective established for Florida's Turnpike Enterprise (Enterprise). A new objective of greater than 75 percent ETC transactions by June 30, 2012 was established by the Performance Measures Working Group for FY 2009. The FY 2008 objective was greater than 75 percent ETC transactions by December 31, 2008. MDX reported 74.8 percent ETC participation for FY 2009 and exceeded the established objective of 75 percent in 7 months of FY 2009.

Electronic toll transactions exceeded the 75 percent objective seven months in FY 2009.

Customer Service

MDX exceeded the Customer Service objective with 95 percent of customers satisfied with the level of service. Results from the Enterprise Annual Customer Satisfaction Survey were used for reporting MDX Customer Service performance. The Enterprise emailed approximately 1.6 million surveys to active *SunPass* account holders statewide, and approximately 22 thousand surveys were completed and returned.

Consultant Contract Management

The final cost of design and CEI consultant contracts completed during FY 2009 was approximately 20 percent below the amount awarded in the original contract. MDX indicated that, for one consultant contract, a contingency reserve was established for any extended work hours that may have been required to complete the job. The project was completed ahead of time and the extended hours were not used.

Debt Service Coverage

Debt service coverage ratios, as standardized in the Commission's performance measure calculations, may differ significantly from the debt service coverage calculations required in MDX bond resolutions and related documents. For example, the calculation of the ratio of net revenue to debt service for all bonds outstanding, as defined by MDX bond resolutions, is reported as 1.73 in the Supplementary Schedules section of the FY 2009 audited financial statements. This compares to 1.59 as reported in the performance measures table. This difference is primarily attributed to investment income and administrative expenses, which are included in the MDX calculation, but are excluded in the performance measure calculation. Even with the different methodology used to calculate debt service coverage, the Authority met all debt service coverage performance measure objectives.

Minority Participation

MDX Procurement Policy establishes a 25 percent goal for Minority and Disadvantaged Business Enterprise (MBE/DBE) participation. All solicitation and contract documents include language encouraging such participation, and certification is based on ethnicity/gender with participation measured in aggregate of its contracts. MDX reported achieving 26 percent (or \$17.0 million) MBE/DBE participation based on capital and operating expenditures for FY 2009, thereby exceeding the 25 percent goal. MDX has also adopted a Small Business Enterprise (SBE) Participation Policy (certification based on a firm's annual revenues), which requires that not less than 10 percent of the Authority's total annual contract dollars awarded be committed to SBEs. In order to meet this requirement, the Authority evaluates individual projects and identifies those projects most applicable for SBE participation based on available qualified and certified small



Open Road Tolling Gantry at 97th Avenue on SR 836.

businesses. These contracts are then competitively procured through various methods (such as request for proposal (RFP), invitation to bid (ITB), etc.), as may be applicable. MDX reported achieving 22 percent SBE participation commitment (or \$60.5 million), thereby exceeding the 10 percent SBE participation commitment goal.

Operating Indicators

The Commission, in concert with the authorities, developed operating indicators that provide meaningful operational and financial data that supplement performance measures in evaluating and monitoring organizational performance. The Commission did not establish objectives or goals for these indicators, as various Authorities have unique characteristics. FY 2009 operating indicators, as reported by MDX, are provided in the following table. Also, to assist in trend analysis, FY 2007 and FY 2008 operating results are provided. Results for the last five fiscal years are included in Appendix B.

It is important to note FY 2009 operating indicators that significantly differ from prior year trends.

Table 7
Miami-Dade Expressway Authority
Summary of Operating Indicators (in millions)
FY 2007 through FY 2009

<i>Indicator</i>	<i>Detail</i>	<i>Actual 07 Results (millions)</i>	<i>Actual 08 Results (millions)</i>	<i>Actual 09 Results (millions)</i>
Operations				
Growth in Value of Transportation Assets	Land Acquisition	\$121.5	\$241.3	\$250.6
	Infrastructure Assets	\$129.7	\$289.0	\$324.3
	Construction in Progress	\$427.9	\$214.1	\$280.0
	Total Value of Transportation Assets	\$679.1	\$744.4	\$854.9
Preservation of Transportation Assets	Renewal & Replacement of Infrastructure	\$0.0	\$0.0	\$0.0
	Routine Maintenance of Infrastructure	\$11.2	\$3.9	\$4.6
	Total Preservation Costs	\$11.2	\$3.9	\$4.6
Toll Collection Transactions	Revenue from Electronic Transactions	57.7%	62.8%	65.7%
Annual Revenue Growth	Toll and Operating Revenue	6.9%	40.7%	-2.5%
Operations and Budget				
Operating Efficiency	Toll Collection Expense as % of Operating Expense	28.8%	38.9%	40.5%
	Routine Maintenance Expense as % of Operating Expense	25.9%	7.6%	8.3%
	Administrative Expense as % of Operating Expense	13.5%	10.8%	13.4%
	Operating Expense as % of Operating Revenue	52.1%	44.2%	48.9%
Rating Agency Performance	Toll Operations and Maintenance Expense as % of Operating Revenue	28.5%	20.5%	23.8%
Property Acquisition				
Right-of-Way	Agency Appraisals	\$5.1	\$1.4	\$0.4
	Initial Offers	\$5.0	\$1.4	\$0.5
	Owners Appraisals	\$3.8	\$3.0	\$2.5
	Final Settlements	\$6.4	\$2.3	\$1.3
Revenue Management and Bond Proceeds				
Underlying Bond Ratings (Uninsured)	Standard & Poor's Bond Rating	A	A	A
	Moody's Bond Rating	A3	A3	A3
	Fitch Bond Rating	A-	A-	A-

Note: Amounts in table may not sum exactly due to rounding.

Growth in Value of Transportation Assets

Land, infrastructure and construction in progress change from year to year as new capital projects are built and completed. A project starts off as “construction in progress” and is reclassified to “infrastructure” when the project is complete. These indicators rely heavily on capital projects

contained in the Work Program (e.g., road widening, new alignments, new interchanges, bridges, etc.). For example, in FY 2008 the significant decrease in construction in progress, and increase in infrastructure assets and land are primarily attributed to the completion of the three-mile extension of the Dolphin Expressway (SR 836). In FY 2009, infrastructure assets increased

primarily due to completion of the SR 874 northbound on-ramp from Kendall Drive. Additional projects under construction include: reconstruction of SR 874/Killian Parkway interchange; reconstruction of SR 874/SR 826 interchange and various system-wide improvements (intelligent transportation system, landscape and guardrail). The Authority, through Joint Participation Agreements (JPA), has partnered with the Department to fund Section 2 of SR 826 for \$60 million and the SR 836/826 interchange for \$200 million.

Preservation of Transportation Assets (Renewal and Replacement of Infrastructure)

Although the Authority performs renewal and replacement activities, no renewal and replacement expenses have been reported for all years. MDX has elected to report depreciation on infrastructure (roads, bridges and other highway improvements) over the useful lives of the assets. It should be noted that some other toll authorities utilize an alternate acceptable method (Modified Approach), whereby renewal and replacement costs associated with maintaining the existing roadway system at a certain level are expensed, and the asset is not depreciated.

Preservation of Transportation Assets (Routine Maintenance of Infrastructure)

The decrease in FY 2008 routine maintenance expenses from amounts reported in FY 2007 is primarily due to hurricane related expenditures (clean-up costs) incurred in FY 2007 but not incurred in FY 2008. The moderate increase in FY 2009 maintenance costs is primarily attributed to additional costs related to a new asset management contract and increased general engineering consultant support costs.

Toll Collection Transactions (Revenue from Electronic Toll Transactions)

As previously reported in the Performance Measures section of this chapter, the percentage of Electronic Toll Collection (ETC) transactions to total transactions increased from approximately 73 percent in FY 2008 to 75 percent in FY 2009. Total toll transactions in FY 2009 decreased by 1.8 percent over FY 2008 levels. Cash transactions decreased by 9.3 percent while ETC transactions increased 1.0 percent. There is a direct correlation between electronic transactions and revenue. Specifically, the electronic toll rate is \$0.25 less than the cash rate, thereby reducing overall revenue received as each cash customer moves to ETC.

Annual Revenue Growth (Toll and Operating Revenue)

FY 2009 revenue decreased 2.5 percent over FY 2008 levels. MDX attributed the decrease primarily to economic conditions adversely impacted by the housing market and rising unemployment. The significant revenue growth of 40.7 percent in FY 2008 is primarily attributed to the opening of new toll plazas on SR 836 at 97th Avenue, as well as new tolling points on the SR 836 Extension to 137th Avenue.

Operating Efficiency and Rating Agency Performance

In general, FY 2009 results for operating indicators trended relatively close to FY 2008 results. FY 2009 toll collection costs increased \$2.5 million, or 12.4 percent, primarily due to increases in *SunPass* processing costs passed through to MDX by the Department's Turnpike Enterprise. Significant cost increases were noted for credit card fees, applications security and *SunPass* toll contract costs. As previously noted, FY 2009

routine maintenance expenses increased \$0.7 million, or 17.8 percent, due to additional costs related to a new asset management contract and increased general engineering consultant support services. Administrative expenses increased in FY 2009 by \$1.9 million, or 34.1 percent, due primarily to an increase in *SunPass* transponder costs passed through to MDX by the Department's Turnpike Enterprise. This is a result of inventory build-up of new *SunPass* Mini transponders (Sticker Tags) to meet anticipated demand. As previously noted, FY 2009 operating revenue decreased 2.5 percent over FY 2008 levels while FY 2009 operating expenses increased. This caused the overall expense ratios to increase.

Right-of-Way

In FY 2009, MDX acquired parcels, totaling approximately \$1.3 million through the Right-of-way Program. MDX policy requires total purchase costs to be within 25 percent of MDX appraised values (without litigation) for MDX Property Acquisition Committee approval. Any parcel settlements that exceed the 25 percent threshold must go to the MDX Governing Board for approval. Because MDX does not require the owner to conduct an appraisal, beginning with the MDX 2008 data submission, both written and oral offers and counter offers are being included in the reporting fields for Initial Offers and Owner Appraisals, respectively. This ensures that only the most accurate and meaningful data are provided and corrects any previous wrong impressions that MDX settled parcels for amounts significantly above Owner Appraisals.

For the 2007 data submission, MDX provided clarification on amounts reported. When MDX reported first offers, only the amount for parcels where a formal written offer was made was included in this field. In the future, MDX also intends to report oral offer amounts for those

parcels where a settlement is achieved. The more significant variations that occurred in 2007 dealt with the reporting of the owner's appraisal. If the owner did not obtain an appraisal, MDX entered a value of zero in this field. This gave a wrong impression that MDX was closing/settling parcels for amounts significantly greater than the owner's appraisal. In the future MDX will report the owner's first counter offer (verbal or written) in this field. If the owner does not make a counter offer but accepts an offer from MDX, then MDX will enter the amount of the settlement. This approach will always provide a valid comparison basis that can

FY 2009 routine maintenance expenses increased 18 percent over FY 2008 due to costs related to a new asset maintenance contract and increased general engineering consultant support services.

FY 2009 toll collection costs increased 12 percent over FY 2008 due to increases in credit card fees, applications security and SunPass toll contract costs.

Administrative expenses increased by 34 percent in FY 2009 as a result of increased transponder costs related to the build-up of Mini Transponder (Sticker Tag) inventory to meet anticipated demand.

be used to assess agency performance. Lastly, parcels that were pursued or needed by MDX in a specific year, but later have negotiations discontinued in that year, will have none of the four categories reported.

Governance

In addition to establishing performance measures and operating indicators for transportation authorities, the Commission developed "governance" criteria for assessing each authority's adherence to statutes and policies and

procedures. To that end, the Commission monitored compliance in the areas of ethics, conflicts of interest, audits, public records, open meetings, procurement, consultant contracts and compliance with bond covenants.

Ethics and Conflicts of Interest

MDX provided a copy of its Code of Ethics policy that was last amended on June 23, 2009. The policy is applicable to Board Members, employees and consultants retained by MDX. Board Members and employees are also subject to compliance with Chapter 112, Part III, Florida Statutes (Code of Ethics for Public Officers and Employees). In the event of conflict between the Authority's policy and the provisions of Chapter 112, Florida Statutes, the more restrictive provisions shall control. The policy appears to be comprehensive and includes areas such as conflicts of interest, doing business, misuse of public position, gifts, post-service contact with MDX, Ethics Officer, ethics training and compliance hotline. According to MDX, no ethics or conflict of interest violations or investigations were reported during FY 2009. Commission staff reviewed the Authority's Board minutes and did not find any recorded instances of ethics or conflicts of interest violations or investigations. The meeting minutes did disclose instances where Board Members abstained from voting on agenda items due to voting conflicts. Conflict of interest documentation (State Commission on Ethics Form 8B - Memorandum of Voting Conflict for County, Municipal, and Other Local Public Officers) was included in the Board monthly meeting minutes summary. Commission staff also noted that in June 2009, MDX General Counsel finished conducting one hour of annual ethics training, as required by the Authority's Code of Ethics, to MDX Board Members and staff. Training addressed MDX Bylaws related to accountability, transparency and responsibility, anti-discrimination/anti-harassment policy,

Government in the Sunshine, public records, voting conflicts and financial disclosure. In connection with the financial statement audit, Board Members and staff are also required to complete a questionnaire for related party transactions and fraud risk that is sent directly to the audit firm for

MDX General Counsel conducted one hour of ethics training for the MDX Board and staff in FY 2009.

evaluation. Commission staff reviewed the questionnaires provided by MDX and noted one instance of fraud whereby MDX concluded a fraud investigation, which led to the removal of five contracted employees and restitution of approximately \$7 thousand by the contractor.

Audits

MDX's Budget and Finance Committee assumes the role of the Audit Committee. According to the Authority, the Committee reviews monthly revenue reports and financial statements and requires staff to provide written documentation of variances. The Committee is also responsible for reviewing the audited financial statements and addressing issues contained in the auditor's management letter. Upon completion of the audit, the auditors present their findings to the Committee. For FY 2009, audit results were presented to both the Committee and Board. The Committee is comprised of an elected Treasurer and MDX Board Members assigned by the Board Chair.

An annual independent audit of MDX's financial statements for the fiscal years ended June 30, 2009 and 2008 was performed. The Independent Auditor's Report indicated that the financial statements were prepared in conformity with GAAP and received an unqualified opinion. The Independent Auditor's Report on Compliance and Internal Control over Financial Reporting did not

identify any deficiencies in internal control that were considered material weaknesses, and the results of audit tests did not disclose instances of noncompliance required to be reported under Government Auditing Standards. The Independent Auditor's Report on Compliance and Internal Control over Compliance Applicable to Each Major Federal Program and State Project indicated no issues related to compliance, internal control, findings or questioned costs required to be reported under applicable standards. In the Independent Auditor's Management Letter, there were no recommendations for improvement, and it was noted that recommendations contained in the prior year letter have been adequately addressed by Management.

MDX is also required to file an Annual Financial Report and Audit with the Florida Department of Financial Services (DFS) pursuant to Section 218.32(1)(d), Florida Statutes. Commission staff's review of the DFS website indicated that the Authority had filed the required reports and is in compliance.

Public Records and Open Meetings

MDX is operating under Chapter 119, Florida Statutes, relating to public records and has adopted procedures to process public records requests. The Authority is also subject to the provisions of Section 189.417, Florida Statutes and Chapter 286, Florida Statutes, for open meetings. A review of MDX meeting minutes, provided by the Authority, showed that the minutes appear to be in compliance with statute. Based on a limited review of local newspaper advertisements provided by MDX and meeting agendas posted on the Authority's website, MDX has met public notice requirements. The Authority provided documentation of ethics training to Board Members and staff that included "Sunshine Laws" and reported no instances of noncompliance.

Procurement

As part of its annual review of the Procurement Policy, the MDX Board adopted an amended Procurement Policy on June 23, 2009. The Procurement Policy is comprehensive but the focus of this review is on delegated procurement authority. With prior written approval from the Executive Director, the Procurement Manager, as the delegated Chief Purchasing Officer, may in writing delegate his/her authority regarding procurements to any of the MDX Directors for purchases not to exceed \$25 thousand (Small Purchases). The Procurement Manager is authorized to approve Small Purchases not to exceed \$25 thousand in the aggregate in any fiscal year without Board approval (subject to Board approved budget and following the established competitive procurement process).

In conjunction with monthly reports to the MDX Board and applicable Standing Committees, the Executive Director's approval is required for:

- All procurements and resulting contracts valued up to \$199,999.
- All procurements and resulting contracts for services pursuant to the Consultants Competitive Negotiation Act (CCNA) up to \$50 thousand.
- Supplemental Agreements for: (1) amounts for a single contract which are cumulatively less than or equal to 20 percent of the original contract amount or \$2 million, whichever is less; (2) contract time that does not involve changes to the original contract amount above the Executive Director's delegated authority; and, (3) other administrative changes to contract that do not relate to changes in scope and/or contract amount and contract time. Changes to scope are not permitted by the Authority.

Pursuant to MDX Bylaws, the Authority has five Standing Committees (composed of Board Members) that have decision-making authority with respect to all procurement matters delegated to them under the Bylaws. These committees also serve as the Award Committees and oversee the procurement and contracts of the services delegated to them under the Bylaws. Certain decision-making authority is not delegated to the Standing Committees but resides with the MDX Board of Directors. As such, in some instances the Awards Committee serves as the approving authority, and in other instances the Awards Committee makes recommendations to the MDX Board for procurement related actions. In any case, all matters presented to the Board for action are first presented to a Standing Committee for endorsement, whether procurement/contract related or otherwise. The applicable Awards Committee approves all Supplemental Agreements for: (1) amounts for a single contract, which are cumulatively greater than 20 percent of the original contract amount or \$3 million, whichever is less; and, (2) contract time that involves changes to the original contract amount above the Executive Director's delegated authority up to \$3 million.

The Awards Committee makes recommendations to the MDX Board for approval of procurement actions including:

- All contracts valued at \$200 thousand or more.
- Renewal, cancellation or extension of contracts meeting the above threshold.
- Supplemental Agreements for: (1) amounts for a single contract which cumulatively exceed the lesser of 20 percent of the original contract amount or \$3 million; and, (2) contract time that involves changes to the original contract amount above \$3 million.
- Contract incentives or disincentives.
- Contract contingency allowances.
- Rescission of contract awards.
- Final ranking of proposers.
- Assignment of contracts.

Similar to last year, Commission staff again noted that the MDX Executive Director "could" potentially approve a supplemental agreement for a single contract up to \$2 million, and extend contract time without limits for those contracts with amounts not exceeding the Executive Directors delegated authority, without prior approval of a Standing Committee or the MDX Board. Monthly reports of all executed supplemental agreements, whether approved by the Board, Standing Committee or Executive Director during the previous month, are provided to the appropriate Awards Committee and MDX Board. However, this delegated authority is significantly higher than other transportation authorities under the Commission's oversight. As such, the Commission again encourages the MDX Board to reconsider established thresholds for contract amendment approval authority to ensure adequate oversight prior to contract execution.

Consultant Contract Reporting

MDX provided a list of all "General Consulting" contracts and those sub contracts that exceeded \$25 thousand in FY 2009. As indicated in Table 8, 27 sub consultants were used by the general consulting firms for a total cost of \$7 million in FY 2009.

Compliance with Bond Covenants

In September 2006, MDX issued \$304 million in Revenue Bonds, Series 2006. Bonds are payable from and secured by a pledge of net revenues from the operation of the Expressway System. Bond proceeds are primarily being used to partially fund

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Table 8
Miami-Dade Expressway Authority
Summary of General Consultant Sub Consultant Activity
FY 2009

<i>Consulting Contract</i>	<i>Description</i>	<i>Sub Consultants >\$25 K (\$000)</i>
EAC Consulting, Inc.	General Construction Management Consultant	
AECOM U.S.A., Inc.	ITS & Architectural Design	\$1,049
BCC Engineering, Inc.	Structural Reviews	\$424
HOLT Communications, Inc.	Public Communications	\$178
Integrated Project System, LLC	Program Controls/Scheduling Services	\$89
MACTEC Engineering & Consulting, Inc.	Environmental & Safety	\$36
HNTB	General Engineering Consultant	
A&P Consulting Transportation Engineers Corp.	Highway Design/Drainage/Construction Management/Program Controls	\$421
Bermello, Ajamil & Partners, Inc.	Public Involvement/Public Information	\$318
BND Engineers, Inc.	Project Management	\$646
Botas Engineering, Inc.	Design Services	\$273
CH Perez & Associates Consulting Engineers, Inc.	Roadway/Traffic Studies/Signs & Paving/Surveying	\$853
EV Services, Inc.	Public Involvement/Public Information	\$80
Fernandez-Beraud, Inc.	Landscaping	\$130
HDR Acquisition Services, Inc.	Right-of-Way Acquisition/Appraisals	\$52
Nova Consulting, Inc.	Environmental Review & Permitting/Utilities	\$103
Ribbeck Engineering, Inc.	Design Services	\$68
Rodolfo Ibarra, P.E., P.A.	Utilities/Drainage Design/Administrative Support	\$101
The Allen Group, LLC	Public Involvement/Public Information	\$75
T.Y. Lin International	Structural Engineering/Environmental Review & Permitting /Highway Design/Bridge Maintenance Inspection/MEP	\$222
VMS, Inc.	Maintenance Management Consultant	
American Lighting & Signalization, Inc.	Highway Lighting Maintenance	\$365
AmRoad, LLC	Concrete Repairs, Striping, RPM's	\$46
Berger Avart, Inc.	Bridge Inspections	\$65
Remington Steel & Sign Corp.	Guardrail, Sign & Attenuator Repair	\$98
Road ABC Corporation	Concrete Repair & Striping	\$273
Star Cleaning U.S.A., Inc.	Roadway Sweeping	\$101
Southeast Attenuators, Inc.	Attenuator Repairs	\$134
Techno Services, Inc.	Guardrail & Concrete Repairs	\$280
Tenusa, Inc.	Landscaping	\$517
Wilbur Smith Associates	Traffic and Revenue Consultant	
Total Sub consultants > \$25 K		\$6,997

Work Program projects. As of June 30, 2009, total bonds in the principal amount of approximately \$928 million remain outstanding. At this time, MDX plans to issue approximately \$300 million in Revenue Bonds in the third quarter of 2010 to partially fund Work Program projects. The following areas were noted to be in compliance with bond covenants:

- Annual financial information and operating data were filed with the Securities and Exchange Commission (SEC) pursuant to Rule 15c2-12.
- An annual financial statement audit was performed.

- MDX utilizes a nationally recognized General Engineering Consultant (HNTB).
- An independent inspection and report concerning the condition of the Expressway System is required at least annually. An annual inspection report, dated June 2009, was provided by the Authority.
- Section 5.01(c) of the Bond Trust Indenture requires MDX to review its financial condition and determine whether net revenues for the year are sufficient to enable the Authority to comply with bond covenants specified in Section 5.01(b). The Determination resolutions were properly filed with the Trustee (Bank of New York).
- MDX utilizes a nationally recognized Traffic and Revenue Consultant (Wilbur Smith Associates).
- Debt service coverage ratio for FY 2009 exceeds bond requirements.
- Section 5.08 (vi) of the Bond Trust Indenture requires AAA ratings for surety policies from Bond insurers Financial Guarantee Insurance Company (FGIC) and American Municipal Bond Assurance Corporation (AMBAC) to partially fund the Debt Service Reserve. Due to the subprime mortgage crisis and the effect on the financial condition of both companies, the insurer's credit ratings were downgraded by the rating agencies. The ratings downgrade required MDX to either cash-fund the deficiency in the Debt Service Reserve or replace the policies in order to satisfy the Trust Indenture requirement. MDX elected to cash fund the Debt Service Reserve through General Fund reserves and to transfer unspent bond proceeds as legally eligible. As of June 30, 2009, the Debt Service Reserve requirement was satisfied and complies with the Trust Indenture.

Summary

The Florida Transportation Commission review of MDX was conducted with the cooperation and assistance of the Authority and relied heavily on documentation and assertions provided by Authority management.

MDX met or exceeded 16 of the 17 management objectives established for performance measures. The performance measure objective not met was for safety.

Operating indicator trend analysis showed that FY 2009 infrastructure assets increased \$35.3 million over FY 2008 primarily due to completion of the new SR 874 on-ramp from Kendall Drive. FY 2009 construction in progress also increased \$65.9 million primarily due to continued reconstruction of two interchanges and various system-wide improvements. FY 2009 revenue decreased 2.5 percent over FY 2008 levels. MDX attributed this decrease to economic conditions adversely impacted by the housing market and rising unemployment. Routine maintenance costs for FY 2009 increased \$0.7 million, or 18.8 percent, primarily due to additional costs related to a new asset management contract and increased general engineering consultant support services. FY 2009 toll operations costs increased \$2.5 million, or 12.4 percent, over FY 2008 due to *SunPass* processing costs assessed to MDX by the Department's Turnpike Enterprise. In addition, FY 2009 administration costs increased \$1.9 million, or 34.1 percent, primarily due to increased costs assessed to MDX for Enterprise purchases of new *SunPass* Mini transponders (Sticker Tags) in order to build-up inventory to meet anticipated demand.

In the area of governance, the FY 2009 independent financial statement audit reflected an unqualified opinion. No recommendations for

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improvement were provided in the Auditor's Management Letter and it was noted that recommendations contained in the prior year



New SR 836 Extension.

Management Letter were implemented by MDX. For procurement, Commission staff noted that the Executive Director is authorized to approve a Supplemental Agreement for a single contract up to \$2 million, and extend contract time without limits for those contracts with amounts not exceeding the Executive Directors delegated

authority, without prior approval of a Standing Committee or the MDX Board. All Supplemental Agreements approved by the Executive Director are included as part of the monthly reporting to the Standing Committee and Board.

Based on the Commission's limited review of Board meeting minutes, MDX policies and procedures, Florida Statutes, Financial Statements, Bond Covenants and other documentation provided by the Authority, there were no instances noted of noncompliance with applicable laws or regulations in the areas of ethics, conflicts of interest, public records, open meetings, bond compliance and other governance criteria established by the Commission.

The Commission recognizes the positive performance results and strong governance demonstrated by MDX and encourages MDX to continue to develop and pursue an action plan to reduce highway fatalities. The Commission acknowledges with appreciation the assistance of the MDX Board and staff in providing the resources necessary to conduct this review and to complete this report.

Orlando-Orange County Expressway Authority (OOCEA)

Background



The Orlando-Orange County Expressway Authority (OOCEA) is an agency of the state of Florida, created in 1963 under Chapter 348, Part V, Florida Statutes, for the purpose of construction and operation of an expressway road system in Central Florida. OOCEA is reported as an Independent Special District of the state of Florida and subject to the provisions of Chapter 189, Florida Statutes (Uniform Special District Accountability Act of 1989) and other applicable Florida Statutes. OOCEA has the right to construct, operate, and maintain roads, bridges, avenues of access, thoroughfares, and boulevards together with the right to construct, repair, replace, operate, install, and maintain electronic toll payment systems outside of Orange County with the respective county's consent. The Authority is also authorized to issue revenue bonds to finance portions of the System.

The governing body of OOCEA consists of five members. Three of the members are citizens of Orange County appointed by the Governor. These members serve four year terms and may be reappointed. The Mayor of Orange County and District Five Secretary of the Florida Department of

Table 9
Orlando-Orange County Expressway Authority
Current Board Members

<i>Name</i>	<i>Affiliation</i>	<i>Position</i>
Walter A. Ketcham, Jr.	Grower, Ketcham, Rutherford, Bronson, Eide & Telan, P.A.	Chairman
Tanya J. Wilder	Peoples Gas System	Vice Chairman
Mark Filburn	ZMG Construction, Inc.	Secretary-Treasurer
Richard T. Crotty	Orange County Mayor	Board Member
Noranne B. Downs, P.E.	District Five Secretary	Board Member

Highlights

- OOCEA fully opened a five mile section (phase one) of the new John Land Apopka Expressway (SR 414) in May 2009.
- OOCEA met 14 of 16 applicable performance measure objectives. The two measures not met were Safety and Debt Service Coverage - Bonded Debt (Bond Covenant Compliance was met).
- On April 5, 2009 the Authority implemented a system-wide toll rate increase of \$0.25 at mainline plazas and most ramps. The OOCEA Board also approved future toll rate increases beginning July 1, 2012, and every five years thereafter, based on changes in the Consumer Price Index.
- As a result of the April 2009 toll rate increase, FY 2009 revenue increased 0.2 percent over FY 2008, despite a decrease of 7.1 percent in transactions. The decline in transactions is attributed to the state-wide economic downturn and decrease in employment throughout central Florida.
- In March 2010, OOCEA issued \$335 million in fixed rate Revenue Bonds, Series 2010A, to partially fund Work Plan projects.
- The FY 2009 independent financial statement audit reflected an unqualified opinion.
- In 2009, OOCEA strengthened its Code of Ethics policy and Personnel policy related to political activity.
- OOCEA increased the number of internal audits and reviews and instituted many reforms: Building Issues; Vehicle Issues; Toll Revenue Review Report; Report of Citizens' Advisory Committee; and Governance Audit of OOCEA.
- OOCEA changed its toll enforcement policy whereby an Unpaid Toll Notice is mailed to violators. As a result of the new policy, over \$1 million has been collected (as of March 1, 2010).

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SR 414 John Land Apopka Expressway Opening Ceremony.

Transportation (Department) are the two ex-officio members of the Board. At the January 2010 Board meeting, Walter Ketcham was elected Chairman, succeeding Richard T. Crotty who served as Chairman since January 2007.

OOCEA currently owns and operates 105 miles of roadway in Orange County. The roadways include 22 miles of the East-West Expressway (SR 408), 23 miles of the Beachline Expressway (SR 528), 33 miles of the Central Florida GreeneWay (SR 417), 22 miles of the Daniel Webster Western Beltway (SR 429) and 5 miles of the John Land Apopka Expressway (SR 414). The Authority reported toll revenue of \$206 million in FY 2009 based on 293 million transactions.

The five mile section (phase one) of the John Land Apopka Expressway fully opened to traffic in May 2009 and extends Maitland Boulevard (SR 414) west from US 441 to SR 429. In February 2009, phase one partially opened to electronic toll collection (ETC) customers only, from SR 429 to Hiawasse Road (3.9 miles), until construction was completed on the remaining portion. Phase two of the John Land Apopka Expressway will extend SR 414 from SR 429 four miles to the west and north to US 441 near CR 437 (Plymouth Sorrento Road)

with construction expected to start in 2010 and open to traffic in 2013.

Major projects in the Authority's \$1.4 billion Five-Year Work Plan (FY 2010 through FY 2014) include: right-of-way and interchange for John Land Apopka Expressway (phase two); partial design and right-of-way for Wekiva Parkway; partial widening of SR 408 and SR 417; resurfacing of SR 429 (part A); new interchanges; conversion of SR 528 Beachline Airport toll plaza to ORT; a new express lane toll plaza at Dallas Boulevard on SR 528 and, toll collection system upgrades. In March 2010, OOCEA issued \$335 million in fixed rate Revenue Bonds, Series 2010A, to partially fund Work Plan projects.

The new \$22 million Dallas Boulevard/East Express Lane Plaza is being built on a largely unpopulated portion of SR 528, about six to seven miles east of the SR 528 Mainline Plaza. Construction is scheduled to begin in May or June 2010 and is scheduled to last 18 months. The plaza was designed in conjunction with the Innovation Way project, specifically to accommodate westbound SR 528 traffic that would be exiting at Innovation Way prior to the Mainline Plaza. Without the Dallas Boulevard project, there would be a toll equity issue for the future opening of SR 528 Innovation Way and the Orange County connector road at ICP Boulevard (which will be opening in the spring of 2010). Under the current configuration, if motorists go west on SR 528 from ICP Boulevard/Innovation Way, they would have to pay a \$1.00 toll at the SR 528 Beachline Main Plaza, and if they go east on SR 528 from ICP Boulevard/Innovation Way, they would not pay any tolls. The new Dallas Boulevard toll plaza would correct the inequity by charging \$0.50 and the Beachline Main Plaza's tolls would be reduced from \$1.00 to \$0.50.

Under the requirements of a Lease-Purchase Agreement between OOCEA and the Department, the Authority is reimbursed by the Department for a portion of the operating and maintenance costs of the Beachline Expressway and the East-West Expressway. The Authority records these

The Department reimburses the Authority for certain operating and maintenance costs of the Beachline Expressway and East-West Expressway, pursuant to a Lease-Purchase Agreement.

reimbursements as advances because amounts are to be repaid to the Department from future toll revenues after all bonds are retired and all other financial obligations have been met. In addition, the Authority utilized funds from a State Infrastructure Bank (SIB) loan to acquire right-of-way for construction of the John Land Apopka Expressway. The following table indicates that approximately \$255 million in long-term debt is owed to the Department for these operating and maintenance expense advances and other Department advances and loans.

Table 10
Orlando-Orange County Expressway Authority
Long-Term Debt Payable to the Department (in millions)
Year Ended June 30, 2009

Transaction	(millions)
Advances for Operating and Maintenance Expenses ¹	\$205.5
Advances for Completion of East-West Expressway ¹	\$14.0
Loans from Toll Facilities Revolving Trust Fund ²	\$0.4
Loans from State Infrastructure Bank ³	\$34.9
Total Due Department	\$254.8

Source: OOCEA Notes to Audited Financial Statements.

¹ July 1, 2042 is the earliest date that System payments are anticipated to begin based on the requirements of the Lease-Purchase Agreement and current Bond Official Statement.

² To be repaid in FY 2010.

³ To be repaid by FY 2018.

Performance Measures

Pursuant to the Florida Transportation Commission's (Commission) expanded role in providing oversight to specified authorities, the Commission conducts periodic reviews of each authority's operations and budget, acquisition of property, management of revenue and bond proceeds, and compliance with applicable laws and Generally Accepted Accounting Principles (GAAP). Consequently, the Commission, in concert with the authorities, developed performance measures and management objectives that establish best practices across the industry that will improve the overall delivery of services to the traveling and freight moving communities that are critical to the overall economic well-being and quality of life in Florida. Fiscal Year (FY) 2009 results, as reported by OOCEA, are provided in the following table. Results for the last five fiscal years are included in Appendix B.

OOCEA met or exceeded 14 of the 16 applicable performance measure objectives. The two performance measure objectives the Authority did not meet are described below and include trend data, explanations and any action plan that OOCEA has developed to assist in meeting the measure. Explanations are based on input from OOCEA management.

Safety

The Department of Highway Safety and Motor Vehicles reports official fatalities based on a calendar year (CY). As such, the fatalities per 100 million vehicle miles traveled measure is based on CY 2008 data. Accident fatalities on OOCEA facilities totaled 12 in CY 2008, which is the highest number reported in the last five-year reporting period. OOCEA indicated that crashes on their system are studied, analyzed and published in a Quarterly Crash Summary Report. Crash

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Table 11
Orlando-Orange County Expressway Authority
Summary of Performance Measures
FY 2009

<i>Performance Measure</i>	<i>Detail</i>	<i>Objective</i>	<i>Actual Results</i>	<i>Meets Objective</i>
Operations				
SHS Roadway Maintenance Condition Rating	Condition rating of at least 90	90	94	✓
Pavement Condition Rating	% SHS lane miles rated "excellent or good"	> 85%	100.0%	✓
Bridge Condition - Rating	% bridge structures rated "excellent or good"	> 95%	100.0%	✓
Bridge Condition - Weight Restrictions	% SHS bridge structures with posted limit	0%	0.0%	✓
Electronic Toll Collection (ETC) - Transactions	Number of ETC transactions as % of total transactions	> 75% by 6/30/12	70.7%	✓ On Track
Revenue Variance	Variance from indicated revenue (without fines)	< 4%	3.0%	✓
Safety ¹	Fatalities per 100 million vehicle miles traveled	> 10% below 5 yr. avg (.58)	0.65	X
Customer Service	% customers satisfied with level of service	> 90%	N/A	N/A
Operations and Budget				
Consultant Contract Management	Final cost % increase above original award	< 5%	2.9%	✓
Construction Contract Adjustments - Time	% contracts completed within 20% above original contract time	≥ 80%	100.0%	✓
Construction Contract Adjustments - Cost	% projects completed within 10% above original contract amount	≥ 90%	100.0%	✓
Cost to Collect a Toll Transaction	Total toll collection cost / number of transactions (net of exclusions)	< \$0.16	\$0.11	✓
Annual Operating, Maintenance and Administrative (OM&A) Forecast Variance	Actual OM&A to annual budget	+/- 10%	-3.6%	✓
Applicable Laws				
Minority Participation ²	M/WBE and SBE utilization as % of total expenditures (each agency establishes goal/target)	> 90%	244.0%	✓
Revenue Management and Bond Proceeds				
Debt Service Coverage - Bonded/Commercial Debt	[(Rev - interest) - (toll operating & maintenance expense)] / commercial debt service expense	> 1.5	1.47	X
Debt Service Coverage - Comprehensive Debt	[(Rev - interest) - (toll operating & maintenance expense)] / all scheduled debt service expense	> 1.2	1.45	✓
Debt Service Coverage - Compliance with Bond Covenants	Debt service coverage meets or exceeds minimum Bond Covenant requirements	Yes	Yes	✓

¹ Safety objective based on five year average of fatalities per 100 million VMT for the four established Authorities. Actual results based on CY 2008 data.

² The Authority has a 15 percent goal for RFP's and ITN's and reported achieving 36.6 percent, or 244 percent of the goal.

characteristics, areas of significant crash occurrence, traffic volume, construction, and other factors are studied to determine when and where safety adjustments can be made.

Debt Service Coverage - (Bonded/Commercial Debt)

Although OOCEA debt service coverage was in compliance with bond covenants, OOCEA did not meet one of the performance measure objectives for Debt Service Coverage. Debt service coverage ratios, as standardized in the Commission performance measure calculations, may differ significantly from the debt service coverage calculations required in the OOCEA bond resolutions and related documents. For example, the calculation of the composite debt service ratio, as defined by OOCEA bond resolutions, is reported as 1.58 in the Other Supplementary Information section of the FY 2009 audited financial statements. This compares to 1.47 as reported in the above performance measures table.

As of January 2009, OOCEA fiscal year-to-date actual toll revenue was approximately 7.8 percent below the prior year and 7.4 percent below forecast. The Board approved reductions of approximately 10.7 percent to the original FY 2009 Operating, Maintenance and Administrative (OM&A) budgets to meet the Authority's goal of maintaining OM&A expenses under 25 percent of toll revenues. Based on revised forecasts, FY 2010 debt service coverage was projected to come close to the bond covenant threshold of 1.2 and fall short of OOCEA Board policy of 1.3 debt coverage for planning purposes. On February 26, 2009, the Board approved the first toll rate increase in 19 years.

Effective April 5, 2009, tolls increased by \$0.25 at mainline plazas and most ramps (approximately 75 percent of toll collection sites were impacted).

Additionally, a forward looking toll structure was approved that indexes to the Consumer Price Index (CPI) with a 3 percent floor beginning in FY 2013, and every five years thereafter. When indexing to the CPI, ETC customers will pay the exact CPI amount and cash customers will pay the amount rounded up to the nearest quarter.

The new toll structure not only addresses debt service coverage concerns, but advances shovel ready construction projects and funds the 12-year Work Plan that includes the Wekiva Parkway that will complete the beltway around Orlando.

OOCEA did meet or exceed the following performance measure objectives. Explanations are provided to clarify the source of the data or the methodology utilized by the Authority.

Electronic Toll Collection - Transactions

For the authorities, the Commission adopted the Department's ETC performance measure objective established for Florida's Turnpike Enterprise (Enterprise). A new objective of greater than 75 percent ETC transactions by June 30, 2012 was established by the Performance Measures Working Group for FY 2009. The FY 2008 objective was greater than 75 percent ETC transactions by December 31, 2008.

ETC transactions for OOCEA constituted 70.7 percent of total transactions during FY 2009. Actual monthly ETC transactions subsequent to FY 2009 (July through November) ranged from 71.9 percent to 74.9 percent and averaged 73.5 percent. As such, it appears that OOCEA is "on track" to achieve greater than 75 percent ETC participation by June 30, 2012.

Customer Service

Because of the size of the organization and the cost of conducting a survey, OOCEA indicated that they conduct customer service surveys every two years. The 2008 Customer Opinion Survey was developed and conducted by JRD & Associates, Inc., and sets benchmarks moving forward. OOCEA indicated that the next customer service survey will be conducted in 2010.

Minority Participation

OOCEA indicated that Invitations to Bid (ITB) and Requests for Proposal (RFP) documents reflect a 15 percent participation objective. If the Prime Contractor (Prime) indicates minority participation at 15 percent or more in the bid, it is considered in compliance with the Authority's Business



SR 408 Conway West Express Lanes and Administration Building.

Development policy objectives. If the Prime indicates participation below the 15 percent objective in the bid, the Authority will determine if the Prime applied good faith efforts, as outlined in the bid documents, to include minority participation on the project. Authority staff will then meet with the Prime to discuss the Authority's determination and secure a commitment for

participation at a percentage agreed to by both the Prime and the Authority. For FY 2009, the Authority reported that 36.6 percent minority participation was achieved in this area. The participation was much higher than previous years due to a sharp decline in engineering and construction contracts in FY 2009. Because construction and engineering activity is anticipated to increase, minority participation percentages are expected to normalize in future years.

OOCEA further indicated that it establishes objectives by evaluating projects and identifying those projects most applicable to small business and minority participation. These contracts are then procured through the Small Sustainable Business Sheltered Market Program or the Micro Contract Program, as appropriate. OOCEA reported meeting 100 percent of this goal for FY 2009.

Operating Indicators

The Commission, in concert with the Authorities, developed operating indicators that provide meaningful operational and financial data that supplement performance measures in evaluating and monitoring organizational performance. The Commission did not establish objectives or goals for these indicators, as various Authorities have unique characteristics. FY 2009 operating indicators, as reported by OOCEA, are provided in the following table. Also, to assist in trend analysis, FY 2007 and FY 2008 operating results are provided. Results for the last five fiscal years are included in Appendix B.

It is important to note FY 2009 operating indicators that significantly differ from prior year trends.

Table 12
Orlando-Orange County Expressway Authority
Summary of Operating Indicators (in millions)
FY 2007 through FY 2009

<i>Indicator</i>	<i>Detail</i>	<i>Actual 07 Results (millions)</i>	<i>Actual 08 Results (millions)</i>	<i>Actual 09 Results (millions)</i>
Operations				
Growth in Value of Transportation Assets	Land Acquisition	\$423.3	\$434.2	\$529.4
	Infrastructure Assets	\$1,196.7	\$1,445.3	\$1,798.5
	Construction in Progress	\$662.9	\$700.7	\$492.2
	Total Value of Transportation Assets	\$2,282.9	\$2,580.3	\$2,820.1
Preservation of Transportation Assets	Renewal & Replacement of	\$24.7	\$10.5	\$1.3
	Routine Maintenance of Infrastructure	\$12.5	\$14.5	\$13.7
	Total Preservation Costs	\$37.2	\$25.0	\$15.0
Toll Collection Transactions	Revenue from Electronic Transactions	64.2%	67.0%	69.0%
Annual Revenue Growth	Toll and Operating Revenue	5.5%	1.1%	0.2%
Operations and Budget				
Operating Efficiency	Toll Collection Expense as % of Operating Expense	36.8%	40.6%	45.8%
	Routine Maintenance Expense as % of Operating Expense	13.6%	16.5%	19.5%
	Administrative Expense as % of Operating Expense	6.4%	6.4%	7.5%
	Operating Expense as % of Operating Revenue	44.7%	42.2%	33.8%
Rating Agency Performance	Toll Operations and Maintenance Expense as % of Total Operating	22.5%	24.1%	22.1%
Property Acquisition				
Right-of-Way	Agency Appraisals	\$38.4	\$22.1	\$15.0
	Initial Offers	\$14.4	\$22.1	\$7.6
	Owners Appraisals	\$18.2	N/A	\$13.6
	Final Settlements	\$45.7	\$30.6	\$20.6
Revenue Management and Bond Proceeds				
Underlying Bond Ratings (Uninsured)	Standard & Poor's Bond Rating	A	A	A
	Moody's Bond Rating	A1	A1	A1
	Fitch Bond Rating	A	A	A

Note: Amounts in table may not sum exactly due to rounding.

N/A Information is not readily available. Data have not been previously collected in this format.

Growth in Value of Transportation Assets

Land, infrastructure and construction in progress change from year to year as new capital projects (road widening, new alignments, new interchanges, bridges, etc.) are built and completed. A project starts off as “construction in progress” and is reclassified to “infrastructure,” when the project is complete. Major additions to Infrastructure Assets in FY 2009 include completion of phase one of the John Land Apopka Expressway (SR 414), a new interchange at SR 528 and Narcoossee Road, open road tolling lanes and plaza relocation at the Beachline Mainline Plaza on SR 528 and open road tolling conversion at the Holland East Mainline Plaza on SR 408.

Preservation of Transportation Assets (Renewal and Replacement of Infrastructure)

Costs for FY 2009 are reported at \$1.3 million. As reported by OCEA, this significant decrease of \$9.2 million over FY 2008 is primarily due to the completion of the SR 417 resurfacing project in FY 2007 and the SR 528 resurfacing project in FY 2008. The FY 2009 decrease was planned in the Authority’s Five-Year Work Plan.

Toll Collection Transactions (Revenue from Electronic Toll Transactions)

As previously reported in the Performance Measures section of this chapter, the percentage of ETC transactions increased from approximately 69 percent in FY 2008 to 71 percent in FY 2009. There is a direct correlation between electronic transactions and revenue associated with these transactions.

Annual Revenue Growth (Toll and Operating Revenue)

Revenue grew by a very modest 0.2 percent over FY 2008 levels despite a decrease of 7.1 percent

in toll transactions. This is a result of the April 5, 2009 toll rate increase previously noted. As of March 2009, fiscal year-to-date revenue was 7.9 percent below FY 2008. However, with approximately three months of higher toll rates, revenues rebounded to approximate FY 2008 levels. OCEA reported that the decline in FY 2009 transactions is attributed to the state-wide economic downturn and decrease in employment throughout central Florida. Actual toll revenue for the first 6 months of FY 2010 is approximately 31 percent higher than FY 2009 toll revenue for the same period.

Operating Efficiency

In order to better understand fluctuations in operating efficiency indicators, the following table provides a comparison of FY 2008 and FY 2009 operating expenses for OCEA.

FY 2009 total operating expenses decreased by \$17.3 million, or 20 percent, over FY 2008 while total operating revenues remained virtually unchanged (0.2 percent increase over FY 2008). This resulted in an overall decrease in the ratio of operating expenses to operating revenues. All expense categories, except depreciation, showed decreases. As previously noted, the Authority reduced FY 2009 toll collection, routine maintenance, and administration expenses as a result of toll revenue declines noted prior to the April 2009 toll rate increase. The \$9.2 million

Table 13
Orlando-Orange County Expressway Authority
Operating Expense Comparisons
FY 2008 versus FY 2009

<i>Category</i>	<i>FY 2008 (\$000)</i>	<i>FY 2009 (\$000)</i>	<i>\$ Difference</i>	<i>% Difference</i>
Toll Collection	\$35,591	\$32,233	(\$3,358)	-9%
Routine Maintenance	14,468	13,695	(773)	-5%
Renewal and Replacement	10,532	1,307	(9,225)	-88%
Administration	5,577	5,252	(325)	-6%
Depreciation	12,331	14,812	2,481	20%
Other	9,157	3,081	(6,076)	-66%
Total Operating Expenses	\$87,656	\$70,380	(\$17,276)	-20%

FY 2009 Total Operating Expenses decreased by \$17 million, or 20 percent, over FY 2008.

Toll revenue for the first 6 months of FY 2010 is 31 percent higher than FY 2009 toll revenue for the same period.

decline in renewal and replacement expenses is attributed to completion of resurfacing projects in prior years. Other operating expenses decreased \$6.1 million due to feasibility studies conducted in FY 2008 that were not conducted in FY 2009.

In lieu of reporting depreciation on infrastructure (roads, bridges and other highway improvements), OOCEA reports costs associated with maintaining the existing roadway system as preservation expense. However, depreciation is charged on furniture and equipment, toll equipment, toll facilities and buildings. FY 2009 depreciation expenses increased by \$2.5 million, or 20 percent over FY 2008 primarily due to additional assets placed in service during FY 2009. Although FY 2009 toll collection, routine maintenance and administrative expenses decreased from FY 2008, their percentage of total operating expenses increased as a result of a higher overall percentage decrease in the other operating expense categories.

Right-of-Way

OOCEA has not been collecting right-of-way data in the reporting format prescribed by the Commission for reportable operating indicators. The information is not readily available and would be a burden on daily operations to obtain. In addition, the methodology employed in right-of-way acquisition does not necessarily involve all four factors for each acquisition. OOCEA preferred methodology is to negotiate an agreement without tendering a first offer. In addition, agreement/

settlement amounts as reported may include items other than land, such as non-business damages, attorney fees and costs, expert fees and costs, business damages, business loss relocation and fixtures that may not be in the appraised amount. The right-of-way acquisitions completed during FY 2009 for the John Land Apopka Expressway were impacted by costs not included in the appraisal, such as attorneys' fees, business damages and expert costs. The details of these impacts are included in a Right-of-Way (ROW) Acquisition Report, prepared by OOCEA's ROW Counsel.

Because the Wekiva Parkway preferred alignment is not expected to be approved until late 2010, limited right-of-way acquisition has occurred to



John Land Apopka Expressway Construction.

date for this project. The right-of-way that has been acquired predominately involves the acquisition of the proposed conservation land associated with the Wekiva Protection Act. Those parcels include Pine Plantation, Neighborhood Lakes, and New Garden Coal. The Seminole Woods/Seminole Swamp parcel was also to be acquired as part of the conservation lands described in the Wekiva Protection Act; however, this property is not associated with potential future right-of-way. The Stanton Ridge subdivision was also acquired for

use as future right-of-way. This parcel of property is located near the southern end of the Preferred Alignment Alternative in the City of Apopka. The parcel was being developed as a new residential subdivision containing in excess of 70 finished residential lots. The parcel could not be avoided because of its proximity to the intersection of the John Land Apopka Expressway and US Highway 441. All interested parties determined that it was in the public's best interest to acquire this parcel before the owner began selling new residences.

Governance

In addition to establishing performance measures and operating indicators for transportation authorities, the Commission developed "governance" criteria for assessing each authority's adherence to statutes and policies and procedures. To that end, the Commission monitored compliance in the areas of ethics, conflicts of interest, audits, public records, open meetings, procurement, consultant contracts and compliance with bond covenants.

Ethics and Conflicts of Interest

OOCEA provided a copy of its Code of Ethics policy that was adopted by the Board on June 25, 2004 and amended on March 25, 2009. The policy is applicable to Board members, employees and consultants retained by OOCEA. Board Members are also subject to compliance with Chapter 112, Part III, Florida Statutes. The policy appears to be comprehensive and includes areas such as statement of intent and declaration of OOCEA policy, covered persons, conflicts of interest, prohibited conduct or activity, financial disclosures and political activities.

The State Attorney's Office convened a Grand Jury four times in 2007 that heard testimony concerning an area of practice by OOCEA that

caused concern regarding the exercise of responsibility by the Authority to conduct business with its vendors and consultants in a fair and ethical manner. Although no one was charged with a crime (no indictments), and nothing was referred to the State Commission on Ethics, the Grand Jury recommended a remedy by presentation of a report or "Presentment." The Presentment was not made public until the court unsealed it on February 27, 2009.

The Grand Jury Presentment noted that a previous OOCEA Chairman of the Board utilized two primary consultants to OOCEA to raise political campaign funds from the vendors and consultants of OOCEA. Lists of OOCEA vendors and other consultants were provided to these consultants in order to assist in fund raising efforts. The Presentment further stated that these fund raising activities created the appearance that it was necessary to contribute to those candidates or issues supported by the Chairman in order to continue doing business with the Authority. The Presentment indicated that reform by OOCEA was necessary and that all solicitations of OOCEA vendors generated by a Board member or OOCEA staff be prohibited and that any contributions to the campaign of a sitting Board member be disclosed.

As a result of the Grand Jury Presentment, on March 25, 2009 the Board approved an amendment to the OOCEA Code of Ethics policy and Personnel policy relating to political activity. These amendments prohibit any Board member, employee, or consultant from *requesting, soliciting, or communicating in any manner* with any other Board member, employee, consultant, vendor or independent contractor for the purpose of inducing political campaign contributions and require disclosure of contributions to the campaign of a sitting Board member. The revisions strengthen the previous policy in that they delete

reference to “coerce” and instead flatly prohibit the action of even asking for contributions.

On March 25, 2009 the Board also approved the formation of a Citizens’ Advisory Committee (CAC). The committee was chartered to meet for 90 days and to provide recommendations on issues related to additional cost controls or sources of revenue, additional audits required and staffing of the Authority. On July 24, 2009 the Board accepted the CAC report and adopted the Action Plan to address recommendations contained therein. The CAC report and activities related to the Committee are posted on the Authority’s Web site www.oocea.com/corporate/about/citizensadvisory/default.aspx. Pursuant to a recommendation contained in the report, the OOCEA Audit Committee has included an internal audit of compliance with current Ethics policy in the FY 2010 Audit Plan (estimated completion is fall 2010). Additionally, the Action Plan addresses CAC recommendations for revisions to the Ethics policy. The Authority’s General Counsel has been named as the OOCEA Ethics Officer responsible for establishing an annual mandatory training program, reviewing and revising ethics violation penalties, as needed, and reviewing and revising policy on the use of Authority assets.

Commission staff reviewed the Authority’s Board minutes and did not find any recorded instances of conflicts of interest violations or investigations. The meeting minutes did disclose an instance where a Board member abstained from voting on a consent agenda item due to a voting conflict. OOCEA provided and Commission staff reviewed conflict of interest documentation (State Commission on Ethics Form 8B - Memorandum of Voting Conflict for County, Municipal, and Other Local Public Officers). Additionally, each new Board member receives a “briefing package” on OOCEA that includes, among other items, information relating



OOCEA Headquarters.

to ethics, conflict of interest, public records and open meetings. Senior staff of the Authority (including Legal Counsel) provides four hours of training to new Board members relating to the briefing package. Although no formal ethics training has been provided to Board members or staff in FY 2009 (other than new Board member training), OOCEA General Counsel is currently establishing an annual mandatory training program.

Audits

OOCEA previously established an Audit Committee whose primary function is to assist the Authority Board in fulfilling its oversight responsibilities by reviewing financial information, systems of internal controls, the audit process and the process for monitoring compliance with laws and regulations and the Code of Ethics. The committee comprises five voting members: two members of the Board, a representative from the City of Orlando, a representative from Orange County, and a member of the community. On July 24, 2009, the Board adopted the Audit Committee Charter as a permanent rule and amended the internal audit section to require that all internal audits be placed as a separate item on the Consent Agenda for

Transportation Authority Monitoring and Oversight

formal acceptance at a regularly scheduled Board meeting (rather than just distributed to Board members).

An annual independent audit of OOCEA financial statements for the fiscal years ended June 30, 2009 and 2008 was performed. The Independent Auditor's Report indicated that the financial statements were prepared in conformity with GAAP and received an unqualified opinion. The Independent Auditor's Report on Compliance and Internal Control over Financial Reporting did not identify any deficiencies in internal control that were considered material weaknesses, and the results of audit tests did not disclose instances of noncompliance required to be reported under Government Auditing Standards. The Independent Auditor's Report on Compliance with Bond Covenants indicated that, in connection with the audit, nothing came to the auditor's attention that caused them to believe that the Authority failed to comply with the terms, covenants, provisions, or conditions of Sections 5.2, 5.5 to 5.7, 5.9, 5.10, 5.12 and 5.17 of the bond resolutions as they relate to accounting matters. In the Independent Auditor's Management Letter, the auditors recommended that a formal process and written policy be established to identify and record the disposal of toll equipment and software. Additionally, the auditors recommended that OOCEA regularly communicate its purchasing policy to employees so that purchasing card limits are understood and proper reviews are conducted. OOCEA has implemented the recommendations contained in the Management Letter.

Although a newly created in-house Internal Audit position was filled in November 2007, the position is currently vacant and a contracted outside consulting firm (Protiviti, Inc.) is currently responsible for providing Internal Audit support services as requested by the OOCEA Audit

Committee and Board. Protiviti monitors and reports on the status of the Internal Audit Plan and independently verifies and reports the status of all audit/review recommendations. The status of audit/review recommendations for OOCEA improvements that have not yet been completed is provided in Appendix C. Recommendations drop from the list as they are independently verified by Protiviti as completed by OOCEA. The following table and narrative provides a brief summary of various audits/reviews. These reports are posted, in their entirety, on the Authority's Web site www.expresswayauthority.com.

- Audit of the Orlando Orange County Expressway Authority (October 2007) - The OOCEA Board approved an independent audit of the Authority by the Orange County Comptroller's Office. The audit included 81 recommendations for improvement in 7 areas. OOCEA has completed most of the audit recommendations and anticipates completion of all outstanding action items by June 30, 2010. As described in Appendix C, only three recommendations remain outstanding.
- Building Issues (November 2008) - The Board authorized construction of a new OOCEA Headquarters building that opened in May 2008. At the request of the OOCEA Audit Committee, the Director of Internal Audit for the Authority conducted an internal audit to address issues related to inaccuracies presented to the Board regarding lease or build options for the new facility that would centralize operations and administration. The report was critical of the General Engineering Consultant and Authority Management for the accuracy and review of data prepared and presented to the Board. Authority management took exception to many statements and conclusions drawn in the report. The Authority occupied the previous headquarters for 36

Table 14
Orlando-Orange County Expressway Authority
Status of Audit/Review Recommendations

<i>Audit/Review</i>	<i>Implementation Status of Recommendations</i>			
	<i>Completed</i>	<i>In Process/ Not Completed⁽¹⁾</i>	<i>Did Not Concur (No Action)</i>	<i>Total</i>
Financial Statement Audit (FY 2009)	2	-	-	2
Orange County Comptroller's Audit (October 2007)	72	3	6	81
Building Issues (November 2008)	4	-	-	4
Vehicles Issues (January 2009)	5	-	4	9
Toll Revenue Review Report (April 2009)	14	13	-	27
Report of Citizens' Advisory Committee (July 2009)	11	13	-	24
Governance Audit of OOCEA (October 2009)	8	5	-	13
Total Number of Recommendations	116	34	10	160

¹ The status of recommendations in process/not completed by OOCEA as of March 2, 2010 is provided in Appendix C.

years and management believes that the Authority will continue to operate well past the breakeven point and be able to achieve savings from constructing its own building rather than leasing. As recommended in the Building Issues report, the OOCEA Audit Committee authorized a Governance Audit to review Board governance processes and make recommendations to improve accountability and transparency. The Governance Audit was completed in October 2009.

- Vehicles Issues (January 2009) - The OOCEA Audit Committee authorized the Director of Internal Audit for the Authority to conduct an internal audit on vehicle transactions related to Maintenance Management Consulting (MMC) work. The report concluded that not all vehicle transactions were handled appropriately, all credits for residual vehicle values were not received, and further improvements to strengthen internal controls were needed. Management responded by documenting that all credits related to residual vehicle value were received by the Authority or utilized through the MMC contract. The audit included nine recommendations and, as described in Appendix C, no recommendations remain

outstanding. OOCEA Management did not concur with four recommendations.

- Toll Revenue Review Report (April 2009) - KPMG was selected through a competitive procurement process and approved by the Audit Committee and Board to provide internal audit services and to conduct a review of OOCEA toll revenue. Overall, the auditors concluded that “the toll revenue process appeared to have controls in place that were operating as intended.” The audit identified 11 findings and 27 recommendations for improvement. The four high risk audit findings that are being addressed by the Authority are:
 - ◊ Violations Business Rules - Business rules governing violations do not appear to be achieving the strategic objective of educating the customer base and deterring chronic offenders.
 - ◊ Additional Observations Pertaining to Violations Business Rules - A number of toll violation transactions are not being pursued for toll recovery or citation due to existing business rules.
 - ◊ Third Party Policies and Procedures

Governance - Management significantly relies on controls of contractors for a number of business processes. OOCEA should monitor policies and procedures at the contractor level more closely to ensure that actions and levels of service provided are always consistent with the Authority's policies and management objectives.

- ◇ Data Analysis and Business Intelligence - Implement continuous monitoring and testing standards throughout the toll revenue processes based on risk areas identified in the report. Continue documentation standards for all key risk processes that include process flow maps, risk identification and defined policies and procedures at all levels.

The five medium risk audit findings that are being addressed include the \$10 variance threshold for cash collections; insufficient funds procedures; reviews over accuracy of treadles/loops; system access reviews; and standard software development life cycles.

An internal analysis of the OOCEA toll violation process, together with findings from the Toll Revenue Review Report, led the Authority to change its business rules. In June 2009, the Board amended toll enforcement policies (business rules) whereby an Unpaid Toll Notice (UTN) is mailed to violators requesting payment of the toll along with an administrative fee. The new policy enables OOCEA to place a Vehicle Registration Hold on the violating vehicle with the Department of Highway Safety and Motor Vehicles. The process still allows OOCEA to issue a Uniform Traffic Citation (UTC) to chronic offenders for unpaid UTN's with approval of the Manager of Toll Operations, Deputy Executive Director and the Executive Director. The Authority has collected over \$1 million as of March 1, 2010 by implementing these new rules. As described in Appendix C, 13 of the 27

recommendations for improvement remain outstanding.

- Report of Citizens' Advisory Committee (July 2009) - As previously noted, on March 25, 2009 the Board approved the formation of a Citizens' Advisory Committee (CAC). The CAC consisted of six members approved by the Board with Senator Daniel Webster serving as Chairman. The committee was chartered to meet for 90 days and to provide recommendations to the Board on issues related to additional cost controls or sources of revenue, additional audits required and staffing of the Authority. The CAC Chairman organized committee assignments to address the Board's objectives and further developed them around the following major areas concerning OOCEA: repair integrity, reassess intent, and restore image. On July 24, 2009 the Board accepted the CAC report and adopted the Action Plan to address 24 recommendations contained therein. As described in Appendix C, 13 of the 24 recommendations for improvement remain outstanding.
- Governance Audit of Orlando Orange County Expressway Authority (October 2009) - The OOCEA Audit Committee authorized Vantage Consulting to conduct a governance audit to assess Board governance in relation to best practices and recommend enhancements to the Board for implementation. The audit included a review of structural design, including by-laws, committee responsibilities and reporting, code of conduct, and conformance with legal and regulatory requirements. The assessment included a review of the definition and delineation of responsibilities between Board and Management including practices relating to strategic planning, operating and capital

budgets, long-term financial planning, oversight of capital projects, approval of expenditures, meetings and culture. Additionally, the audit assessed the sources of information on which the Board makes decisions, the processes by which the information reaches the Board and the tools and processes the Board utilizes for organizational performance monitoring.

Overall, the auditors concluded that “OOCEA, with its current governance structure, functions in an acceptable if not perfect manner.” The audit identified 17 findings and 13 recommendations for improvement. As described in Appendix C, eight recommendations have been completed, and five recommendations for improvement are currently in process.

The OOCEA Board and Management have instituted many reforms, both on their own and as a result of various audits and reviews, to improve operations, transparency and culture of the Authority. In fact, the increase in internal audits as described above is a direct result of the Authority’s actions to identify areas for improvement.

Public Records and Open Meetings

OOCEA is operating under Chapter 119, Florida Statutes, relating to public records. The Authority is subject to the provisions of Section 189.417, Florida Statutes and Chapter 286, Florida Statutes, for open meetings. In addition, OOCEA has adopted their own procedures for Board Meetings and Informal Proceedings. A review of OOCEA agendas and Board meeting minutes, as posted on the Authority’s Web site (www.expresswayauthority.com), showed that the agendas and minutes appear to be in compliance with statute and policy. Commission staff also reviewed a Board Meeting Schedule published in the Orlando Sentinel newspaper and public meeting notices posted on the Authority’s website.

OOCEA policy also requires public meeting notices to be posted at OOCEA Headquarters, the Orange County Administration Building and the City of Orlando Administration Building. Based on the review, it appears that required notice of public meetings is in compliance with OOCEA policy and Florida Statutes.

Procurement

The OOCEA Board adopted a Procurement Policy and authorized three additional procurement positions in 2007. OOCEA staff worked closely with Orange County Staff and others to develop the Procurement Policy. The key components of the policy established a centralized Procurement Department for all purchases and contracts, encouraged standardized contracts, required term limits for all contracts and preserved the Micro Contracts Program and Small Sustainable Business Enterprise (SSBE) Program. On September 23, 2009 the OOCEA Board adopted a revised Procurement Policy that strengthens the purpose of the policy, establishes five levels of procurement, establishes an owner direct purchase option, authorizes the Procurement Director as the approved signatory on all contracts, amendments and renewals and requires annual review of the Procedures Manual. Prior Board approval is required for:

- All contracts, supplemental agreements, amendments, purchase orders and contract renewals obligating the Authority to an amount of \$50 thousand or more
- Advertisements for proposals and bids valued at \$50 thousand or more
- Procurements of \$50 thousand or more
- Undisclosed sub consultant contracts of \$25 thousand or more in aggregate

Transportation Authority Monitoring and Oversight

The Director of Procurement is authorized to approve any type of procurement in an amount less than \$50 thousand per contract or purchase order without Board approval. The Director of Procurement is authorized to execute all contract amendments and renewals with Board approval required for those valued at \$50 thousand or more. Additionally, the Director of Procurement can execute amendments for extensions of contract time that do not include an increase in compensation to the contractor. Emergency purchases in excess of \$50 thousand require Executive Director approval and shall be submitted to the Board for approval at the next scheduled Board meeting.

Consultant Contract Reporting

OOCEA provided a list of all "General Consulting" contracts and those sub contracts that exceeded \$25 thousand in FY 2009. As indicated in Table 15, 13 sub consultants were used by the general consulting firms for a total cost of \$1.0 million in FY 2009.

Compliance with Bond Covenants

OOCEA issued \$499 million in Variable Rate Refunding Revenue Bonds, Series 2008B, in May 2008. Bonds are payable from and secured by a pledge of net revenues from the operation of the Expressway System. Bond proceeds were used to

Table 15
Orlando-Orange County Expressway Authority
Summary of General Consultant Sub Consultant Activity
FY 2009

<i>Consulting Contract</i>	<i>Description</i>	<i>Sub Consultants >\$25 K (\$000)</i>
PBS&J	General Engineering Consultant	
GMB Engineers & Planners, Inc.	Miscellaneous Traffic Data Collection	\$60
HNTB Corporation	Traffic and Revenue Consultant	
Stantec Consulting, Inc.	Bond Issue Support/Traffic Survey	\$14
Metric Engineering	Systemwide CEI Services	
PB Americas, Inc.	CEI Inspection	\$109
Page One Consultants	CEI Inspection	\$35
C & M Environmental	CEI Inspection	\$66
Target Engineering Group	Systemwide CEI Services	
HNTB Corporation	CEI Inspection	\$76
KCCS, Inc.	CEI Inspection	\$130
PB Americas, Inc.	CEI Inspection	\$122
Infrastructure Corp. of America	Roadway and Bridge Maintenance Service	
USA Services	Guardrail Repair	\$57
All Florida Guardrail	Guardrail Repair	\$112
Jericho Lawn	Landscape Services	\$169
Transfield, Inc. (VMS)	Roadway and Facilities Maintenance	
Milners, Inc.	Mowing	\$31
Infrastructure Corp. of America	Facility Maintenance Service	
Southeast Business Services	Janitorial Services	\$38
Total Sub consultants > \$25 K		\$1,019

refund the Series 2005 Bonds. As of June 30, 2009, bonds in the principal amount of approximately \$2.1 billion remain outstanding. As previously noted, in March 2010, OOCEA issued \$335 million in fixed rate Revenue Bonds, Series 2010A, to partially fund Work Plan projects. The following areas were noted to be in compliance with bond covenants:

- Annual financial information and operating data were filed with the Securities and Exchange Commission (SEC) pursuant to Rule 15c2-12.
- An annual financial statement audit was performed.
- OOCEA utilizes a nationally recognized General Engineering Consultant (PBS&J).
- OOCEA utilizes a nationally recognized Traffic and Revenue Consultant (HNTB).
- Debt service coverage ratio exceeds bond requirements (FY 2009 and FY 2008 verified).

Summary

The Florida Transportation Commission review of OOCEA was conducted with the cooperation and assistance of the Authority and relied heavily on documentation and assertions provided by Authority management.

OOCEA met or exceeded 14 of the 16 applicable management objectives established for performance measures. The performance measure objectives not met were for safety and debt service coverage (bonded/commercial debt).

Operating indicator trend analysis showed that renewal and replacement costs significantly decreased in FY 2009 primarily due to the

completion of the SR 417 resurfacing project in FY 2007 and the SR 528 resurfacing project in FY 2008. FY 2009 revenue grew by 0.2 percent over FY 2008 levels despite a decrease of 7.1 percent in toll transactions. This is a result of a toll rate increase implemented on April 5, 2009, whereby tolls increased by \$0.25 at mainline plazas and most ramps. OOCEA reported that the transaction decline in FY 2009 is attributed to the state-wide economic downturn and decrease in employment throughout central Florida. Actual toll revenue for the first 6 months of FY 2010 is approximately 31 percent higher than FY 2009 toll revenue for the same period. Total operating expenses decreased by 20 percent in FY 2009, primarily due to budget reductions in toll collection, maintenance and administration implemented by OOCEA during FY 2009; a planned decrease in renewal and replacement expenses; and, a reduction in other expenses related to feasibility studies.

In the area of governance, the State Attorney's Office convened a Grand Jury in 2007 that heard testimony concerning an area of practice by OOCEA that caused concern regarding the exercise of responsibility by the Authority to conduct business with its vendors and consultants in a fair and ethical manner. As a result of the Grand Jury Presentment, made public on February 27, 2009, OOCEA amended its Code of Ethics policy and Personnel policy relating to political contributions and disclosures. The FY 2009 independent financial statement audit reflected an unqualified opinion. The Authority has implemented recommendations for improvement provided in the Auditor's Management Letter relating to disposal of software and communication of its purchasing policy. The recommendations for improvement contained in the October 2007 Orange County Comptroller's Office Audit of OOCEA are substantially complete. Only 3 of the 81 recommendations have not yet been completed.

Transportation Authority Monitoring and Oversight

OOCEA significantly increased the number of internal audits and reviews and has instituted many reforms based on recommendations contained therein. An outside consulting firm provides Internal Audit support services to OOCEA's Audit Committee and Board and independently verifies and reports the status of all audit/review recommendations. The status of all recommendations for OOCEA improvements that have not yet been implemented is provided in Appendix C. The following list identifies audits and reviews that were issued subsequent to FY 2008. These reports are posted, in their entirety, on the Authority's Web site www.expresswayauthority.com.

- Building Issues (November 2008) - Examined the accuracy and review of data prepared and presented to the Board relating to lease or build options for the new OOCEA Headquarters building
- Vehicles Issues (January 2009) - Examined vehicle transactions related to maintenance management consulting work
- Toll Revenue Review Report (April 2009) - Reviewed toll revenue operations for cash toll collections, electronic toll collections and violations
- Report of Citizens' Advisory Committee (July 2009) - Provided recommendations to the Board on issues related to additional cost controls or sources of revenue, additional audits required and staffing of the Authority

- Governance Audit of OOCEA (October 2009) - Assessed Board governance in relation to best practices and recommended enhancements to the Board for implementation

Based on the Commission's limited review of Board meeting minutes, OOCEA policies and procedures, Florida Statutes, Financial Statements, Bond Covenants and other documentation provided by the Authority, there were no instances noted of noncompliance with applicable laws or regulations in the areas of conflicts of interest, public records, open meetings, bond compliance and other governance criteria established by the Commission. As previously noted, in 2007 there was an investigation related to Ethics that prompted a change in OOCEA's Ethics policy in FY 2009.

The Commission recognizes OOCEA for its ongoing efforts to address operational findings and recommendations contained in the numerous audits and reviews of the Authority. The increase in internal audits is a direct result of OOCEA's actions to identify areas for improvement. The Commission encourages OOCEA to continue to develop and pursue action plans to help meet established performance measure objectives. The Commission acknowledges, with appreciation, the assistance of the OOCEA Board and staff in providing the resources necessary to conduct this review and to complete this report.

Santa Rosa Bay Bridge Authority (SRBBA)

Background



The Santa Rosa Bay Bridge Authority (SRBBA) is an agency of the state of Florida, created in 1984 under Chapter 348, Part IX, Florida Statutes for the purposes of and having the power to acquire, hold, construct, improve, maintain, operate, own and lease the Santa Rosa Bay Bridge System. The Authority may also fix, alter, change, establish and collect tolls, rates, fees, rentals and other charges for the services and facilities of such system and is further authorized to issue bonds. SRBBA is reported as an Independent Special District of the state of Florida and subject to the provisions of Chapter 189, Florida Statutes (Uniform Special District Accountability Act of 1989) and other applicable Florida Statutes. The fiscal year for SRBBA, as reported herein, runs from July 1 to June 30, corresponding to the Florida Department of Transportation's (Department) fiscal year (FY) and the Authority's bond year for debt service payments.

The governing body of SRBBA consists of seven members. Three members are appointed by the Governor, three members are appointed by the Board of County Commissioners (BOCC). The District Three Secretary of the Department is an ex-officio member of the Board. Except for the District

Three Secretary, all members are required to be permanent residents of Santa Rosa County at all times during their term of office.

SRBBA owns the Garcon Point Bridge, a 3.5-mile bridge that spans Pensacola/East Bay between Garcon Point (south of Milton) and Redfish Point (between Gulf Breeze and Navarre) in southwest Santa Rosa County. The bridge and roadway segments that comprise this facility are designated as SR 281 and provide access to the Gulf Breeze

Highlights

- SRBBA is in technical default on its bonds.
- Even with programmed toll increases, revenue is projected to be insufficient to make debt service payments.
- Continued draws on the debt service reserve fund are projected to deplete the fund in FY 2012.
- SRBBA bonds are considered "non-investment grade." All three rating agencies further downgraded SRBBA bonds in FY 2009.
- A Lease-Purchase Agreement Amendment, whereby FDOT provides SRBBA funding for administration was adopted by the SRBBA Board in January 2009.
- FY 2009 traffic and revenue decreased by 8.6 percent and 8.4 percent, respectively, due to the economic recession.
- An independent financial statement audit was not performed.
- Although administrative funding is provided to SRBBA, the Board did not meet for one year.
- Required annual financial report and audit report were not filed with the Department of Financial Services.

Table 16
Santa Rosa Bay Bridge Authority
Current Board Members

<i>Name</i>	<i>Appointment</i>	<i>Position</i>
Garnett Breeding	Santa Rosa County BOCC	Chairman
R.S. (Steve) Burch	Santa Rosa County BOCC	Vice Chairman
A. Morgan Lamb	Governor	Secretary-Treasurer
Shannon M. Jeffries	Santa Rosa County BOCC	Board Member
Vacant	Governor	Board Member
Vacant	Governor	Board Member
James T. Barfield, P.E.	District Three Secretary	Ex-Officio

peninsula from areas north and east of Pensacola Bay. On the south side of the bay, the road continues as a one-mile, two-lane highway that connects to US 98. On the north side of the bay, SR 281 connects to I-10 approximately 7.5 miles north of the toll plaza. Overall, the distance between US 98 and I-10 is 12 miles.

SRBBA oversaw the financing and construction of the Garcon Point Bridge. Construction of this two-lane facility was financed by Series 1996 Revenue Bonds. A portion of the cost of the project was also funded by a \$7.5 million loan from the Department's Toll Facilities Revolving Trust Fund (TFRTF). The bridge opened to traffic on May 14, 1999.

The Authority has a Lease-Purchase Agreement with FDOT.

District 3 provides maintenance for Garcon Point Bridge.

Turnpike Enterprise provides toll operations.

O&M costs are deferred until revenues are sufficient to pay debt service and the TFRTF loan.

SRBBA entered into a lease-purchase agreement with the Department, whereby the Department maintains and operates the bridge and remits all tolls collected to the Authority as lease payments. The term of the lease runs concurrently with the bonds and matures in 2028. At that time, the Department will own the bridge, assuming the bonds are fully paid. Should any bonds be outstanding in 2028, the lease term will be extended through the payoff date of the outstanding bonds.

Toll operations of SRBBA are provided by Florida's Turnpike Enterprise (Enterprise), and maintenance functions are performed by the Department's

District Three. Costs of operations and maintenance are currently being recorded as a debt owed to the Department because toll revenues are insufficient to pay both the debt service on the bonds and operations and maintenance expenses. In addition, the TFRTF loan (including interest) is to be repaid once revenues are sufficient to pay the debt service on the bonds and prior to any repayment of operations and maintenance subsidies. The balance of this liability on June 30, 2009 was \$21.9 million.

Table 17
Santa Rosa Bay Bridge Authority
Long-term Debt Payable to the Department (in millions)
Year Ended June 30, 2009

<i>Transaction</i>	<i>(millions)</i>
Advances for Operating, Maintenance and R&R Expenses	\$14.0
Loan from Toll Facilities Revolving Trust Fund	\$7.9
Total Due the Department	\$21.9

Source: Florida Department of Transportation's Office of the Comptroller and Office of Financial Development.

Performance Measures

Pursuant to the Florida Transportation Commission's (Commission) expanded role in providing oversight to authorities, the Commission conducts periodic reviews of each authority's operations and budget, acquisition of property, management of revenue and bond proceeds, and compliance with applicable laws and Generally Accepted Accounting Principles (GAAP). Consequently, the Commission, in concert with the authorities, developed performance measures and management objectives that establish best practices across the industry to improve the overall delivery of services to the traveling and freight moving communities that are critical to the overall economic well-being and quality of life in Florida. FY 2009 results, as reported by the Department for SRBBA, are provided in the following table. Results for the last five fiscal years are included in Appendix B.

Table 18
Santa Rosa Bay Bridge Authority
Summary of Performance Measures
FY 2009

<i>Performance Measure</i>	<i>Detail</i>	<i>Objective</i>	<i>Actual Results</i>	<i>Meets Objective</i>
Operations				
SHS Roadway Maintenance Condition Rating	Condition rating of at least 90	90	N/A	N/A
Pavement Condition Rating	% SHS lane miles rated "excellent or good"	> 85%	100.0%	✓
Bridge Condition - Rating	% bridge structures rated "excellent or good"	> 95%	100.0%	✓
Bridge Condition - Weight Restrictions	% SHS bridge structures with posted limit	0%	0.0%	✓
Electronic Toll Collection (ETC) - Transactions	Number of ETC transactions as % of total transactions	> 75% by 6/30/12	35.1%	X
Revenue Variance	Variance from indicated revenue (without fines)	< 4%	4.0%	✓
Safety ¹	Fatalities per 100 million vehicle miles traveled	> 10% below 5 yr. avg (.58)	0.0	✓
Customer Service	% customers satisfied with level of service	> 90%	94.6%	✓
Operations and Budget				
Consultant Contract Management	Final cost % increase above original award	< 5%	N/A	N/A
Construction Contract Adjustments - Time	% contracts completed within 20% above original contract time	≥ 80%	N/A	N/A
Construction Contract Adjustments - Cost	% projects completed within 10% above original contract amount	≥ 90%	N/A	N/A
Cost to Collect a Toll Transaction	Total toll collection cost/number of transactions (net of exclusions)	< \$0.16	\$0.63	X
Annual Operating, Maintenance and Administrative (OM&A) Forecast Variance	Actual OM&A to annual budget	+/- 10%	-17.6%	X
Applicable Laws				
Minority Participation	M/WBE and SBE utilization as % of total expenditures (each agency establishes goal/target)	> 90%	N/A	N/A
Revenue Management and Bond Proceeds				
Debt Service Coverage - Bonded/Commercial Debt	[(Rev - interest) - (toll operating & maintenance expense)] / commercial debt service expense	> 1.5	0.52	X
Debt Service Coverage - Comprehensive Debt	[(Rev - interest) - (toll operating & maintenance expense)] / all scheduled debt service expense	> 1.2	0.52	X
Debt Service Coverage - Compliance with Bond Covenants	Debt service coverage meets or exceeds minimum Bond Covenant requirements	Yes	No	X

¹ Safety objective based on five year average of fatalities per 100 million VMT for the four established authorities. Actual results based on CY 2008 data.

Of the 17 performance measures established by the Commission, only 12 are currently applicable to SRBBA. Of these 12 measures, SRBBA met or exceeded 6 of the performance measure objectives. The State Highway System (SHS) Maintenance Rating is only applicable to roadways and is, therefore, not pertinent to this authority. SRBBA has not undertaken any additional projects since the opening of the bridge in 1999; therefore, the consultant cost and construction time and cost measures, as well as the minority participation measure, are not applicable at this time. The six performance measure objectives the Authority did not meet are described below and include trend data, explanations and any action plans that SRBBA has developed to assist in meeting the measures.

Electronic Toll Collection - Transactions

For the Authorities, the Commission adopted the Department's Electronic Toll Collection (ETC) performance measure objective established for Florida's Turnpike Enterprise. A new objective of greater than 75 percent ETC transactions by June 30, 2012 was established by the Performance Measures Working Group for FY 2009. The FY 2008 objective was greater than 75 percent ETC transactions by December 31, 2008.

ETC transactions for SRBBA constituted 35.1 percent of total transactions during FY 2009. This is significantly lower than the established objective due to the large number of tourists and seasonal residents using the bridge. Actual monthly ETC transactions subsequent to FY 2009 (July through December) did not exceed 40 percent. Based on the current level of ETC transactions, SRBBA is not expected to meet the goal of 75 percent ETC participation by June 30, 2012.

ETC users are provided a retroactive 50 percent toll discount after reaching 30 transactions per month on the Garcon Point Bridge. This discount

totaled \$333 thousand in FY 2009 and provides an incentive for increased ETC participation by commuters and frequent travelers. *SunPass* participation peaks during the winter months due to a lower percentage of tourists.

Cost to Collect a Toll Transaction

The \$0.63 cost to collect a toll transaction far exceeds the \$0.16 objective established by the Commission. Operations of Garcon Point Bridge require a significant amount of fixed costs relative to the number of motorists using the facility. Due to the low percentage of ETC customers, staffing of "manned" lanes to accommodate cash customers creates a high fixed cost. Although the FY 2009 transaction cost of \$0.63 decreased from \$0.71 reported in FY 2008, this is primarily a result of a change in costs included in the cost to collect calculation. The Performance Measures Working Group made a determination to exclude facility insurance from the cost to collect calculation in FY 2009 and to amortize *SunPass* transponder purchases to normalize annual variances caused by the purchase and sales of transponders in different years.

Annual Operating, Maintenance and Administrative (OM&A) Forecast Variance

Actual FY 2009 OM&A expenses for SRBBA were 17.6 percent, or \$233 thousand, below the annual budget (objective is plus or minus 10 percent). Operating expenses were \$195 thousand below the FY 2009 budget due to fewer expenses attributed to insurance premiums, credit card fees and bank services. Also, actual routine maintenance expenses were \$38 thousand below the FY 2009 budget.

Debt Service Coverage

The Authority did not meet any of the three performance measure objectives for debt service coverage.

Table 19
Santa Rosa Bay Bridge Authority
Debt Service Analysis

<i>Fiscal Year</i>	<i>Toll Revenue & Interest Earnings¹</i>	<i>Debt Service Requirement²</i>	<i>Debt Service Shortfall</i>	<i>Debt Service Reserve Balance³</i>
2010	\$4,696,447	\$6,664,375	-\$1,967,928	\$2,513,123
2011	\$5,082,646	\$7,369,375	-\$2,286,729	\$226,394
2012	\$5,174,463	\$7,734,375	-\$2,559,912	-\$2,333,518
2013	\$5,410,000	\$8,124,375	-\$2,714,375	-\$5,047,893
2014	\$5,769,000	\$8,869,375	-\$3,100,375	-\$8,148,268
2015	\$6,024,000	\$9,349,375	-\$3,325,375	-\$11,473,643
2016	\$6,281,000	\$9,834,375	-\$3,553,375	-\$15,027,018
2017	\$6,644,000	\$10,699,375	-\$4,055,375	-\$19,082,393
2018	\$6,917,000	\$11,204,375	-\$4,287,375	-\$23,369,768
2019	\$7,199,000	\$11,704,375	-\$4,505,375	-\$27,875,143
2020	\$7,583,000	\$12,574,375	-\$4,991,375	-\$32,866,518

¹ Amounts based on toll revenue and interest forecasts.

² Debt service amounts as provided in the SRBBA, Series 1996, Official Statement.

³ Proceeds from the Series 1996 Bond Issue originally funded the debt service reserve at \$9.2 million.

SRBBA is in technical default on its bonds by failing to meet toll covenants set forth in Section 5.02(c) of the bond resolution relating to debt service coverage and reserve account requirements. One of the four coverage tests requires that adjusted gross revenue be sufficient to provide 1.2 times debt service requirements for all senior bonds outstanding for the current fiscal year. Because adjusted gross toll revenues were not sufficient to pay FY 2009 debt service of approximately \$6.3 million, SRBBA withdrew approximately \$1.7 million from the Debt Service Reserve Account to make required debt service payments.

The SRBBA Board previously recognized projected revenue shortfalls and adopted a program to increase toll rates every three years beginning in FY 2002, as recommended by the traffic and revenue consultants. Current revenue projections include the impacts of toll rate increases scheduled for FY's 2011, 2014, 2017 and 2020.

Based on these revenue projections and escalating debt service requirements, it is forecasted that SRBBA revenues will be insufficient to make required debt service

payments for the next 11 years (forecast period). Additionally, continued draws on the Debt Service Reserve Fund are projected to deplete the fund in FY 2012.

Customer Service

SRBBA exceeded the Customer Service objective with 95 percent of customers satisfied with the level of service. Results from the Florida Turnpike Enterprise Annual Customer Satisfaction Survey were used for reporting SRBBA Customer Service performance. The Enterprise emailed approximately 1.6 million surveys to active SunPass account holders statewide, and approximately 22 thousand surveys were completed and returned.

Operating Indicators

The Commission, in concert with the authorities, developed operating indicators that provide meaningful operational and financial data that supplement performance measures in evaluating and monitoring organizational performance. The Commission did not establish objectives or goals for these indicators, as various authorities have

Transportation Authority Monitoring and Oversight

unique characteristics. FY 2009 operating indicators are provided in the following table.

Also, to assist in trend analysis, FY 2007 and FY 2008 operating results are provided. Results for the last five fiscal years are included in Appendix B.

Some data related to SRBBA are not currently available. SRBBA operates on a federal fiscal year

(October 1 through September 30); therefore, balance sheet data for 2009 are not available. SRBBA dedicates all of its revenue to the payment of debt service on outstanding bonds and has no funds available to provide for administrative expenses, including the preparation of financial statements and engagement of an independent auditor. The Department's Inspector General's Office completes an annual Accountant's Compilation Report, which is limited in

Table 20
Santa Rosa Bay Bridge Authority
Summary of Operating Indicators (in millions)
FY 2007 through FY 2009

<i>Indicator</i>	<i>Detail</i>	<i>Actual 07 Results (millions)</i>	<i>Actual 08 Results (millions)</i>	<i>Actual 09 Results (millions)</i>
Operations				
Growth in Value of Transportation Assets	Land Acquisition	N/A	N/A	N/A
	Infrastructure Assets	\$106.3	106.3	N/A
	Construction in Progress	N/A	N/A	N/A
	Total Value of Transportation Assets	\$106.3	106.3	N/A
Preservation of Transportation Assets	Renewal & Replacement of Infrastructure	N/A	N/A	N/A
	Routine Maintenance of Infrastructure	\$0.1	\$0.1	\$0.1
	Total Preservation Costs	\$0.1	\$0.1	\$0.1
Toll Collection Transactions	Revenue from Electronic Transactions	29.2%	32.2%	32.5%
Annual Revenue Growth	Toll and Operating Revenue	-4.1%	-0.5%	-8.4%
Operations and Budget				
Operating Efficiency	Toll Collection Expense as % of Operating Expense	86.2%	80.6%	84.3%
	Routine Maintenance Expense as % of Operating Expense	10.0%	9.5%	8.3%
	Administrative Expense as % of Operating Expense	0.0%	0.0%	0.0%
	Operating Expense as % of Operating Revenue	24.7%	27.3%	27.0%
Rating Agency Performance	Toll Operations and Maintenance Expense as % of Operating Revenue	23.8%	24.6%	25.1%
Property Acquisition				
Right-of-Way	Agency Appraisals	N/A	N/A	N/A
	Initial Offers	N/A	N/A	N/A
	Owners Appraisals	N/A	N/A	N/A
	Final Settlements	N/A	N/A	N/A
Revenue Management and Bond Proceeds				
Underlying Bond Ratings (Uninsured)	Standard & Poor's Bond Rating	B-	B-	CC
	Moody's Bond Rating	B1	B2	B3
	Fitch Bond Rating	BB-	BB-	CCC

Note: Amounts in table may not sum exactly due to rounding.

presentation and does not include disclosures required by GAAP (notes to the financial statements). The 2009 Compilation Report should be completed during 2010.

It is important to note FY 2009 operating indicators that significantly differ from prior year trends.

Annual Revenue Growth (Toll and Operating Revenue)

FY 2009 toll revenue and toll transactions decreased from FY 2008 by 8.4 percent and 8.6 percent, respectively. The decrease in traffic and revenue can be attributed to the economic recession. FY 2008 toll transactions decreased by 13.6 percent, while toll revenue decreased by 0.5 percent from FY 2007. The decrease in traffic and revenue can primarily be attributed to the economic slowdown and rising fuel prices. The toll rate increase implemented on July 1, 2007 (FY 2008) to help meet debt service requirements helped to mitigate the decline in toll revenue.

Operating Efficiency (Toll Collection Expense as Percent of Total Operating Expense)

As previously noted under performance measures, the cost to collect a toll transaction for SRBBA far exceeds the objective established by the Commission. A significant portion of toll collection costs are fixed relative to the number of motorists using the facility. Due to the low percentage of ETC customers, staffing of “manned” lanes to accommodate cash customers creates a high toll collection cost. Additionally, the high cost of insuring the Garcon Point Bridge, located in a coastal region of the state, further increases toll collection costs.

Operating Efficiency (Administrative Expense as Percent of Total Operating Expense)

SRBBA has no current funding available to pay for administrative expenses because all revenue is used to pay debt service on outstanding bonds. The “flow of funds,” as detailed in the SRBBA Revenue Bonds, Series 1996, provides that toll revenues first fund debt service, debt service reserve, administrative expenses, TFRTF Loans and lastly State Transportation Trust Fund (STTF) - Department funded items (operating, maintenance, renewal and replacement, *SunPass* and other improvements). In January 2009, the SRBBA Board adopted an amendment to the Lease-Purchase Agreement between SRBBA and



Garcon Point Bridge.

the Department. Pursuant to the agreement, the Department will provide limited administrative assistance and funding to SRBBA for concerns of vital interest. The administrative costs are considered operational in nature and are included in operating costs reported by the Department and the Authority.

Underlying Bond Ratings (Uninsured)

Standard & Poors and Fitch assigned “investment grade” municipal bond ratings of BBB- and BBB, respectively, to the SRBBA Series 1996 Bonds when originally issued. Subsequently, the rating agencies assigned significantly lower bond ratings based primarily on poor traffic and revenue performance relative to original forecasts and draws on the Debt Service Reserve to make required debt service payments. SRBBA ratings are currently not investment grade (below BBB- or Baa3 for Moody’s). All three rating agencies further downgraded SRBBA bonds in FY 2009. Moody’s downgraded the bonds from B1 to B2 in FY 2007 and from B2 to B3 in FY 2009. In February 2008 (FY 2008), Fitch placed the underlying BB- rating on Rating Watch Negative and downgraded the bonds from BB- to CCC in FY 2009. Standard & Poors downgraded the bonds from B- to CC in FY 2009.

Governance

In addition to establishing performance measures and operating indicators for transportation authorities, the Commission developed “governance” criteria for assessing each authority’s adherence to statutes, policies and procedures. To that end, the Commission monitored compliance in the areas of ethics, conflicts of interest, audits, public records, open meetings, procurement, consultant contracts and compliance with bond covenants.

General Governance and Compliance Issues

The SRBBA Board is the governing body responsible for oversight of the Authority. The Authority does not have funding for administrative expenses because all revenue is used to pay debt service on outstanding bonds. The Authority does not have an executive director, secretary or any

staff. Although not required, the Department’s District Three Office provided SRBBA with limited administrative assistance for concerns of vital interest until January 2008. Assistance included funding for essential organizational needs and provision of a Department employee who performed administrative duties including posting public meeting notices, preparing Board agendas and meeting minutes, posting accounting entries and providing financial reports and updating the Authority website. The Department also provided facilities to conduct Board meetings at the Department’s Operations Center in Milton.

Due to economic conditions and legal considerations, the Department significantly scaled back administrative support for SRBBA in January 2008 and stopped providing administrative funding and an employee to assist with administrative duties. After pursuing legal

The Authority did not oversee FDOT's obligations under the Lease-Purchase Agreement.

options, and in consultation with the Authority, the Department developed an amendment to the Lease-Purchase Agreement. The SRBBA Board met in January 2009 and adopted the Amendment, whereby the Department would provide funding for administrative expenses, as approved by the Department at its sole discretion. The Authority would be required to reimburse the Department in the same manner and priority as operating and maintenance expenses (after debt service payments).

Due to lack of administrative support and funding, the SRBBA Board did not meet for approximately one year (the Board met in January 2008 and in January 2009). Subsequent to the Lease-Purchase Agreement amendment adopted by the Board in January 2009, the Board met in April 2009 and

has not met since. The next Board meeting is scheduled in April 2010. Although limited administrative support and funding is currently being provided to SRBBA, the Board did not meet for approximately one year.

As previously noted, the Board is comprised of seven members with four members constituting a quorum. An affirmative vote of at least four members is needed for any action taken by the Authority. Currently, there are two vacant positions on the SRBBA Board pending appointment by the Governor. The last three scheduled Board meetings (July 2009, October 2009 and January 2010) were cancelled due to a lack of quorum.

There are specific requirements contained in the Lease-Purchase Agreement and Continuing Disclosure Agreement that SRBBA must meet. As a result of the Board not meeting, the following Authority noncompliance issues were noted during the Commission staff review.

- Pursuant to Section 7.19 of the bond resolution, SRBBA covenants to diligently enforce all provisions of the Lease-Purchase Agreement relating to the Department's obligations in connection with the System. During the Commission staff review, no instances of Florida Department of Transportation noncompliance with terms of the Lease-Purchase Agreement were noted. However, absent SRBBA Board review of the Department's compliance, interests of the Authority are not adequately protected. The following are Lease-Purchase Agreement provisions with which the Department complied:
 - ◇ The Department prepared annual budgets for operations, maintenance and renewal and replacements.
 - ◇ The Department conducted required bridge and roadway inspections.

- SRBBA is unable to comply with Section 5 of the Continuing Disclosure Agreement requiring a Material Event Notice be filed with the Trustee for any unscheduled draw on the Debt Service Reserve Account reflecting financial difficulties.

As noted above, because the SRBBA Board is not meeting, Commission staff finds there is inadequate governance of the Authority.

Ethics

SRBBA has adopted the provisions of Chapter 112, Florida Statutes, related to ethics. Commission staff reviewed Board meeting minutes and, from that limited review, it appears that the Board has been operating in compliance with the State's ethics laws.

Conflict of Interest

SRBBA has adopted the provisions of Chapter 112, Florida Statutes, related to conflicts of interest. Commission staff reviewed Board meeting minutes and, from that limited review, it appears that the Board has been operating in compliance with the State's conflict of interest laws.



View of Garcon Point Bridge.

Audit

Pursuant to Section 7.11 of the bond resolution, SRBBA covenants that it will file with the Trustee an annual independent financial statement audit as well as quarterly financial statements, signed by the Chairman and prepared in accordance with GAAP. For several years, the Authority has not had an annual audit performed because funding has not been available for administrative expenses. All revenue of the Garcon Point Bridge is used to pay debt service on outstanding bonds. As noted earlier, the Department's Inspector General's Office completes an Annual Accountant's Compilation Report, which is limited in presentation but is in accordance with the requirements for "Statements for Accounting and Review Services" issued by the American Institute of Certified Public Accountants. However, this report does not include all disclosures required by GAAP and, therefore, does not meet the requirement established by the Commission or bond resolution. Pursuant to the Lease-Purchase Agreement amendment, the Department has elected not to fund administrative expenses related to an independent audit of SRBBA for FY 2009, but will continue to provide a Compilation Report through the Department's Inspector General's Office.

Although quarterly financial statements are being prepared by the Authority's accounting firm, these statements are not being submitted to the Trustee as required in the bond resolution. Because the SRBBA Board has not met in approximately one year, required Board approval of the quarterly financial statements has not been obtained.

In addition, during the Commission review, it was noted that SRBBA has not filed an annual financial report or audit report with the Department of Financial Services (DFS) for FY 2008 as required by Section 218.32, Florida Statutes.

Public Records and Open Meetings

SRBBA adopted a formal procedure enacting the provisions of Chapter 120, Florida Statutes, related to public records. The procedure includes a provision that records of SRBBA will be kept in compliance with Chapter 119, Florida Statutes. Commission staff reviewed agendas, meeting minutes and public meeting notices provided by SRBBA. From this limited review, Commission staff determined that SRBBA has been operating within procedure and statute; however, a review of the SRBBA Web site www.garconpointbridge.com indicated that no agendas or minutes of meetings have been posted. Due to limited administrative funding, updating of the website is limited to posting of monthly revenue and transactions.

Procurement

As noted earlier, SRBBA does not have a source of funds to provide for administrative or project related costs and, therefore, does not enter into contracts for commodities or services.

Consultant Contract Reporting

This area is not applicable since SRBBA has no source of funds to acquire consultant staff.

Compliance with Bond Covenants

SRBBA bond covenants require a Determination Resolution (relating to debt service coverage deficiencies) and the Continuing Disclosure Agreement requires a Material Event Notice (relating to debt service reserve account draws) to be filed with the Trustee. The required Determination Resolution and Material Event Notice for July 2009 and January 2010 were not properly filed. In addition, the Board did not review the June 2009 and December 2009 Traffic Consultant's recommendations for revisions to the toll schedule to enable the Authority to comply with Section 5.02(c) of the Bond Resolution.

Although SRBBA has not had a required financial statement audit performed, the Authority provides the Trustee with an Annual Accountant's Compilation Report, prepared by the Department's Inspector General's Office. The Enterprise prepares a Traffic Engineer's Annual Report for Enterprise Toll Operations that is provided to the Trustee and

The Authority did not review the Traffic Consultant's recommendations for revisions to the toll schedule, file a Determination Resolution or Material Events Notice, or file required quarterly financial statements.

FDOT's Inspector General's Office prepares an Accountant's Compilation Report.

The Turnpike Enterprise produces a Traffic Engineer's Annual Report for Enterprise Toll Operations containing Garcon Point Bridge data to help satisfy SEC Rule 15c2-12.

rating agencies. Included in the report is traffic and revenue information for the five Department-owned and three Department-operated facilities, one of which is the Garcon Point Bridge. This report provides information required under SEC Rule 15c2-12. Additionally, the Department provides for disclosure by making available on its Web site www.dot.state.fl.us both the Annual Accountant's Compilation Report and the Traffic Engineer's Annual Report for Enterprise Toll Operations.

Summary

The Florida Transportation Commission review of SRBBA was conducted with the cooperation and assistance of the Authority and the Department and relied heavily on documentation and assertions provided.

The SRBBA Board is the governing body responsible for oversight of the Authority. The Authority does not have funding for administrative expenses because all revenue is used to pay debt service on outstanding bonds. Although not required, the Department provided SRBBA with limited administrative assistance for concerns of vital interest until January 2008. Due to economic conditions and legal considerations, the Department significantly scaled back administrative support for SRBBA and stopped providing administrative funding and an employee to assist with administrative duties. After pursuing legal options and in consultation with the Authority, the Department developed an amendment to the Lease-Purchase Agreement. The SRBBA Board met in January 2009 and adopted the Amendment, whereby the Department provides funding for administrative expenses, as approved by the Department at its sole discretion. The Authority is required to reimburse the Department in the same manner and priority as operating and maintenance expenses (after debt service payments).

Due to lack of administrative support and funding, the Board did not meet for approximately one year (the Board met in January 2008 and in January 2009). Subsequent to the Lease-Purchase Agreement amendment adopted by the Board in January 2009, the Board met in April 2009 and has not met since. The next Board meeting is scheduled for April 2010. Although limited administrative support and funding are currently being provided to SRBBA, the Board did not meet for approximately one year.

SRBBA met or exceeded 6 of the 12 applicable management objectives established for performance measures. The six performance measure objectives not met include: electronic toll collection transactions; cost to collect a toll transaction; annual operating, maintenance and administrative (OM&A) forecast variance; and, the

three objectives established for debt service coverage. The Authority is in technical default on its bonds, and it is forecasted that SRBBA revenue will continue to be insufficient to make required debt service payments. Based on current revenue forecasts, continued draws on the debt service reserve fund are projected to deplete the fund in FY 2012.

Operating indicator trend analysis showed that FY 2009 toll revenue and toll transactions on the Garcon Point Bridge decreased by 8.4 percent and 8.6 percent, respectively, from FY 2008 levels. The decrease in traffic and revenue can primarily be attributed to the economic recession. As previously noted, there are no administrative expenses reported for SRBBA because all revenue is used to pay debt service on outstanding bonds. Pursuant to the Lease-Purchase Agreement amendment, administrative support and funding provided by the Department are considered operational in nature and are included in operating costs reported by the Department and the Authority. Finally, the underlying bond ratings for SRBBA bonds are considered “non-investment grade.” The ratings assigned to the bonds when originally issued were subsequently lowered due primarily to poor traffic and revenue performance relative to the original forecasts and draws on the debt service reserve to make required debt service payments. All three rating agencies further downgraded SRBBA bonds in FY 2009.

In the area of governance, SRBBA has not had a required independent financial statement audit performed for several years. Although quarterly financial statements are being prepared, the statements are not being submitted to the Trustee as required in the bond resolution. Because the Board has not met in approximately one year, required Board approval of the quarterly financial statements has not been obtained. Also, the Authority has not filed a required annual financial

report or audit report with the Department of Financial Services for FY 2008. As a result of the SRBBA Board not meeting, the Authority did not enforce provisions of the Lease-Purchase Agreement relating to the Department’s obligations in connection with the system. However, during the Commission’s review, no instances of Department noncompliance were noted. In addition, SRBBA bond covenants require a Determination Resolution, and the Continuing Disclosure Agreement requires a Material Event Notice to be filed with the Trustee. The required Determination Resolution and Material Event Notice for July 2009 and January 2010 were not properly filed. Also, the Board did not review the June 2009 and December 2009 Traffic Consultant’s recommendations for revisions to the toll schedule to enable the Authority to comply with Section 5.02(c) of the bond resolution.

Based on the Commission’s limited review of Board meeting minutes, SRBBA policies and procedures, Florida Statutes, Accountant’s Compilation Report, Bond Covenants, and other documentation provided by the Authority and the Department, there were no instances noted of noncompliance with applicable laws or regulations in the areas of ethics, conflicts of interest, public records, open meetings, bond compliance and other governance criteria established by the Commission, except for those instances noted above.

Because the SRBBA Board is not meeting, Commission staff finds there is inadequate governance of the Authority. The Commission will continue to monitor SRBBA and the operations of the Garcon Point Bridge and coordinate with the Department on any issues that arise. The Commission would like to acknowledge with appreciation the assistance of the Department and SRBBA in providing information necessary for completion of this report.

Garnett M. Breeding
Chairman

R. S. Burch
Vice-Chairman

Morgan Lamb
Secretary/Treasurer

Shannon Jeffries
Member



Roy V. Andrews, Esquire
Attorney

James T. Barfield, P.E.
Ex-Officio Member

Vacant
Member

Vacant
Member

May 3, 2010

Mr. Marcos R. Marchena, Chairman
Florida Transportation Commission
605 Suwannee Street, MS-9
Tallahassee, Florida 32399-0450

Subject: Transportation Authority Monitoring and Oversight report for
Fiscal Year 2008

Dear Chairman Marchena:

The Santa Rosa Bay Bridge Authority (SRBBA) is benefitting from the Florida Transportation Commission's role in monitoring the performance of transportation authorities. The performance measures provide a reasonable set of criteria to evaluate the management and operation of Florida's toll authorities.

SRBBA met 6 of 7 of the applicable management objectives in the Transportation Monitoring and oversight Report for Fiscal Year 2009. The following is a review of the one objective not met by the SRBBA.

ELECTRONIC TOLL COLLECTION (ETC)

Objective in FY2009>75% ~ Actual 35.1%

SRBBA has no funds to spend on advertising of our SUNPASS system. I contacted some of the local radio stations for "Public Service Announcements" and was told that because we were not "NON PROFIT" we did not qualify. However, one large country radio, WXBM 102.7 FM agreed to play a short message of how to travel the Garcon Point Bridge for ½ price and ran the public service announcement for 2 years. In addition, I did one live broadcast in one of their morning shows and told the listening audience of the fact that qualified users can travel for a 50% discount if they used the Garcon Point Bridge 15 days to and from work per month. I also did a morning talk show with WSRE the PBS channel 23 out of Pensacola, Fl. The newspaper industry refuses to carry any public service announcement and only writes about us when it has a negative story concerning our financial problems or mandatory toll increases.

DEBT SERVICE COVERAGE

SRBBA did not meet any of the three performance measure objectives for debt service coverage. **SRBBA** is in technical default on its bonds by failing to meet toll covenants set forth in Section (5.029C) of the bond resolution relating to debt service coverage and reserve account requirements. One of the four coverage tests requires that adjusted gross revenue be sufficient to provide 1.2 times debt service requirements for all senior bonds outstanding for the current fiscal year. Because adjusted gross toll revenues were not sufficient to pay FY 2009 debt service of approximately \$6.3 million, **SRBBA** withdrew approximately \$1.7 million from the Debt Service reserve account to make required debt service payments.

The **SRBBA** Board previously recognized projected revenue shortfalls and adopted a program to increase toll rates every three years beginning in FY 2002, as recommended by the traffic and revenue consultants.

Based on these revenue projections and escalating debt service requirements, it is forecasted that **SRBBA** revenues will be insufficient to make required debt service payments for the next 11 years (forecast period). Additionally, continued draws on the Debt Service Reserve Fund are projected to deplete the fund in FY 2012.

CUSTOMER SERVICE

SRBBA exceeded the Customer service objective with 95 percent of customers satisfied with the level of service. Results from the Florida Turnpike Enterprise Annual Customer Satisfaction Survey were used for reporting **SRBBA** Customer Service performance. The Enterprise emailed approximately 1.6 million surveys to active SunPass account holders statewide, and approximately 22 thousand surveys were completed and returned.

GOVERNANCE

The **SRBBA** Board is the governing body responsible for oversight of the Authority. The Authority does not have funding for administrative expenses because all revenue is used to pay debt service on outstanding bonds. The Authority does not have an executive director, secretary nor any staff. Although not required., the FDOT District Three Office provided **SRBBA** with limited administrative assistance for concerns of vital interest until January 2008. Assistance included funding for essential organizational needs and provision for a Department employee who performed administrative duties including posting public meeting notices, preparing Board agendas and meeting minutes, posting accounting entries and providing financial reports and updating the Authority website. The Department also provided facilities to conduct Board meetings at the Department's Operation Center in Milton. Due to economic conditions and legal considerations, the Department significantly scaled back administrative support for **SRBBA** in January 2008 and stopped providing administrative funding and an employee to assist with administrative duties. After pursuing legal options, and in consultation with the Authority, the

Department developed an amendment to the Lease-Purchase Agreement. The **SRBBA** Board met in January 2009 and adopted the Amendment, whereby the Department would provide funding for administrative expenses, as approved by the Department at its sole discretion. The Authority would be required to reimburse the Department in the same manner and priority as operating and maintenance expenses (after debt service payments).

Due to lack of lack of a quorum the **SRBBA** was forced to cancel many meetings in the last two years. The **SRBBA** is made up of seven Board members; The Santa Rosa County Commission (BOCC) appoints three, the Governor appoints three and the FDOT District Three Secretary (Ex-Officio) completes the Authority. There are two vacancies from the Governor Appointees and one of those has been vacant for over two years. One of the Santa Rosa County Commission appointees has a occupation that requires him to be available sometimes at night and he is frequently not available. If just one of the other members is ill or out of town, we are forced to cancel the scheduled meeting.. Due to the requirement that we advertise in advance in our local new media, rescheduling is usually not an option. FDOT stopped providing administrative support for the **SRBBA** in January 2008 consequently we only met on January 23, 2008 in that year.

In addition, the FDOT District 3 requested we change our monthly meetings to quarterly. This action has resulted in members' decreased attendance. The **SRBBA** Board met in January 2009 and adopted the Amendment whereby the Department would provide funding for administrative expenses, as approved by the Department in the same manner and priority as operating and maintenance expenses (after debt service payments). The Board met in April 2009 but was unable to get a quorum for the next two meetings scheduled in July and October 2009. This resulted in only two of the scheduled four meetings scheduled in 2009.. The **SRBBA** again failed to have a quorum in January 2010 and signing of documents was delayed until the meeting on April 21 as scheduled.

AUDIT

As has been previously explained there are no funds to pay for an audit and the FDOT refuses to pay for one. The Inspector General's office performed the 2008 "COMPILATION" and was approved by the **SRBBA** Board at the Board meeting on April 21, 2010 and was certified and certification was sent on May 3, 2010.

PUBLIC RECORDS AND OPEN MEETINGS

SRBBA adopted a formal procedure enacting the provisions of Chapter 120, Florida Statutes, related to public records. The procedure includes a provision that records of **SRBBA** will be kept in compliance with Chapter 119, Florida Statutes. Commission staff reviewed agendas, meeting minutes and public meeting notices provided by **SRBBA**. Due to limited administrative funding, updating of the website is limited to posting of monthly revenue transactions and vehicle count.

PROCUREMENT

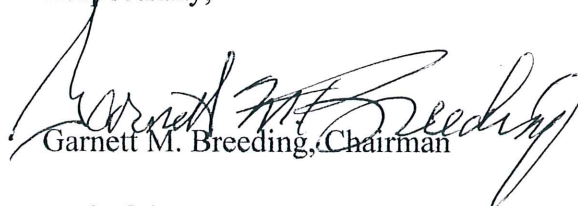
SRBBA does not have a source of funds to provide for administrative or project related costs and, therefore, does not enter into contracts for commodities or services.

SUMMARY

In summary, due to illness this report has not been approved by the **SRBBA** in a Board meeting and is the sole production of the Chairman. But first, to understand a little of our problems, I want to start at the beginning. Our problems started with the FDOT rejection of the first draft of the Bond document that provided funds from the toll receipts to fund administrative expenses for the authority throughout the life of the Bonds. So the \$96 million were sold in 1996 and we were not shocked when administrative funding ran out in December 2001 and our Executive Director resigned. I had been appointed to the Board by Gov Lawton Childs and I knew something had to be done. In order to keep the paper work flowing, I resigned from the Authority and took the position as Executive Director for one dollar per year to write letters to all of our debtors, make reports to the Board and keep the records and reports flowing.

The construction of the Garcon Point Bridge was the objective primarily of the citizens, the Santa Rosa County Chamber of Commerce and the business community. It had been highly endorsed by the Santa Rosa County Commission, but they were not willing to commit even one cent gas tax towards its payment. The city of Milton, the city of Gulf Breeze and the city of Jay gave their endorsement, but no commitment of funding. It is not generally known to the public that of the \$96 million Bonds sold, only \$55 million was necessary to build the Garcon Point Bridge. The \$30 million of environmental penalty was a price that would haunt us for many years and I believe was destined to be too high of a price to pay for the footprint of the bridge across East bay. The \$30 million included the construction of a 19 acre wetland off of US 98. The specifications called for the 19 acres to be excavated and the existing trees torn out and 1,000 wetland trees planted. The bridge was completed but FDEP said we could not open until the wetlands were finished. We finished the wetlands and planted the 1,000 trees and advised FDEP. They were on the site frequently and sent out an inspector who told us they were changing the specifications and wanted the entire site dug out another foot deeper. The trees were torn out and work began again to remove another one foot of soil from the site, the trees had all died and a new order was placed for another 1,000 wetland trees to be planted. We only had enough money left to operate our offices for 2 years. Our attorney, Mr. Roy Andrews, P. A. tried to put through a refinance of the Bonds in approximately 2007, but his efforts were stopped by Financial Advisors for FDOT. The **SRBBA** was advised by the Financial Advisors to deny his efforts to refinance our Bond debt. Now the FTC report in front of you advises the Garcon Point Bridge Bonds will default in 2012. Ladies and gentlemen, you represent some of the finest brain power in the state of Florida concerning bridge and toll roads across this great state. Please help us solve what seems to be an insurmountable financial problem and the unthinkable, "default".

Respectfully,


Garnett M. Breeding, Chairman

Tampa-Hillsborough County Expressway Authority (THEA)

Background

The Tampa-Hillsborough County Expressway Authority (THEA) is an agency of the state of Florida and was created in 1963 pursuant to Chapter 348, Part IV, Florida Statutes, for the purposes of and having the power to construct, reconstruct, improve, extend, repair, maintain and operate the expressway system within Hillsborough County, Florida. THEA is reported as an Independent Special District of the state of Florida and subject to the provisions of Chapter 189, Florida Statutes (Uniform Special District Accountability Act of 1989) and other applicable Florida Statutes. The Authority is also authorized to issue revenue bonds to finance improvements or extension of the Expressway System. The 2009 Legislature revised Section 348.54, Florida Statutes, enabling THEA to issue their own revenue bonds without having to go through the Division of Bond Finance (DBF) of the State Board of Administration (SBA).

The governing body of THEA consists of seven members. Four members are appointed by the Governor and serve four year terms. Serving as ex-officio members are: the Mayor of the City of Tampa, or the mayor's designate, who is chair of the City Council; one member of the Board of County Commissioners of Hillsborough County,

selected by such board; and, the District Seven Secretary of the Florida Department of Transportation (Department).

THEA owns the Selmon Expressway (formerly called the Lee Roy Selmon Crosstown Expressway), a 15-mile, four-lane, limited-access toll road that crosses the city of Tampa from Gandy Boulevard in

Highlights

- THEA is currently implementing new toll technology for All Electronic Tolling (AET) on the Selmon Expressway.
- The Authority secured a private firm for toll collection services and has partnered with MDX in the development and operation of a customer service center for video toll collection and violation enforcement.
- THEA plans to implement AET on all THEA facilities by September 2010.
- THEA met 12 of 17 performance measure objectives. The five measures not met were Bridge Condition Rating; Safety; Cost to Collect a Toll Transaction; Debt Service Coverage - Bonded; and, Comprehensive Debt (Bond Covenant Compliance was met).
- THEA modified the Lease-Purchase Agreement with FDOT and secured a contractor to provide routine maintenance on all facilities beginning January 2009. The Maintenance Condition Rating requirement increased to 90 with cost savings projected.
- FY 2009 transactions and revenue decreased approximately 3 percent due to the economic recession.
- In FY 2009, THEA recovered \$75 million from a mediation settlement from claims arising from design errors that became evident during construction of the Reversible Express Lanes (REL) project. The Authority intends to use \$60 million to partially defease current outstanding bonds.

Table 21
Tampa-Hillsborough Expressway Authority
Current Board Members

<i>Name</i>	<i>Affiliation</i>	<i>Position</i>
Stephen Diaco, Esq.	Adams & Diaco, P.A.	Chairman
Donald Phillips	Phillips Development & Realty, LLC	Vice Chairman
Rebecca J. Smith	A.D. Morgan Corporation	Secretary
Thomas Scott	Tampa City Council Chairperson	Board Member
Don Skelton	District Seven Secretary	Board Member
Curtis Stokes	Fifth Third Bank	Board Member
Kevin White	Hillsborough County Commissioner	Board Member

Transportation Authority Monitoring and Oversight

south Tampa, through downtown Tampa and east to I-75 and Brandon. A combination of 15 full and partial interchanges are spaced at varying intervals along the facility. The Selmon Expressway connects St. Petersburg (via the Gandy Bridge and a short segment of Gandy Boulevard) with Tampa and Brandon.



THEA Administration Building,
Downtown Tampa.

Construction of Reversible Express Lanes (REL) within the Selmon Expressway corridor between Meridian Avenue in the Tampa Central Business District and Town Center Boulevard in Brandon started in January 2002 and opened in both directions to traffic in August 2006. The project is approximately 10 miles in length and added approximately 45 lane-miles to the Expressway, an increase of 75 percent in total lane-miles. The REL connects to the THEA owned and maintained Brandon Parkway, a 3.1 mile set of non-tolled feeder roads built prior to the opening of the REL. The Reversible Lanes, constructed in the median of the existing Selmon Expressway, are comprised of three concrete segmental bridges (5.3 miles total length) with two at-grade portions to accommodate the future I-4 Crosstown Connector

project and to provide five slip ramps to allow traffic to enter/exit the REL from the “local lanes.” The Brandon Parkway is a four-lane urban arterial system which provides access to Adamo Drive (SR 60) and Lumsden Road, a major east-west roadway south of Adamo Drive. The express lanes operate in the peak travel direction with tolls collected with all electronic technology (Florida’s first all electronic toll facility).

THEA reported toll revenue of approximately \$40 million in fiscal year (FY) 2009 based on 32 million transactions. Significant projects in the Five-Year Work Program include deck replacement on various bridges, development of the I-4 Connector Project that will connect I-4 to the existing Expressway, and toll system conversion to All Electronic Tolling (AET). These projects are being completed in partnership with the Department and Florida’s Turnpike Enterprise (Enterprise) and are funded either from the State Transportation Trust Fund (STTF) or Bond Proceeds.

The Reversible Express Lanes currently utilize AET, whereby the toll is collected electronically through an overhead gantry allowing for at-speed toll collection. Tolls are collected through the use of either *SunPass* or Video Toll Collection (VTC) that utilize cameras to record license plate images, whereby the vehicle owner is billed. In September 2010, the Authority plans to employ AET on the remainder of the Selmon Expressway.

As a result of design errors that became evident during construction of the REL project, THEA incurred additional costs to complete the project. The Authority asserted claims against its builder’s risk insurer and filed suit against the design engineers to recover the additional costs incurred. In FY 2009, the Authority recovered approximately \$75 million from a mediation settlement, \$70 million of which has been collected to date. THEA has set aside \$10 million of the settlement as a

capital reserve fund to cover costs in excess of funds in the Department's Work Program for replacement of tolling systems on the Selmon Expressway. The Work Program assumed in-kind replacement of existing technology; however, AET conversion is a different scope of work with significantly higher costs. Additionally, based on a revised forecast of declining revenues due to the recession, the THEA Board approved using \$60 million of the settlement funds to partially defease current outstanding bonds in order to meet its future debt service coverage requirements. The defeasance will also provide a reserve of funds for negative revenue impacts that may result from construction of the Bridge Deck Replacement Project and the I-4 Connector Project.

Under the requirements of a Lease-Purchase Agreement between THEA and the Department, the Department agrees to pay, from sources other than revenues, the costs of operations, routine maintenance and renewals and replacements on the facility. Beginning in FY 2001, the Authority has reimbursed the Department for its annual operating and routine maintenance expenses pursuant to the adopted budget. Only operating and maintenance expenses in excess of the adopted budget and renewal and replacement costs continue to be added to long-term debt. THEA is required to repay these Department advances from net toll revenues after all other obligations have been met. In addition, THEA has received funding through Department loans [STTF, Toll Facilities Revolving Trust Fund (TFRTF) and State Infrastructure Bank (SIB)] with specified repayment schedules. These loans are scheduled for repayment in installments over the next 9 to 17 years. The following table indicates that approximately \$201 million in long-term debt is owed to the Department for these operating, maintenance, and renewal and replacement expense advances, and other Department advances and loans.

Table 22
Tampa-Hillsborough Expressway Authority
Long-term Debt Payable to the Department (in millions)
Year Ended June 30, 2009

<i>Transaction</i>	<i>(millions)</i>
Advances for Operating, Maintenance and R&R Expenses	\$116.5
State Transportation Trust Fund Loans	\$13.8
Loans from Toll Facilities Revolving Trust Fund	\$15.4
Loans from State Infrastructure Bank	\$54.9
Total Due Department	\$200.6

Source: THEA Notes to Audited Financial Statements.

Performance Measures

Pursuant to the Florida Transportation Commission's (Commission) expanded role in providing oversight to specified authorities, the Commission conducts periodic reviews of each authority's operations and budget, acquisition of property, management of revenue and bond proceeds, and compliance with applicable laws and Generally Accepted Accounting Principles (GAAP). Consequently, the Commission, in concert with the authorities, developed performance measures and management objectives that establish best practices across the industry to improve the overall delivery of services to the traveling and freight moving communities that are critical to the overall economic well-being and quality of life in Florida. FY 2009 results, as reported by THEA, are provided in the following table. Results for the last five fiscal years are included in Appendix B.

THEA met or exceeded 12 of the 17 performance measure objectives. The five performance measures the Authority did not meet are described below and include trend data, explanations and any action plans that THEA has developed to assist in meeting the measures. Explanations are based on input from THEA management.

Transportation Authority Monitoring and Oversight

Table 23
Tampa-Hillsborough Expressway Authority
Summary of Performance Measures
FY 2009

<i>Performance Measure</i>	<i>Detail</i>	<i>Objective</i>	<i>Actual Results</i>	<i>Meets Objective</i>
Operations				
SHS Roadway Maintenance Condition Rating	Condition rating of at least 90	90	90	✓
Pavement Condition Rating	% SHS lane miles rated "excellent or good"	> 85%	98.1%	✓
Bridge Condition - Rating	% bridge structures rated "excellent or good"	> 95%	86.2%	X
Bridge Condition - Weight Restrictions	% SHS bridge structures with posted limit	0%	0.0%	✓
Electronic Toll Collection (ETC) - Transactions	Number of ETC transactions as % of total transactions	> 75% by 6/30/12	72.0%	✓ _{On Track}
Revenue Variance	Variance from indicated revenue (without fines)	< 4%	3.8%	✓
Safety ¹	Fatalities per 100 million vehicle miles traveled	> 10% below 5 yr. avg (.58)	1.70	X
Customer Service	% customers satisfied with level of service	> 90%	94.6%	✓
Operations and Budget				
Consultant Contract Management	Final cost % increase above original award	< 5%	-17.6%	✓
Construction Contract Adjustments - Time	% contracts completed within 20% above original contract time	≥ 80%	100.0%	✓
Construction Contract Adjustments - Cost	% projects completed within 10% above original contract amount	≥ 90%	100.0%	✓
Cost to Collect a Toll Transaction	Total toll collection cost/number of transactions (net of exclusions)	< \$0.16	\$0.18	X
Annual Operating, Maintenance and Administrative (OM&A) Forecast Variance	Actual OM&A to annual budget	+/- 10%	-5.3%	✓
Applicable Laws				
Minority Participation	M/WBE and SBE utilization as % of total expenditures (each agency establishes goal/target)	> 90%	96.3%	✓
Revenue Management and Bond Proceeds				
Debt Service Coverage - Bonded/Commercial Debt	[(Rev - interest) - (toll operating & maintenance expense)] / commercial debt service expense	> 1.5	1.13	X
Debt Service Coverage - Comprehensive Debt	[(Rev - interest) - (toll operating & maintenance expense)] / all scheduled debt service expense	> 1.2	1.07	X
Debt Service Coverage - Compliance with Bond Covenants	Debt service coverage meets or exceeds minimum Bond Covenant requirements	Yes	Yes	✓

¹ Safety objective based on five year average of fatalities per 100 million VMT for the four established authorities. Actual results based on CY2008 data.

Bridge Condition Rating

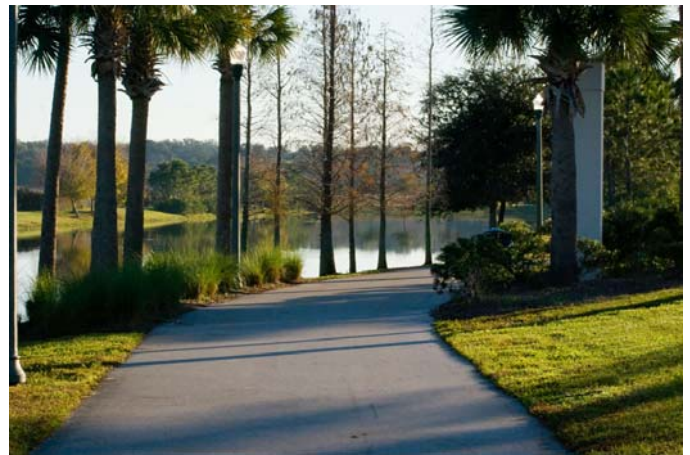
THEA has not met the objective of greater than 95 percent of bridge structures rated excellent or good during the five-year reporting period. Results for FY 2006 through FY 2009 are identical at 86.2 percent. THEA indicated that the Department's Five-Year Work Program includes approximately \$91 million for bridge deck panel repair and replacement projects. These projects are currently underway or programmed in the Department Work Program and will improve bridge condition ratings when completed.

Safety

The Department of Highway Safety and Motor Vehicles reports official fatalities based on a calendar year (CY). As such, the fatalities per 100 million vehicle miles traveled measure is based on CY 2008 data. Accident fatalities on THEA facilities totaled four in CY 2008. Only three other fatalities have been reported on THEA facilities during the five-year reporting period, two in CY 2004 and one in CY 2006. THEA indicated that police investigations of the 2008 crashes revealed that no highway related conditions contributed to the crashes. Driver error appears to be the primary factor in the crashes with secondary factors such as failure to use seatbelts, failure to obey traffic control devices, and/or driving under the influence of alcohol or drugs also contributing to the fatalities.

The Road Ranger Program promotes highway safety and provides assistance to disabled vehicles, provides for the removal of road debris, and secures accident scenes. Due to budget cuts at the State level and declining THEA revenue, the Authority was forced to consider discontinuing Road Ranger services on THEA facilities in FY 2009. THEA successfully partnered with State Farm Insurance for sponsorship of the Road Ranger Program on the Selmon Expressway for a

three year period. Currently, the Road Ranger Service Patrol operates from 6:30 a.m. to 6:30 p.m., Monday through Friday, and helps address highway safety issues. The AET conversion has the added benefit of eliminating toll plazas. According to Florida's Turnpike Enterprise, toll plazas account for over 60 percent of accidents on toll facilities. THEA's AET construction contract also includes 1,288 feet of new median-barrier to prevent median-crossover accidents. This is one of the significant cost items THEA will pay for from the REL settlement funds.



Brandon trail.

Cost to Collect a Toll Transaction

For FY 2009, the actual cost to collect a toll transaction for THEA was \$0.18, compared to the objective of less than \$0.16. Historical results indicate that the cost to collect a toll transaction for THEA has increased by \$0.01 each year since FY 2005, when the cost was \$0.14 per transaction. Toll collection costs (net of exclusions) for FY 2009 increased by approximately one percent over FY 2008, while transactions decreased by approximately three percent. The increase in toll collection costs is primarily attributed to an increase in credit card fees and SunPass transponder purchases. In addition, the

Performance Measures Working Group made a determination to exclude facility insurance from the cost to collect calculation in FY 2009 and to restate prior years presented. Beginning in FY 2009, expenses for SunPass transponder purchases are also being amortized to normalize annual variances caused by the purchase and sales of transponders in different years. Florida's Turnpike Enterprise performs toll collection services for THEA facilities. As such, the Authority has limited ability to control toll collection costs. The decline in transactions can primarily be attributed to the economic recession and related unemployment.

Recognizing the high toll collection costs, THEA successfully partnered with MDX in a joint procurement for private toll collection services. In December 2009, the THEA Board approved an Interlocal Agreement with MDX and a Supplemental Agreement with MDX/Electronic Transactions Consultants Corp. (ETCC) for THEA to join MDX in the development and operation of a customer service center for video toll collection and violation enforcement. ETCC will be the new toll service provider for THEA and MDX and will operate out of a customer service center located in Miami. ETCC will collect and forward SunPass transactions to Florida's Turnpike Enterprise for settlement. THEA is currently implementing new toll technology for AET on the Selmon Expressway. As previously noted, the Authority plans to employ AET on all THEA facilities by September 2010. Significant cost savings are projected.

Debt Service Coverage - (Bonded/Commercial Debt and Comprehensive Debt)

Although THEA debt service coverage was in compliance with bond covenants, THEA did not meet the performance measure objectives for Debt Service Coverage established by the Commission.

Debt service coverage ratios, as standardized in the Commission performance measure calculations, differ significantly from the debt service coverage calculations required in THEA bond resolutions and related documents. THEA's Revenue Sufficiency Certification letter, prepared by Wilbur Smith Associates and adopted by resolution of the Board on January 25, 2010, provides actual and projected debt service coverage pursuant to bond resolutions. For FY 2009, bond covenants require "gross" debt service coverage of 1.30, and actual was reported as 1.57. Correspondingly, the FY 2009 "net" debt service coverage requirement is 1.00, and actual was reported as 1.05. THEA includes all revenue generated from the system (i.e., lease and investment revenue) when calculating debt service ratios. THEA is planning to defease \$60 million in current bonds, which will improve THEA's current financial position, including increasing debt service coverage ratios, reducing long term debt obligations, and strengthening credit ratings.

Although THEA debt service coverage complied with bond covenants, THEA did not meet objectives established by FTC.

THEA did meet or exceed the following performance measure objectives. Explanations are provided to clarify either the source of the data or the methodology utilized by the Authority.

State Highway System Roadway Maintenance Condition Rating

Prior to FY 2009, the Lease-Purchase Agreement required the Department to maintain the Selmon Expressway in accordance with Department standards promulgated for the operation and maintenance of roadway and roadside facilities. As such, the Department only budgeted to provide a minimum maintenance condition rating of 80 (Department standard).

For FY 2009, THEA met the established performance measure objective of 90 for the roadway maintenance condition rating. Through a competitive procurement process, THEA contracted with an asset maintenance contractor to provide routine maintenance services on THEA facilities and to maintain a minimum roadway maintenance condition rating of 90. The terms of the Lease-Purchase Agreement relating to maintenance responsibilities of the Selmon Expressway were modified, and the new contractor, Transfield Services North America, Inc. (formerly VMS) started providing routine maintenance services on THEA facilities on January 9, 2009. THEA estimates cost savings of approximately \$1.4 million over 4.5 years while increasing the roadway maintenance condition rating standard to 90. The Department continues to conduct bridge inspections for the Authority.

Electronic Toll Collection - Transactions

For the authorities, the Commission adopted the Department's ETC performance measure objective established for Florida's Turnpike Enterprise. A new objective of greater than 75 percent ETC transactions by June 30, 2012 was established by the Performance Measures Working Group for FY 2009. The FY 2008 objective was greater than 75 percent ETC transactions by December 31, 2008.

ETC transactions for THEA constituted 72.0 percent of total transactions during FY 2009, while ETC revenues accounted for 73.3 percent of total revenues. Based on actual FY 2009 performance and the Authority's plan to fully implement AET on its facilities by September 2010, it appears that THEA is "on track" to achieve greater than 75 percent ETC participation by June 30, 2012. THEA's AET conversion program includes an extensive marketing plan to encourage cash customers to become *SunPass* customers. There have been several campaign efforts by THEA



Sunset at REL.

already through which over 3,000 *SunPass* Minis have been handed out to Selmon Expressway customers. THEA and Florida's Turnpike Enterprise are tracking those Minis to determine the level of activation.

Minority Participation

All firms doing business with THEA are required to have a non-discrimination policy and to provide a list of anticipated Small Business Enterprise (SBE) firms with their proposals, indicating the dollar amount or percentage of the total contract price committed to SBEs. The Authority encourages all proposers to actively pursue obtaining bids and quotes from SBEs. Each proposer of a construction and/or design project is required to submit an SBE Outreach Action Plan to the Authority evidencing documented efforts to seek and obtain SBE participation. THEA provided a list of consultant contracts that included total amounts and SBE amounts expended for FY 2009, the consultants' SBE "goal" provided in project proposals, and amounts expended on other services provided by SBE designated companies. Based on total SBE expenditures, THEA achieved 96.3 percent of its SBE goal, exceeding the Commission's performance measure objective of 90 percent.

Operating Indicators

The Commission, in concert with the authorities, developed operating indicators that provide meaningful operational and financial data that supplement performance measures in evaluating and monitoring organizational performance. The Commission did not establish objectives or goals for these indicators, as various authorities have unique characteristics. FY 2009 operating indicators, as reported by THEA, are provided in the following table. Also, to assist in trend analysis, FY 2007 and FY 2008 operating results are provided. Results for the last five fiscal years are included in Appendix B.

It is important to note FY 2009 operating indicators that significantly differ from prior year trends.

Growth in Value of Transportation Assets

Land, infrastructure and construction in progress change from year to year as new capital projects (road widening, new alignments, new interchanges, bridges, etc.) are built and completed. A project starts off as “construction in progress” and is reclassified to “infrastructure,” when the project is complete. FY 2009 infrastructure assets decreased by \$67 million from FY 2008 levels primarily due to a reduction in additional REL project costs related to design errors that were capitalized. As previously noted, in FY 2009 THEA recovered approximately \$75 million from a mediation settlement related to the design errors.

Preservation of Transportation Assets (Routine Maintenance of Infrastructure)

Costs for FY 2009 are reported at \$4.0 million. THEA indicated that this increase of \$0.5 million, or 14 percent, over FY 2008 is primarily attributed to a one-time cost to raise the maintenance

condition rating of the roadway from 80 to 90 under a new private asset maintenance contract that began in January 2009. As previously noted, THEA estimates an overall cost savings of \$1.4 million over 4.5 years under the new asset maintenance contract.

Toll Collection Transactions (Revenue from Electronic Toll Transactions)

As previously reported in the Performance Measures section of this chapter, the percentage of electronic toll collection transactions increased from approximately 69 percent in FY 2008 to 72 percent in FY 2009. There is a direct correlation between electronic transactions and revenue associated with these transactions. The pricing preferential for ETC customers and the recent opening of the Reversible Express Lanes project continue to positively impact growth in electronic tolling.

Annual Revenue Growth (Toll and Operating Revenue)

FY 2007 revenue grew by approximately 27 percent over FY 2006 levels primarily due to a toll rate increase implemented on the Selmon Expressway on January 1, 2007. Although FY 2008 transactions decreased by approximately 3 percent over FY 2007, revenues increased by 11 percent primarily as a result of a full year of higher tolls from the FY 2007 toll rate increase (i.e., partial year of toll rate increase in FY 2007). FY 2009 transactions and revenue decreased by approximately 3 percent. The decline in FY 2009 can primarily be attributed to the economic recession.

Operating Efficiency

FY 2009 total operating expenses increased by \$260 thousand, or 2 percent, over FY 2008. Conversely, operating revenues decreased by \$1.1 million, or 3 percent, over FY 2008. All expense

Table 24
Tampa-Hillsborough Expressway Authority
Summary of Operating Indicators (in millions)
FY 2007 through FY 2009

<i>Indicator</i>	<i>Detail</i>	<i>Actual 07 Results (millions)</i>	<i>Actual 08 Results (millions)</i>	<i>Actual 09 Results (millions)</i>
Operations				
Growth in Value of Transportation Assets	Land Acquisition	\$91.0	\$91.0	\$91.0
	Infrastructure Assets	\$571.9	\$576.0	\$509.0
	Construction in Progress	\$7.8	\$7.7	\$9.0
	Total Value of Transportation Assets	\$670.7	\$674.8	\$609.1
Preservation of Transportation Assets	Renewal & Replacement of Infrastructure	\$0.3	\$0.0	\$0.0
	Routine Maintenance of Infrastructure	\$2.1	\$3.5	\$4.0
	Total Preservation Costs	\$2.3	\$3.5	\$4.0
Toll Collection Transactions	Revenue from Electronic Transactions	64.7%	70.1%	73.3%
Annual Revenue Growth	Toll and Operating Revenue	27.2%	11.1%	-2.7%
Operations and Budget				
Operating Efficiency	Toll Collection Expense as % of Operating Expense	46.2%	38.2%	39.3%
	Routine Maintenance Expense as % of Operating Expense	15.1%	20.6%	23.2%
	Administrative Expense as % of Operating Expense	14.1%	16.0%	12.1%
	Operating Expense as % of Operating Revenue	37.0%	41.3%	43.1%
Rating Agency Performance	Toll Operations and Maintenance Expense as % of Operating Revenue	22.7%	24.3%	26.9%
Property Acquisition				
Right-of-Way	Agency Appraisals	\$0.0	\$0.0	\$0.0
	Initial Offers	\$0.0	\$0.0	\$0.0
	Owners Appraisals	\$0.0	\$0.0	\$0.0
	Final Settlements	\$0.0	\$0.0	\$0.0
Revenue Management and Bond Proceeds				
Underlying Bond Ratings (Uninsured)	Standard & Poor's Bond Rating	A-	A-	A-
	Moody's Bond Rating	A3	A3	A3
	Fitch Bond Rating	A-	A-	A-

Note: Amounts in table may not sum exactly due to rounding.

categories, except administration, showed increases. As previously noted, FY 2009 toll collection expenses increased primarily due to an increase in credit card fees and SunPass transponder purchases. FY 2009 routine maintenance expenses increased by \$0.5 million, or 14 percent, primarily due to a one-time cost to raise the maintenance condition rating of THEA roadways from 80 to 90 under a new private asset maintenance contract. FY 2009 administration expenses decreased by \$647 thousand, or 24 percent, primarily due to a decrease in payroll, travel, and RFP related expenses. In addition, the amount of administration costs allocated to capital projects as overhead increased in FY 2009.

Rating Agency Performance - (Toll Operations and Maintenance Expense as % of Total Operating Revenue)

This operating indicator increased from 24.3 percent in FY 2008 to 26.9 percent in FY 2009 as a result of expenses increasing at a greater rate than revenues. The 8 percent, or \$784 thousand, increase in FY 2009 toll operations and maintenance expenses exceeded the 3 percent, or \$1.1 million, decrease in operating revenue.



Selmon REL Gantry.

Right-of-Way

THEA has not acquired right-of-way in the past five fiscal years. The Authority has no new alignments, interchanges or other projects currently in the Work Program that require right-of-way acquisition.

Underlying Bond Ratings

THEA reported that there have been no changes to their basic underlying (uninsured) bond ratings during the reporting period from the three major bond rating agencies.

Governance

In addition to establishing performance measures and operating indicators for transportation authorities, the Commission developed “governance” criteria for assessing each authority’s adherence to statutes and policies and procedures. To that end, the Commission monitored compliance in the areas of ethics, conflicts of interest, audits, public records, open meetings, procurement, consultant contracts and compliance with bond covenants.

Ethics and Conflicts of Interest

THEA provided a copy of its Code of Ethics and Conflict of Interests Policy that was last amended and adopted by the Board on March 26, 2007. THEA policy recognizes that the provisions of Chapter 112, Part III, Florida Statutes (Code of Ethics for Public Officers and Employees) apply to Board members as well as certain Authority employees and also makes those provisions applicable to all Authority employees. In the event of conflict between the Authority policy and the provisions of Chapter 112, Florida Statutes, the more restrictive provisions shall control. The policy appears to be comprehensive and includes areas such as purpose and scope of the policy, standards of conduct, conflicts of interest, voting conflicts of interest, financial disclosures and

political activities. According to THEA, no ethics or conflict of interest violations were reported or investigated in the last 12 months (calendar year 2009). Commission staff conducted a limited review of the Authority's Board minutes and did not find any recorded instances of ethics or conflicts of interest violations or investigations. The meeting minutes did not disclose any instances where Board members abstained from voting due to conflicts of interest and no Commission on Ethics Form 8B "Memorandum of Voting Conflict for County, Municipal, and Other Local Public Officers" were submitted.

As outlined in Section 140.06 of THEA "Code of Ethics and Conflict of Interest" Policy and Procedures, Board members and employees must disclose any outside relationship, employment or contractual relationship which creates a prohibited conflict of interest. Such a disclosure must be in writing, on a form provided and maintained by the General Counsel. THEA provided and Commission staff reviewed 8 of these forms (THEA Conflict Disclosure Circular). Each disclosure form, submitted by Board members, indicated a review by THEA in-house General Counsel and no conflict of interest determinations were noted.

Audits

To maintain management's accountability to the Board of Directors, THEA established a Budget and Finance Committee. The Authority indicated that this committee is made up of one Board member, senior management staff, and the Executive Director. The Budget and Finance Committee oversees the development of the fiscal year administration, and operation and maintenance budget; monitors the finances of the authority; and, provides input and discussion of future financing alternatives.

Due to the composition of the Budget and Finance Committee, and given the current staffing levels of

the Authority, the Budget and Finance Committee also serves as the Audit Committee. The Audit Committee selects the independent auditor; monitors the progress and evaluates the results of the financial statement audit; ensures that identified weaknesses in control or legal compliance violations are promptly and effectively remedied; and, serves as a direct communication link between the Board and the auditor.

The FY 2009 independent financial statement audit reflected an unqualified opinion.

The Auditor General Follow-Up Operational Audit Report concluded that THEA corrected 10 findings, partially corrected 2 findings (written policies and severance pay) and did not correct 1 finding (lobbying services).

THEA General Counsel conducted training on Public Records and Sunshine Laws for the THEA Board and senior staff in June 2009.

An annual independent audit of THEA's financial statements for the fiscal years ended June 30, 2009 and 2008 was performed. The Independent Auditor's Report indicated that the financial statements were prepared in conformity with GAAP and received an unqualified opinion. The Independent Auditor's Report on Compliance and Internal Control over Financial Reporting did not identify any deficiencies in internal control that were considered material weaknesses, and the results of audit tests did not disclose instances of noncompliance required to be reported under Government Auditing Standards. The Independent Auditor's Report on Compliance and Internal Control over Compliance Applicable to each Major State Project did not identify any deficiencies in internal control over compliance that were considered material weaknesses, and the Authority complied, in all material respects, with the

Transportation Authority Monitoring and Oversight

requirements applicable to each of its major state financial assistance projects. In the Independent Auditor's Management Letter, the auditors had no findings or recommendations regarding the Authority's management, accounting procedures, internal controls or other matters required to be disclosed.

The Florida Auditor General conducted an independent operational audit of THEA and issued Audit Report No. 2007-074 in December 2006 (FY 2007) that contained 13 findings. Pursuant to Florida Statutes, the Auditor General performed



Selmon Expressway Viaducts.

follow-up procedures to determine THEA's progress in addressing the findings and recommendations contained in the report and issued Audit Report No. 2009-027 in October 2008 (FY 2009). As detailed in last year's Florida Transportation Commission Monitoring and Oversight Report, the Auditor General determined that the Authority corrected 10 findings, partially corrected 2 findings (written policies and severance pay) and did not correct 1 finding (lobbying services). Commission staff reviewed applicable documentation and requested an update from THEA on the status of

the three findings not completed. According to THEA management, all findings have been completed, except for lobbying services. Contrary to the Auditor General's review of Attorney General Opinions, THEA's General Counsel issued opinions that cite statutory provisions authorizing THEA to outsource any service that the Authority may perform on its own. THEA has taken the position that government relations is one such service, and it has the same legislative authority that allows other transportation authorities to contract for lobbying services.

Public Records and Open Meetings

THEA provided a copy of its Public Records Policy and Procedures. The policy provides that all records, unless otherwise deemed exempt or confidential as permitted by law, are open for personal inspection and copying by any person during normal business hours at its administrative offices. A reasonable charge for such copying may be made as provided in Chapter 119, Florida Statutes (Public Records). Pursuant to policy, the Chief Administrative Officer is responsible for receiving and processing all public records requests.

THEA is subject to the provisions of Section 189.417, Florida Statutes, Chapter 286, Florida Statutes and THEA Meeting Policy for open meetings. A review of agendas and Board meeting minutes, as posted on the Authority's website (www.tampa-xway.com), showed that the agendas and minutes appear to be in compliance with statute and policy. Commission staff also reviewed a "Public Notice of 2009 Meeting Schedule" published in the *St. Petersburg Times*, and it appears that required notice of public meetings is in compliance with THEA policy and Florida Statutes. Pursuant to THEA policy, General Counsel conducted training to update THEA employees and Board members on Florida's Public Records and Sunshine Laws on June 29, 2009.

Procurement

As part of its ongoing review of policies and procedures, the THEA Board adopted an amended Procurement Policy on September 10, 2009. The Executive Director may approve and execute change orders for construction projects up to \$50 thousand, or 10 percent of Board approved funding amount, without Board approval. Such change orders must be consistent with the contract scope of work and within the approved budget. These change orders are presented to the Board of Directors as an informational item. Project change orders greater than the thresholds established for the Executive Director require the signature of the Chairman of the Board of Directors and Board approval. In both situations, the Chief Financial Officer must certify that there are sufficient funds in the existing project budget, and General Counsel must review as to legal sufficiency. Any change order, no matter the amount that would cause the project budget to be exceeded or is outside the scope of work, must be approved by the Board of Directors.

Board approval is required for all purchases exceeding \$30 thousand (Purchase Orders, Letters of Contract and Written Agreements) that are not construction project related. The Executive Director is authorized to approve these purchases up to \$30 thousand and is required to provide an annual report to the Board summarizing procurements from \$15 thousand to \$30 thousand.

Consultant Contract Reporting

THEA provided a list of all "General Consulting" contracts and those sub contracts that exceeded \$25 thousand in FY 2009. As indicated in the table, six sub consultants were used by the general consulting firms for a total cost of \$419 thousand in FY 2009.

Compliance with Bond Covenants

THEA last issued \$327 million in Revenue Bonds, Series 2005, in August 2005. Bonds are payable from and secured by a pledge of gross revenues of the Expressway System. Bond proceeds were used to refund the Series 1997 bonds, pay off the

Table 25
Tampa-Hillsborough Expressway Authority
Summary of General Consultant Sub Consultant Activity
FY 2009

<i>Consulting Contract</i>	<i>Description</i>	<i>Sub Consultants >\$25 K (\$000)</i>
HNTB Corporation	General Engineering Consultant	
Bayside Engineering	Surveying & Engineering Studies	\$69
C. J. Bridges Railroad Contractor, Inc.	Railroad Maintenance	\$28
Kisinger Campo & Associates Corp.	PD&E Management & Civil Design Services	\$206
Nodarse & Associates, Inc.	Geotechnical Consultant	\$28
Renaissance Planning Group	PD&E Public Involvement	\$47
US Cost, Inc.	Claims Review	\$41
VMS, Inc.	Roadway Maintenance	
Traffic Control Devices	ITS & ITS Maintenance	
Wilbur Smith Associates	Traffic and Revenue Consultant	
Total Sub consultants > \$25 K		\$419

principal of STF loans, and finance a portion of the Reversible Express Lanes Project. As of June 30, 2009, bonds in the principal amount of approximately \$386.8 million remain outstanding. The following areas were noted to be in compliance with bond covenants:

- Annual financial information and operating data were filed with the Securities and Exchange Commission, through the State Board of Administration (SBA), pursuant to Rule 15c2-12.
- An annual financial statement audit was performed.
- THEA utilizes a nationally recognized General Engineering Consultant (HNTB). An independent inspection and report concerning the condition of the Selmon Expressway system are required at least every two years. HNTB completed the 2007 biennial inspection report and has recently compiled the required 2009 report that is pending THEA Board review and acceptance.
- THEA utilizes a nationally recognized Traffic Engineering firm (Wilbur Smith Associates) as required by bond covenants. The Traffic Engineers are required to provide an annual Traffic and Revenue Report to the Authority. The 2009 Traffic and Revenue Update Study was completed in September 2009. Wilbur Smith Associates is currently in the process of completing an investment grade traffic and revenue study for inclusion in a potential future THEA bond issue.
- Section 5.08(E) of the bond covenants requires THEA to review its financial condition and determine whether pledged funds are sufficient to comply with bond covenants specified in Section 5.08(B) and, by resolution, make a determination with respect thereto and file with the State Board of Administration. The Determination Resolution was adopted by the Board on January 25, 2010.

Summary

The Florida Transportation Commission review of THEA was conducted with the cooperation and assistance of the Authority and relied heavily on documentation and assertions provided by Authority management.

THEA met or exceeded 12 of the 17 applicable management objectives established for performance measures. The five performance measure objectives not met include: bridge condition rating; safety; cost to collect a toll transaction; debt service coverage - bonded/commercial debt; and, debt service coverage - comprehensive debt. Several performance measures not met in the areas of finance and operations result from finance and business rules as defined in the existing Lease-Purchase Agreement and are not entirely under the Authority's control.



Selmon Expressway REL Piers.

Operating indicator trend analysis showed that infrastructure assets decreased by \$67 million in FY 2009 due to a reduction in additional REL project costs related to design errors that were capitalized. In FY 2009 THEA recovered approximately \$75 million from a mediation settlement related to the design errors that became evident during construction of the REL project. FY 2009 routine maintenance expenses increased by 14 percent over FY 2008 due to a one-time cost to raise the maintenance condition rating of the roadway from 80 to 90 under a new private asset maintenance contract that began in January 2009. FY 2009 transactions and revenue decreased by approximately 3 percent over FY 2008, primarily due to the impacts of the economic recession. Additionally, FY 2009 total operating expenses increased by \$260 thousand, or 2 percent, over FY 2008 primarily due to increases in toll collection and routine maintenance (previously noted) partially offset by a significant decrease in administration expenses.

In the area of governance, the FY 2009 independent financial statement audit reflected an unqualified opinion. In October 2008, the Auditor General issued a follow-up audit report on THEA's progress in addressing the findings and recommendations in the December 2006 operational audit. The Auditor General determined that the Authority corrected 10 findings, partially corrected 2 findings and did not correct 1 finding. Subsequent to the Auditor General follow-up audit, THEA indicated that all findings have been corrected, except for lobbying services (government relations). Contrary to the Auditor

General's review of Attorney General Opinions, THEA's General Counsel issued opinions that cite statutory provisions authorizing THEA to outsource any service that the Authority may perform on their own. THEA has taken the position that government relations is one such service, and it has the same legislative authority that allows other transportation authorities to contract for lobbying services.

Based on the Commission's limited review of Board meeting minutes, THEA policies and procedures, Florida Statutes, Financial Statements, Bond Covenants and other documentation provided by the Authority, there were no instances noted of noncompliance with applicable laws or regulations in the areas of ethics, conflicts of interest, public records, open meetings, bond compliance and other governance criteria established by the Commission except for the instance noted above.

The Commission recognizes THEA's efforts in securing an Asset Maintenance Contractor to maintain the system at a maintenance condition rating of 90, at a reduced overall cost. The Commission further commends THEA for pursuing private toll collection services in order to reduce costs. The Commission encourages THEA to continue to develop and pursue action plans to help meet established performance measure objectives. The Commission acknowledges with appreciation the assistance of the THEA Board and staff in providing the resources necessary to conduct this review and to complete this report.

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March 25, 2010

Ms. Marty Lanahan, Chair
Florida Transportation Commission
605 Suwannee Street, MS-9
Tallahassee, Florida 32399-0450

BOARD MEMBERS:

STEPHEN C. DIACO, ESQ.
CHAIRMAN

Subject: Transportation Authority Monitoring and Oversight Report, for
Fiscal Year 2009

Dear Chair Lanahan:

DONALD E. PHILLIPS
VICE-CHAIR

The Tampa-Hillsborough County Expressway Authority (THEA) is benefiting from the Florida Transportation Commission's (the Commission) role in monitoring the performance of transportation authorities. The performance measures provide a reasonable set of criteria to evaluate the management and operation of Florida's toll authorities.

REBECCA J. SMITH
SECRETARY

DON SKELTON
FDOT DISTRICT SECRETARY

The measures provide points-of-reference which support efforts to pursue enhanced maintenance, operation, and finance goals. The information below demonstrates a direct link between the objectives established by the Commission and improved performance by this agency.

THOMAS SCOTT
CITY COUNCIL CHAIR

KEVIN WHITE
COUNTY COMMISSIONER

THEA met or exceeded 12 of 17 applicable management objectives in the Transportation Authority Monitoring and Oversight Report for Fiscal Year 2009. This is a significant improvement from the preceding year, when THEA met 7 of 14 applicable management objectives.

CURTIS STOKES
MEMBER

ACCOMPLISHMENTS:

Operations

PATRICK T. MAGUIRE, ESQ.
GENERAL COUNSEL

- **SHS Roadway Maintenance Condition Rating**
Objective: >90 ~ Actual for Fiscal Year 2009: 90.0

Prior SHS Roadway Maintenance Condition Ratings for the Selmon Expressway were 86.2% for 2008, and 86% for 2007. THEA procured a new asset maintenance contractor for the Selmon Expressway in 2009. This effort was motivated by the desire to achieve the higher condition rating established by the Commission. Other benefits included direct administrative control of the service provider, and consolidation of maintenance functions.

Transfield Services is the current asset maintenance contractor for the Selmon Expressway. This contractor has achieved a SHS Roadway Maintenance Condition Ratings score of 90 or better on the Selmon Expressway for each rating period since assuming responsibility.

➤ **Revenue Variance**

Objective: <4.0% ~ Actual for Fiscal Year 2009: 3.8%

*Revenue Variance for 2008 was 4.8%. The objective was met in 2009 through proactive enforcement efforts. Future improvement is expected when THEA implements **All-Electronic-Tolling (AET)** in 2010.*

THEA did not wait for all AET conversion to address this objective. Fiscal year 2009 saw THEA initiate the Selmon Expressway's first "police on the road" toll enforcement effort. Motor Carrier Compliance Officer's (MCCO) and City of Tampa Police are performing this service for our facility, after receiving special toll enforcement training. There has been an ongoing effort since January of 2009 by MCCO to provide routine-random toll enforcement operations. We believe this effort has been at least partially responsible for the improvement in revenue variance.

Today, toll collections on the Selmon Expressway use combinations of toll-collectors, coin machines, and SunPass technology. A limitation in managing our revenue variance is that our nine toll ramp plazas are not equipped with video enforcement technology. Only a few of these ramps are "manned" by toll-collectors on weekdays, and even those are manned only for a portion of the day. The majority of the time these toll-points rely on the honor system. The Reversible Express Lanes is the only portion of the Selmon Expressway that uses AET technology today and was the first such application in Florida.

Construction is underway to replace all existing equipment and begin AET in September of 2010. This system will provide improved SunPass technology, and state-of-the-art video tolling technology. This will enhance our ability to pursue toll violators and reduce revenue variance.

CHALLENGES:

The following is a review of the five objectives not met by THEA, and efforts underway to achieve those higher performance standards.

Revenue Management and Bond Proceeds

- **Debt Service Coverage – Compliance with Bond Covenants:** *THEA met all debt service coverage requirements for fiscal year 2009, as prescribed in its bond covenants.*

The other two measures in the section of the report highlight the different operating models used by toll authorities in Florida. An authority's ability to meet those measures may be constrained by the business model under which it operates. This is especially true for THEA benchmarks related to debt service coverage. ***Given the terms and conditions of its bond covenants and Lease Purchase Agreement, it is unlikely that THEA can meet these two measures in the foreseeable future.***

➤ **Debt Service Coverage - Bonded Commercial Debt**
FTC Objective: 1.5 ~ Actual for Fiscal Year 2009: 1.13

*THEA Bonded Commercial Debt "Gross" Coverage Objective: 1.3
Actual for Fiscal Year 2009: 1.57*

➤ **Debt Service Coverage - Comprehensive Debt**
Objective: 1.2 ~ Actual for Fiscal Year 2009: 1.07

*THEA "Net" Debt Coverage Objective: 1.0
Actual for Fiscal Year 2009: 1.05*

Operations

➤ **Bridge Condition Rating**
Objective: >95% ~ Actual for Fiscal Year 2009: 86.2%

THEA has a large section of bridge viaduct, about a mile-and-a-half long, which carries two lanes in each direction, which must be replaced. The initial construction used a Florida Department of Transportation (FDOT) approved design that has achieved about one-half of its anticipated life expectancy.

FDOT has programmed over \$70 million in its current work program to accomplish this work. Construction is scheduled to start in fiscal year 2010. The construction will take two to three years to complete. The Selmon Expressway will not meet the Bridge Condition Rating objective until this construction is complete.

➤ **Safety**
Objective: Fatalities per 100 million miles of vehicle travel > 10% below 5-year Average (.54) ~ Actual for Calendar Year 2008: 1.7

Accident fatalities on the Selmon Expressway totaled four in calendar year (CY) 2008. Only three other fatalities have been reported on THEA facilities during the five-year reporting period, two in CY 2004 and one in CY 2006. *Police investigations of the 2008 crashes revealed that no highway related conditions contributed to the crashes. Driver error appears to be the primary factor in the crashes, with secondary factors such as failure to use seatbelts, failure to obey traffic control devices, and/or driving under the influence of alcohol or drugs, also contributing to the fatalities.*

Factors such as driver error and driving under the influence are almost entirely beyond the agency ability to control but are often the primary factors in fatal accidents. Also, when a measurement is focused on a relatively small sample, the range in variation caused by an event is magnified. For these reasons, perhaps a better measure of safety would be to track total-accidents (personal injury) per 100-million miles of vehicle travel instead of fatalities.

THEA continues to focus on safety. We employ the Road Ranger Program to promote highway safety and provide assistance to disabled vehicles. This service also provides for the removal of road debris and secures accident scenes. Due to budget cuts at the State level, and a decline in revenue, THEA partnered with State Farm Insurance for sponsorship of the Road Ranger Program on the Selmon Expressway for a three-year period. Currently, the Road Ranger Service Patrol operates from 6:00 a.m. to 6:00 p.m., Monday through Friday, and helps address highway safety issues.

A significant part of the construction related to AET conversion will be the removal of the main-line toll plazas. Per the Florida Turnpike Enterprise, over 60% of accidents (primarily property damage) on toll facilities occur in the toll-plaza area. After removal of the plazas, an additional 1,290 feet of new median-barrier will be placed to prevent median-crossover accidents.

Operations and Budget

➤ Cost to Collect a Toll Transaction

Total toll collection cost/number of transactions (net of exclusions)

Objective: < \$0.16 ~ Actual for 2009: \$0.18

Through a combination of new toll technology and new contracts for toll collection services, THEA expects to reduce transaction costs by 15% to 20%. The new AET service on the Selmon Expressway should become operational by the end of September 2010.

THEA's Board approved an interagency agreement with the Miami-Dade County Expressway Authority (MDX) and a contract with Electronic Transaction Consultants Corporation (ETCC) in December of 2009 to develop and operate a customer service center, perform video-toll-collection and violation-enforcement. A contract with TransCore for new toll equipment was approved by the Board in July of 2009. The construction contract with David Nelson Construction Company for gantry and toll plaza modifications in support of the new AET system was approved in December of 2009. SunPass transactions for the Selmon Expressway will be processed by the Florida Turnpike Enterprise through the MDX service center.

Governance

A requirement common among all authorities is good governance. While governance is not amenable to quantitative measurement, the Commission made clear that it was a priority in the

Ms. Marty Lanahan

March 25, 2010

Page five

preparation of the "Transportation Authority Monitoring and Oversight Report." THEA takes special pride in meeting all of the good governance practices for fiscal year 2009.

Summary

As noted above, THEA is pursuing multiple options to enhance its performance. The structures and levels of autonomy under which Florida's toll authorities operate is diverse. Many of these differences are revealed in the Commission's annual report. That said, the Commission's annual report provides this agency with points-of-reference to compare effectiveness and develop new solutions.

The staff of THEA enjoyed a positive relationship with Commission staff in developing the fiscal year 2009 annual report. We look forward to our future efforts.

Sincerely,



Joe Waggoner
Executive Director

cc: Sally Patrenos, Executive Director, FTC
Dave Tassinari, Manager of Finance & Performance Monitoring, FTC
Rick Gallant, Special Projects Coordinator, FTC

TRANSIT AUTHORITIES

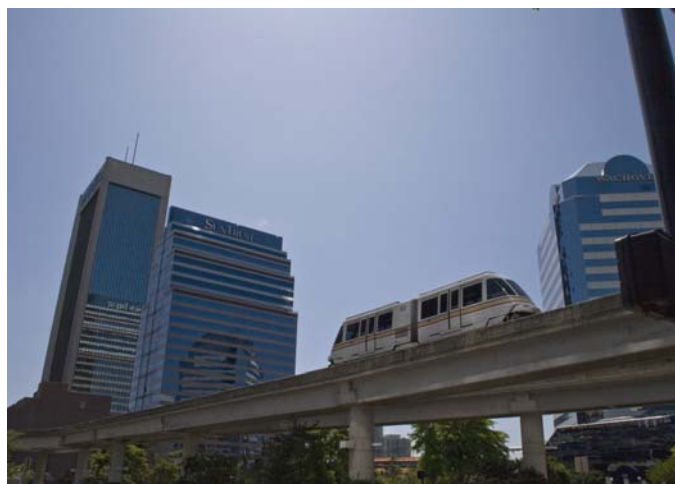
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Transit Authorities

Introduction

Legislation passed in 2007 required Florida Transportation Commission (Commission) oversight of nine active transportation authorities. Two of the nine active authorities were transit authorities, formally known as the Central Florida Regional Transportation Authority (CFRTA, dba LYNX) and the South Florida Regional Transportation Authority (SFRTA). Both CFRTA and SFRTA were created under Chapter 343 of Florida Statute. The one other active transit authority created in Florida Statute was the Jacksonville Transportation Authority (JTA), an entity charged with the provision of public transportation service within the Jacksonville region. JTA was created under Chapter 349 of the Florida Statute and, therefore, was not subject to the provisions of the law enacted through the passage of House Bill (HB) 985.

During the 2009 legislative session, the Florida Legislature passed CS/HB 1213 (Appendix A), an act relating to the Jacksonville Transportation Authority, that amended Chapter 20.23, F.S. In Subsection (2)(b)8., the Commission was directed to “Monitor the efficiency, productivity, and management of all authorities created under chapters 343, 348, and 349, including any authority formed using the provisions of part I of chapter 348. The commission shall also conduct periodic reviews of each authority’s operations and budget, acquisition of property, management of revenue and bond proceeds, and compliance with applicable laws and generally accepted accounting principles.” On June 1, 2009, Governor Crist approved the legislation, which became effective on July 1, 2009, and JTA officially joined CFRTA



JTA Skyway. Photo courtesy of www.seefloridago.com.

and SFRTA as transit authorities subject to monitoring and oversight by the Commission.

Other authorities subject to monitoring by the Commission may ultimately operate public transit systems, but because of their stage of development are covered later in the “Emerging Authorities” section of this report.

While governance areas for toll, transit and emerging authorities are identical, performance measures and operating indicators were developed specifically with and for the transit authorities. Reporting for transit authorities is presented in the following format that includes:

- Background of the authority
- Performance measures results for FY 2009
- Operating indicators for FY 2007 through FY 2009
- Governance assessment
- Summary

Transportation Authority Monitoring and Oversight

As with the toll authorities, performance measures for transit attempt to set standards for efficient and effective operation, maintenance, and management of the transit systems and the respective organizations.

The existing performance measures were established by the Commission specifically for CFRTA and SFRTA, and while both authorities shared identical performance measures, several of the measures were specific to one of the authorities due to the nature of the transit service the authority provides. One example of performance measures unique to a transit authority relates to safety. CFRTA provides fixed-route bus service and is required to track safety incidents, while SFRTA provides commuter rail service and is mandated to track reportable incidents as defined by the Federal Rail Administration. Based on those differences, the performance measure established for CFRTA is “revenue miles between safety incidents,” and for SFRTA the performance measure is “major incidents.” Both measures address safety performance; however, the measures themselves differ.

The addition of the Jacksonville Transportation Authority to the Commission’s oversight and monitoring responsibility brought with it not only a need to establish performance measures to meet the unique characteristics of JTA but also a need to address additional modes of transit service, as JTA directly operates an automated guideway (Skyway) in addition to fixed-route bus service. Furthermore, pursuant to the Better Jacksonville Plan, JTA is a road builder as well.

Commission staff, assisted by researchers from the Center for Urban Transportation Research (CUTR) at the University of South Florida, met on numerous occasions with JTA staff, conducted two

site visits, completed multiple reviews of performance on the part of select peer agencies (including LYNX) that operate fixed-route bus service and automated people mover systems, and achieved consensus with JTA on appropriate performance measures that were subsequently approved on November 6, 2009 by the Florida Transportation Commission.

Since JTA does not currently operate toll roads, but does build roads, bridges and interchanges that are then turned over to the Department or to the



LYMMO Transit Center. Photo courtesy of www.seefloridago.com.

City of Jacksonville for maintenance and operation, a subset of toll authorities’ performance measures and operating indicators was adopted for JTA. For those performance measures that were applicable, JTA performance measure objectives mirror those of the toll authorities.

In addition to performance measures, the Commission established a set of operating indicators reported by each Authority for the last five fiscal years. As with the performance measures, a summary is included in each

Authority's section of the report with a full five-year accounting included in Appendix B.

Performance measures and operating indicators established by the Commission for CFRTA, JTA, and SFRTA are presented in the following tables.

In addition to performance measures and operating indicators, the Commission established seven broad areas of governance that are

monitored in order to provide an assessment of the on-going management of all of the authorities covered by the current law. Governance areas are detailed in each authority's section of this report.

The individual reports for the three transit authorities are presented after Table 28, beginning with the Central Florida Regional Transportation Authority (CFRTA, dba, LYNX).

Table 26
Florida Transportation Commission
Transit Authority Performance Measures
Bus, Automated Guideway and Rail
FY 2009

<i>Performance Measure</i>	<i>Detail</i>
Average Headway	Average headway of all routes
Operating Expense per Revenue Mile	Operating expenses divided by revenue miles
Operating Expense per Revenue Hour ¹	Operating expenses divided by revenue hours
Operating Revenue per Operating Expense	Revenue generated through operation of the transit authority divided by operating expenses
Operating Expense per Passenger Trip	Operating expenses divided by annual ridership
Operating Expense per Passenger Mile	Operating expenses divided by passenger miles
Revenue Miles Between Safety Incidents ¹	Revenue miles divided by safety incidents
Major Incidents ²	FRA reportable incidents
Revenue Miles Between Failures	Revenue miles divided by revenue vehicles system failures ³
Revenue Miles versus Vehicle Miles	Revenue miles divided by vehicle miles ⁴
Customer Service	Average time from complaint to response
Customer Service	Customer complaints divided by boardings
On-time Performance	% of trips end to end on time ⁵

¹ Performance measures specific to CFRTA and JTA (bus and Skyway).

² Performance measure specific to SFRTA (rail).

³ A failure is classified as breakdown of a major or minor element of a revenue vehicle's mechanical system.

⁴ Vehicle miles include: deadhead miles, miles from end of service to yard or garage, driver training, and other miscellaneous miles not considered to be in direct revenue service.

⁵ Defined as "successful cycles divided by scheduled cycles" for JTA's Skyway.

Transportation Authority Monitoring and Oversight

Table 27
Florida Transportation Commission
Transit Authority Operating Indicators
Bus, Automated Guideway and Rail
FY 2009

<i>Operating Indicator</i>	<i>Detail</i>
Operating Expense per Capita (Potential Customer)	Annual operating budget divided by the service area population.
Farebox Recovery Ratio	Ratio of passenger fares to total operating expenses.
Service Area Population	Approximation of overall market size for comparison of relative spending and service levels among communities in the absence of actual service area population.
Service Area Population Density	Persons per square mile based on the service area population and service area size reported in the National Transit Database (NTD).
Operating Expense	Reported total spending on operations, including administration, maintenance, and operation of service vehicles.
Operating Revenue	All revenue generated through the operation of the transit authority.
Total Annual Revenue Miles	Number of annual miles of vehicle operation while in active service.
Total Annual Revenue Hours	Total hours of operation by revenue service vehicles in active revenue service.
Total Revenue Vehicles	Number of vehicles available for use by the transit authority to meet the annual maximum service requirement.
Operating Expense per Revenue Hour ¹	Cost of operating an hour of revenue service.
Peak Vehicles	Number of vehicles operated in maximum (peak) service. Represents the number of revenue vehicles operated to meet the annual maximum service requirements.
Ratio of Revenue Vehicles to Peak Vehicles (spare ratio)	Total revenue vehicles, including spares, out-of-service vehicles, and vehicles in or awaiting maintenance, divided by the number of vehicles operated in maximum service.
Annual Passenger Trips	Annual number of passenger boardings on the transit vehicles.
Average Trip Length	A number typically derived based on sampling and represents the average length of a passenger trip.
Annual Passenger Miles	Number of annual passenger miles multiplied by the system's average trip length (in miles).
Weekday Span of Service (hours)	Number of hours that transit service is provided on a representative weekday from first service to last service for all modes.
Average Fare	Passenger fare revenues divided by the total number of passenger trips.
Passenger Trips per Revenue Mile	The ratio of annual passenger trips to total annual revenue miles of service.
Passenger Trips per Revenue Hour	Ratio of annual passenger trips to total annual revenue hours of operation.
Passenger Trips per Capita	Passenger trips per capita.
Average Age of Fleet in Years	Age of fleet (years) average for bus and years since rebuild for locomotives and coaches for rail.
Unrestricted Cash Balance	End of year cash balance from financial statement.
Weekday Ridership	Average weekday ridership.
Capital Commitment to System Preservation	% of capital spent on system preservation.
Capital Commitment to System Expansion	% of capital spent on system expansion.
Intermodal Connectivity	Number of intermodal transfer points available.

¹Operating indicator specific to SFRTA.

Table 28
Florida Transportation Commission
Transit Authority Performance Measures and Operating Indicators
JTA Highway Operations
FY 2009

<i>Performance Measure</i>	<i>Detail</i>	<i>Objective</i>
Operations and Budget		
Consultant Contract Management	Final cost % increase above original award	< 5%
Construction Contract Adjustments - Time	% contracts completed within 20% above original contract time	≥ 80%
Construction Contract Adjustments - Cost	% projects completed within 10% above original contract amount	≥ 90%
Applicable Laws		
Minority Participation	M/WBE and SBE utilization as % of total expenditures (each agency establishes goal/target)	> 90%
Operating Indicator		
Property Acquisition		
Right-of-Way	Agency Appraisals	
	Initial Offers	
	Owners Appraisals	
	Final Settlements	

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Central Florida Regional Transportation Authority (CFRTA/LYNX)

Background

The Central Florida Regional Transportation Authority (CFRTA) (doing business as (dba) LYNX) is an agency of the State of Florida, created in 1989 by Chapter 343.63, Florida Statutes. Amended legislation in 1993 enabled CFRTA to assume the former Central Florida Commuter Rail Authority's operations and provided an opportunity for a merger with the Orange-Seminole-Osceola Transportation Authority (OSOTA), commonly known as LYNX. The CFRTA/OSOTA merger became effective in October 1994 after the two agencies ratified the merger through formal action in March 1994. CFRTA chose to continue the use of the LYNX name in its business operations.

CFRTA is authorized to "own, operate, maintain, and manage a public transportation system in the area of Seminole, Orange, and Osceola Counties." CFRTA is empowered to formulate the manner in which the public transportation system and facilities are developed through construction, purchase, lease or another type of acquisition in addition to development of policies necessary for the operation and promotion of the public transportation system and adoption of rules necessary to govern operation of the public transportation system and facilities.

By law, CFRTA must develop and adopt a plan for the development of the Central Florida Commuter Rail that includes CFRTA's plan for the development of public and private revenue sources, funding of capital and operating costs,

the service to be provided, and the extent to which counties within the area of operation of the Authority are to be served. An Interlocal Governance Agreement establishing the creation of the Central Florida Commuter Rail Commission (CFCRC) was approved and recorded in July 2007. The CFCRC consists of a five-member governing board: Chairman Buddy Dyer, Mayor of the City of Orlando, Vice Chairman Richard Crotty, Mayor of Orange County, Commissioner Carlton Henley of Seminole County, Volusia County Council Chairman Frank Bruno, and Commissioner Brandon Arrington of Osceola County. Pursuant to an Interlocal Operating Agreement, the duties of the governing board are in an advisory capacity to the Florida

Highlights

- LYNX purchased 25 transit coaches and 20 vans during FY 2009.
- A total of 114 new bus stops were installed.
- LYNX raised its full fare rate by \$0.25 (14%).
- LYNX achieved the new objective with 118,584 revenue miles between safety incidents (3.6% above the target).
- LYNX achieved the performance measure objective of timely response to customer complaints within two weeks of receipt.
- LYNX did achieve the on-time performance objective of greater than 80 percent of trips end-to-end on-time with 86 percent on-time performance.
- LYNX committed all capital investment to system preservation.
- LYNX provides six intermodal connections, an increase of one over FY 2008, including two connections to two airports, a circulator, and two park & ride lots.
- LYNX met or exceeded 5 of the 12 fixed route objectives established for performance measures.

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Department of Transportation (Department) for the first seven years of system operation and will include assisting the Department with policy direction as the Department moves forward with planning, design, construction, and implementation of the system. After the first seven years of operation, the Department will turn the system over to the governing board. An amendment to the Interlocal Operating Agreement for the operation of the Central Florida Commuter Rail System, dated December 12, 2008, extended the agreement to December 31, 2009. A second amendment, dated December 18, 2009, extended the agreement until December 31, 2010. Detailed information about the CFCRC and CFCRC's commuter rail transit project SunRail, including meeting minutes, current status, and contractual documents can be found on the following Web site: www.sunrail.com.

CFRTA is authorized to issue revenue bonds through the Division of Bond Finance of the State Board of Administration.

CFRTA is an Independent Special District of the State of Florida and subject to the provisions of Chapter 189, Florida Statutes (Uniform Special District Accountability Act of 1989) and other applicable Florida Statutes.

CFRTA, the governing body of LYNX, consists of five voting members. The chairs of the county commissions of Seminole, Orange, and Osceola Counties, or another member of the commission designated by the county chair, shall each serve as a representative on the board for the full extent of his or her term. The mayor of the City of Orlando, or a member of the Orlando City Council designated by the mayor, shall serve as a representative on the board for the full extent of his or her term. The secretary of the Department shall appoint the district secretary, or his or her

designee, for the district within which the area served by LYNX is located, and this member shall be a voting member. A vacancy during a term must be filled in the same manner as the original appointment and only for the balance of the unexpired term.

Table 29
Central Florida Regional Transportation Authority
Current Board Members

<i>Name</i>	<i>Appointment</i>	<i>Position</i>
Carlton Henley	Commissioner, Seminole County Commission	Chairman
Brandon Arrington	Commissioner, Osceola County Commission	Vice-Chairman
Buddy Dyer	Mayor of Orlando	Secretary
Richard Crotty	Orange County Mayor	Board Member
Noranne Downs, P.E.	District Five Secretary	Board Member

The board of directors generally meets on a bi-monthly basis on the fourth Thursday of each month to conduct Authority business. Responsibility for managing day-to-day operations rests with the chief executive officer (CEO).

LYNX provides transportation services to the general public in the Orlando metropolitan area and throughout Orange, Seminole, and Osceola Counties in the form of fixed route bus service, paratransit service, flex service and carpools/vanpools. LYNX also provides morning and afternoon express bus service from Lake and Volusia Counties. LYNX operates within a service area of 2,500 square miles that is home to more than 1.5 million residents. The fiscal year (FY) 2009 annual operating budget exceeded \$121 million, an increase of 7.0 percent over the previous year, while annual passenger boardings fell to 23.7 million, representing 2.7 million fewer boardings, a 10.1 percent decrease from the previous year. Peak service vehicles totaled 234, a reduction of 4 vehicles versus FY 2008.

LYNX receives significant financial support from its funding partners. For FY 2009, the Orange County Commission approved \$39.8 million for LYNX (a 5.3% increase versus FY 2008), the Seminole County Commission approved \$4.6 million (a 5.3%

increase), and the Osceola County Commission approved \$4.9 million (a 3.0% increase). LYNX net capital assets decreased from \$141.3 million in FY 2008 to \$13.7 million in FY 2009. The significant decrease was primarily due to recording depreciation expenses in the current year and reflecting the transfer of rolling stock to other transit agencies.

In FY 2009, LYNX purchased 25 transit coaches and 20 vans in support of the service plan. Design began for the construction of the Kissimmee Intermodal Center. A total of 114 new bus stops were installed, 922 stops were repaired or replaced, and 87 new shelters were installed as part of a \$1.6 million program to provide comfort and safety to awaiting customers. While no funds were programmed for the construction of Park & Ride facilities, LYNX continued to identify appropriate locations for future lots. Development and integration of “smart” systems technology to improve customer satisfaction, communications, and fare collection systems moved forward. LYNX participated in the Federal Job Access Reverse Commute (JARC) program.

Design began for the construction of the Kissimmee Intermodal Center in FY 2009.

922 stops were repaired or replaced, and 87 new shelters were installed as part of a \$1.6 million program to provide comfort and safety to awaiting customers.

On July 23, 2009, the Board of Directors ratified the Transit Development Plan (TDP) update, containing capital and service improvements necessary to meet projected demands for public transportation throughout Central Florida from FY 2010 through 2019. The FY 2010 through 2019 TDP is currently posted on the Authority's Web site www.golynx.com.

Planned improvements going forward, as outlined in the TDP and the CFRTA Strategic Plan, include service expansion and improvement of fixed route service, paratransit service, and commuter services provided through the LYNX Mobility Assistance Program (MAP). Improvements included replacing fixed route service with the more efficient flex-bus service, implementing new and more frequent service from Orlando International Airport to the area attractions using private funds, and restructuring service in



LYNX Central Station at night.

Seminole County to eliminate circuitous routes and replace a poor performing route with flex-bus service. The aggressive marketing and communications program that is already in place will continue to focus on educating the community about available services.

Unless otherwise indicated, all statistics, performance measures, and operating indicators in the next two sections of this document refer only to LYNX fixed route service and do not include LYNX paratransit services, flex services or commuter services.

Performance Measures

Pursuant to the Florida Transportation Commission's (Commission) expanded role in providing oversight to Authorities, the Commission conducts periodic reviews of each Authority's operations and budget, acquisition of property, management of revenue and bond proceeds, and compliance with applicable laws and Generally Accepted Accounting Principles (GAAP).

Consequently, the Commission, in concert with the Authorities, developed performance measures and management objectives that establish best practices across the industry to improve the overall delivery of services to the traveling and freight moving communities that are critical to the overall economic well-being and quality of life in Florida. FY 2009 results, as reported by LYNX, are provided in the following table. Results for the last five fiscal years are included in Appendix B.

Table 30¹
Central Florida Regional Transportation Authority
Summary of Performance Measures
FY 2009²

<i>Performance Measure</i>	<i>Detail</i>	<i>Objective</i>	<i>Actual Results</i>	<i>Meets Objective</i>
Average Headway	Average headway of all routes	<60 minutes	60	X
Operating Expense per Revenue Mile	Operating expenses divided by revenue miles	<\$5.30	\$7.23	X
Operating Expense per Revenue Hour	Operating expenses divided by revenue hours	<\$75	\$99.91	X
Operating Revenue per Operating Expense	Revenue generated through operation of the transit authority divided by operating expenses	>30%	41.0%	✓
Operating Expense per Passenger Trip	Operating expenses divided by annual ridership	<\$3	\$4.33	X
Operating Expense per Passenger Mile	Operating expenses divided by passenger miles	<\$0.47	\$0.72	X
Revenue Miles between Safety Incidents	Annual revenue miles divided by safety incidents	>114,469	118,584	✓
Revenue Miles between Failures	Revenue miles divided by revenue vehicle system failures ³	>10,500	8,806	X
Revenue Miles versus Vehicle Miles	Revenue miles divided by vehicle miles ⁴	>.90	0.88	X
Customer Service	Average time from complaint to response	14 days	6 days	✓
Customer Service	Customer complaints divided by boardings	<1 per 5,000 boardings	0.5	✓
On-time Performance	% trips end to end on time "less than 5 minutes late"	>80%	86%	✓

¹ See revised information submitted by LYNX following page 110.

² Fiscal Year 2009 represents 12 months of unaudited data from October 1, 2008 through September 30, 2009.

³ A failure is classified as the breakdown of either a major or minor element of the revenue vehicle's mechanical system.

⁴ Total annual vehicle miles include: deadhead miles, vehicle miles from the end of service to the garage, driver training and other miscellaneous miles not considered to be in direct revenue service.

LYNX was an active participant in the development of performance measures and in establishing objectives to measure its performance. Every attempt was made to ensure that the objectives that were selected would be a true measure of each of the Authority's effectiveness and efficiency in various areas. The LYNX performance data used for this report actually represent information collected during FY 2009, which spans from October 1, 2008 through September 30, 2009 (LYNX reports on a federal fiscal year). FY 2009 data used throughout this report represent unaudited data. The LYNX Governing Board is scheduled to review the FY 2009 Comprehensive Annual Financial Report (CAFR) at its March 25, 2010 meeting. LYNX was successful in achieving 5 of the 12 objectives for performance.

Each measure is discussed in terms of achievement of the objective, prevailing trends, and future corrective action.

Average Headway

LYNX has typically adhered to an average headway of 60 minutes for their fixed-route service for at least the past five years. The goal of the stated objective of less than 60 minutes translates into slightly more frequent service for customers. After failing to meet this objective in FY 2007, LYNX management indicated that the reduction of the average headway to less than 60 minutes would require a significant financial investment on the part of the Authority, which currently operates in the absence of a dedicated funding source. LYNX has focused its efforts on working with local elected officials, State Legislators, local business leaders and grassroots groups to educate the public regarding transit and the need for dedicated funding. Operating 10 to 15 minute headways on major corridors with small vehicles circulating through neighborhoods and feeding into workforce routes was identified as a long-term goal.

LYNX once again failed to achieve the performance objective of an average headway of less than 60 minutes; nonetheless, a review of the existing 64 "links" operated by LYNX as fixed route service shows that 27 of the current links (42%) operate with a headway of 30 minutes or less on weekdays, 20 links (31%) operate with a headway of 30 minutes or less on Saturdays, and 8 links (12%) operate with a headway of 30 minutes or less on Sundays and holidays. As a customer convenience, in addition to fixed route service, LYNX operates flex services called *PickUpLine* (PUL) in a number of defined areas within the LYNX service area. PUL service operates on a schedule at one fixed point, a LYNX fixed-route transfer point, where a vehicle can connect individuals with the broader network of transit services. PUL service provides curb-to-curb service to any address within a defined service area. Passengers who want to use the PUL service to go anywhere within the PUL service area can call to make a reservation at least two hours ahead of their requested pick up time. Five of the seven available PUL links operate Monday through Saturday, and two PUL links operate Monday through Friday.

Operating Expense per Revenue Mile

An evaluation of the relationship between operating expenses and revenue miles provides a measure of the general cost efficiency of the service provided over distance. The LYNX operating cost per revenue mile of \$7.23 exceeded the objective of \$5.30 by \$1.93 (36.4%). The operating cost per revenue mile has grown by \$2.12 at LYNX since 2005, an increase of almost 42 percent.

LYNX failed to achieve this performance objective, along with two other operating expense-related objectives (per revenue hour and per passenger trip) in FY 2009. LYNX management indicated that

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some specific expenses that negatively impact total expenses remain outside of the control of the Authority, such as healthcare costs, high mileage buses that generate excessive maintenance costs, and greater than anticipated overtime. LYNX identified the following activities to reduce operating costs moving forward:

- Improving wellness program to reduce health care costs
- Restructuring service to eliminate low productivity service
- Additional leasing of office space in the LYNX administration building to increase revenue
- Raising fares in January 2009 to increase revenue
- Increasing recruitment efforts for bus operators and mechanics to reduce overtime costs
- Re-cutting runs (rescheduling operators' shifts) for improved efficiency and reducing overtime
- Replacing 25 high mileage transit buses during FY 2009 to reduce maintenance costs
- Continually reviewing fuel prices to consider locking in a long-term contract to reduce expenses

In FY 2008, LYNX established a Wellness Committee that was charged with establishing a wellness program that would set priorities for improving health throughout the organization. Since the inception of the committee, senior staff has met regularly with a contracted healthcare consultant to understand impacts of insurance utilization. As a result of these meetings, the committee has formulated initiatives to educate employees on better utilization of the healthcare

plan, i.e., use of urgent care facilities versus emergency rooms and proper use of the prescription plan by using generic medication. Additionally, the committee has implemented quarterly wellness/health fairs with the first fair encouraging staff to participate in health screenings. Recent changes to the health care program include additional employee costs for those that smoke and do not participate in the free health screening offered by the Authority.

LYNX implemented steps to increase its on-time performance by eliminating inefficient services throughout the service area. This effort included reducing interlining between routes and placing additional buses along routes that were deficient in meeting their on-time performance. Additionally, LYNX took steps to improve system performance by focusing on 14 corridors to provide better service.

During FY 2009, LYNX leased approximately 10,000 square feet of office space to three tenants. The tenants are primarily governmental entities.

LYNX leased approximately 10,000 square feet of office space to three tenants.

LYNX reported a decrease in fuel-related expenses due to a significant decline in the fuel price from \$3.22 per gallon to \$2.43 for diesel and from \$2.90 to \$1.86 per gallon for gasoline, which when combined with reduced consumption tied to service cuts, resulted in a decrease in fuel costs totaling \$4.9 million in FY 2009.

Increased expenses are primarily related to rising costs for personnel and healthcare. The Amalgamated Transit Union (ATU) contract for operations expired in September 2009 and new

provisions will be negotiated for salary and wages to control costs. LYNX also implemented staff reductions in March 2009 to help reduce expenses.

Operating Expense per Revenue Hour

An evaluation of the relationship between operating expenses and revenue hours also provides a measure of the general cost efficiency of the service provided over time. LYNX operating cost per revenue hour of \$99.91 exceeded the objective of less than \$75.00 per hour by \$24.91 (33.2%). The operating cost per revenue hour has grown by almost \$28.00 at LYNX since 2005, an increase of almost 39 percent.

Operating Revenue per Operating Expense

The relationship between operating revenue and operating expense provides a measure of the effective use of income. Unlike the two previous objectives, where the goal was to achieve a lower cost per revenue mile or revenue hour, the target for this objective is to increase the percentage of revenue derived from fares and other revenue sources. LYNX achieved this performance measure objective with a 41 percent ratio of revenue to operating expenses. This exceeds the 30 percent objective by more than 36 percent.



LYNX Operations Maintenance Center.

Growth in FY 2009 was slightly below the FY 2008 rate of 47.3 percent. Containment of operating expenses will be critical for LYNX moving forward.

LYNX increased its fare structure in January 2009 and raised the full fare rate by \$0.25 (14%) to \$2.00 for full fare. This was expected to raise an additional \$1 million in FY 2009. Since the January 2009 fare increase, LYNX has realized an 11.3 percent decrease in ridership, and a 3.9 percent decrease in revenue. This represents the period of January through September of each comparable period. Typically, for every 10 percent increase in fares, there is a 4 percent decrease in ridership; therefore, approximately 5.6 percent of the decrease in ridership is most likely related to the fare increase with the remainder related to other factors, including the \$3.4 million service reductions during FY 2009.

Operating Expense per Passenger Trip

An evaluation of the relationship between operating expenses and passenger trips provides a measure of the general cost efficiency of the service provided. The LYNX operating cost per passenger trip of \$4.33 exceeded the objective of less than \$3.00 by \$1.33 (44.4%). Cost efficiency can be improved by decreasing operating expenses or increasing ridership.

Operating Expense per Passenger Mile

An evaluation of the relationship between operating expenses and passenger miles also provides a measure of the general cost efficiency of the service provided. LYNX operating cost per passenger mile of \$0.72 exceeded the objective of less than \$0.47 by \$0.25. The operating cost per passenger mile has fluctuated at LYNX since 2003; nonetheless, LYNX did achieve an operating cost of less than \$0.47 per passenger mile in FY 2005.

LYNX also failed to achieve this performance objective in FY 2008 and indicated that improvement in performance for this objective would be difficult based on operating costs associated with long distance travel that is required to maintain system connectivity for a widely dispersed passenger base within a service area of 2,500 square miles. Nonetheless, efforts on the part of LYNX to eliminate inefficient services throughout the service area by reducing inefficient interlining between routes, placing additional buses along routes that were deficient in meeting their on-time performance and focusing on primary corridors should positively impact this area of performance moving forward.

Revenue Miles between Safety Incidents

The span of revenue miles between incidents is a measure of safe customer service. Significant revenue miles between safety incidents results in infrequent exposure of customers to safety hazards. In early 2008, measures and objectives established in 2007 were reviewed with the authorities to incorporate adjustments and/or modifications identified during the first year review process. The Commission, with the assistance of the authorities, formally adopted a modified performance measure for LYNX that changed the safety performance measure from “revenue miles between major safety incidents” to “revenue miles between safety incidents” to conform to the reporting requirements of the National Transit Database. The new performance objective was defined as 10 percent above the average of the last 5 years. LYNX reported the following performance data for FY 2004 through FY 2008.

The new objective for revenue miles between safety incidents was established at greater than 114,469 miles. LYNX achieved the new objective with 118,584 revenue miles between safety incidents (3.6% above the target).

Table 31
Revenue Miles Between Safety Incidents
FY 2009 Performance Objective

<i>Fiscal Year</i>	<i>Revenue Miles</i>	<i>Safety Incidents</i>	<i>Revenue Miles Between Incidents</i>
2004	13,006,713	154	84,459
2005	13,398,280	143	93,694
2006	13,593,266	143	95,058
2007	14,072,186	109	129,103
2008	14,986,072	127	118,001
Average			104,063
>10% above Average			114,469
2009	14,230,128	120	118,584

Revenue Miles between Revenue Vehicle System Failures

The span of revenue miles between revenue vehicle system failures (defined as the breakdown of either a major or minor element of the revenue vehicle’s mechanical system) is a measure of maintenance effectiveness in keeping the fleet in good condition. A significant number of revenue miles between revenue vehicle system failures can serve to reinforce customer confidence in on-time bus performance. LYNX failed to achieve the performance measure objective of greater than 10,500 revenue miles between revenue vehicle system failures with 8,806 revenue miles between failures.

LYNX management indicated that failure to achieve this performance objective in FY 2009 was due to failures resulting from new emissions equipment. The category with the largest amount of failures throughout the year was engines. The LYNX fleet has 118 of the 266 buses equipped with new technology for lower emissions, and LYNX continues to work closely with the engine manufacturer to address the problems associated with the new low emissions equipment. In September 2009, LYNX met with representatives of Corporate Cummins to discuss the ongoing

problems. An action plan was developed, and LYNX has begun to see improvement in engine performance as it relates to the new technology.

LYNX ongoing efforts to eliminate inefficient fixed route services by reducing unproductive interlining between routes, focusing on primary corridors, replacing poor performing fixed-route buses with small vehicle flex routes (PickUpLine), and optimizing maintenance service locations should provide improvements in the area of performance in the future.

Revenue Miles versus Vehicle Miles

The relationship between revenue miles and vehicle miles provides a measure of the effectiveness of fleet assignment given that vehicle miles include non-revenue miles, such as deadhead miles (from operations facility to start of a route and vehicle miles from the end of the route to the operations facility). LYNX fell slightly below the performance measure objective of greater than .90 with 0.88 for FY 2009.

LYNX' ongoing efforts to eliminate inefficient fixed route services throughout the service area by reducing unproductive interlining between routes, focusing on primary corridors, replacing poor performing fixed-route buses with small vehicle flex routes (PUL), and optimizing maintenance service locations should provide improvements in this area of performance in the future.

Customer Service – Average Time from Complaint to Response

LYNX achieved the performance measure objective of timely response to customer complaints within two weeks of receipt of the complaint. LYNX continues to improve responsiveness to customers.

Customer Service – Number of Complaints per Boarding

LYNX also achieved the performance objective of less than one complaint per 5,000 boardings with 0.5 complaints. LYNX has continued to show gradual improvement in the reduction of customer complaints, since a previous high of one complaint per 5,000 boardings in FY 2005.

On-time Performance

LYNX did achieve the on-time performance objective of greater than 80 percent of trips end-to-end on-time with 86 percent on-time performance. On-time is defined as less than five minutes late arriving at a fixed route schedule time point.

Steps taken by LYNX to improve on-time performance by eliminating inefficient services throughout the area appear to have been quite successful.

Operating Indicators

The Commission, in concert with the authorities, developed indicators that provide meaningful operational and financial data that supplement performance measures in evaluating and monitoring organizational performance. The Commission did not establish objectives or goals for these indicators, as various authorities have unique characteristics. FY 2009 operating indicators, as reported by LYNX are provided in the following table. In order to observe current trends, operating indicators for FY 2007 and FY 2008 are also provided. Results for the last five fiscal years are included in Appendix B.

FY 2009 appeared to be a year that deviated from the trend lines LYNX had established from year to year. Based on the indicators presented, for the first time since FY 2003, average weekday

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Table 32¹
Central Florida Regional Transportation Authority
Summary of Operating Indicators
FY 2007 through FY 2009

<i>Operating Indicator</i>	<i>Detail</i>	<i>Actual 07 Results</i>	<i>Actual 08 Results</i>	<i>Actual 09² Results</i>
Operating Expense per Capita (Potential Customer)	Annual operating budget divided by service area population	\$49.89	\$56.71	\$66.94
Farebox Recovery Ratio	Ratio of passenger fares ³ to total operating expenses	24.9%	24.9%	20.8%
Service Area Population	Approximation of overall market size	1,536,900	1,536,900	1,536,900
Service Area Population Density	Persons per square mile based on service area population and size	605.6	605.6	605.6
Operating Expense	Spending on operations, including administration, maintenance, and operation of service vehicles	\$76,671,049	\$87,150,449	\$102,882,269
Operating Revenue ⁴	Revenue generated through operations of transit authority	\$40,130,058	\$41,247,382	\$42,216,981
Total Annual Revenue Miles	Miles vehicles operated in active service ⁵	14,072,186	14,986,072	14,230,128
Total Annual Revenue Hours	Hours vehicles operated in active service	1,001,947	1,078,484	1,029,713
Total Revenue Vehicles ⁶	Vehicles available to meet annual maximum service requirement	285	288	288
Peak Vehicles	Vehicles operated to meet annual maximum (peak) service requirements	240	238	234
Ratio of Revenue Vehicles to Peak Vehicles ⁷ (spare ratio)	Revenue vehicles, including spares, out-of-service vehicles, and vehicles in/awaiting maintenance, divided by the number of vehicles operated in maximum service	15.8%	17.4%	18.8%
Annual Passenger Trips ⁸	Passenger boardings on transit vehicles	25,322,312	26,427,067	23,747,795
Average Trip Length	Average length of passenger trip, generally derived through sampling	5.8	6.0	6.0
Annual Passenger Miles	Passenger trips multiplied by average trip length (in miles)	145,856,517	158,562,402	142,486,770
Weekday Span of Service (hours)	Hours of transit service on a representative weekday from first service to last service for all modes	23.3	23.3	23.3
Average Fare	Passenger fare revenues divided by passenger trips	\$0.76	\$0.82	\$0.90
Passenger Trips per Revenue Mile	Passenger trips divided by revenue miles	1.80	1.76	1.67
Passenger Trips per Revenue Hour	Passenger trips divided by revenue hours	25.3	24.5	23.1
Passenger Trips per Capita	Passenger trips divided by service area population	16.5	17.2	15.5
Average Age of Fleet	Age of fleet (years) average	5.7	3.8	3.6
Unrestricted Cash Balance	End of year cash balance from financial statement	\$19,693,978	\$15,227,585	\$26,009,761
Weekday Ridership	Average ridership on weekdays	81,445	82,825	75,810
Capital Commitment to System Preservation	% of capital spent on system preservation	95.0%	100.0%	100.0%
Capital Commitment to System Expansion	% of capital spent on system expansion	5.0%	0.0%	0.0%
Intermodal Connectivity	Intermodal transfer points available	5	5	6

¹See revised information submitted by LYNX following page 110.

²FY 2009 data are unaudited.

³Passenger fares are revenues generated annually from carrying passengers in regularly scheduled service, including payment from jurisdictions for feeder bus service.

⁴Operating revenue includes passenger fares, special transit fares, school bus service revenues, freight tariffs, charter service revenues, auxiliary transportation revenues, subsidy from other sectors of operations, and non-transportation revenues.

⁵Active service refers to vehicle availability to pick up revenue passengers.

⁶Total revenue vehicles include spares, out-of-service vehicles, and vehicles in or awaiting maintenance, but exclude vehicles awaiting sale and emergency contingency vehicles.

⁷Vehicles awaiting sale and emergency contingency vehicles are not included as revenue vehicles in this calculation.

⁸A passenger trip is counted each time a passenger boards a transit vehicle. If a passenger has to transfer between buses to reach a destination, the passenger is counted as making two passenger trips.

ridership, revenue miles, revenue hours, and passenger trips declined. Average weekday ridership of 75,810 (an 8.5 percent reduction in FY 2009 versus FY 2008) fell below ridership of 77,194 reported in FY 2005. In comparison to FY 2008, revenue miles fell by more than 750,000 miles, and revenue hours declined by over 48,000 hours. The 23.7 million passenger trips logged in FY 2009 fell by 2.7 million compared to FY 2008 (10.1% fewer trips) and fell below 24.1 million passenger trips reported in FY 2005.

Operating expenses continued to rise significantly (by 18.1%), but were somewhat offset by a modest increase (2.4%) in operating revenue. Although the increase in operating revenue from FY 2008 to FY 2009 represented slightly less than \$1 million, the actual growth in revenue in comparison to FY 2005 exceeded \$23 million (a 125.0% increase), while operating expenses grew by \$34 million (a 50.4% increase) during that same time period.

Since LYNX logged fewer passenger trips and the average trip length showed no change over the FY 2008 length of six miles, passenger miles fell by 16.1 million to 142.5 million (a decrease of 10.1%). The farebox recovery ratio declined to 20.8 percent despite an increase in the average fare of \$0.08 (10.1%). While the service area remained static, the operating expense per capita increased from \$56.71 to \$66.94 per capita.

The average age of the fleet fell from 3.8 to 3.6 years, and effective use of the fleet improved; improvement in the operating spare ratio from 17.4 to 18.8 (below 20%) allows the Authority additional flexibility in terms of providing expanded service in the future. From a financial perspective, LYNX increased its unrestricted cash balance by more than \$10 million (from \$15.2 to \$26.0 million) and committed all capital investment to system preservation (100%).

Intermodal Connections

LYNX currently provides six intermodal connections, an increase of one over FY 2008, and includes connections to two airports, a circulator, and two park & ride lots.

Airport Connections

Florida Mall Superstop provides connections to Edgewood, south Orlando, south Orange County, the Orlando International Airport, the International Drive resort area, and to the Osceola Square Mall serving Osceola County.

Sanford Wal-Mart Plaza Superstop is located within the shopping complex and connects links serving Casselberry, Lake Mary, Longwood, Maitland, Orlando, north Orange County, Sanford, Seminole County, Winter Park, and the Orlando Sanford International Airport.

Destination Parkway Superstop serves International Drive (including the Prime Outlets, Wet and Wild, Sea World and the Orlando Premium Outlets), the Orange County Convention Center, Central Orlando, Central Orange County, and the Orlando International Airport.

Circulator Connections

University of Central Florida (UCF) Superstop is located centrally on campus, adjacent to the parking structure at the College of Education. The Superstop serves as the transfer focus between LYNX fixed route service and UCF-provided circulators serving the campus, surrounding apartments and businesses. Links at the stop serve east Orange County, Oviedo, service along Colonial Drive to west Orange County, and the West Oaks Mall Superstop.

Park & Ride Connections

- Clermont Park & Ride (Highway US 27)
- Saxson Boulevard Park & Ride (I-4 & Saxson Boulevard)

Governance

In addition to establishing performance measures for transportation authorities, the Commission developed “governance” criteria for assessing each authority’s adherence to statutes, policies and procedures. To that end, the Commission monitored compliance in the areas of ethics, conflicts of interest, audits, public records, open meetings, procurement, consultant contracts and compliance with bond covenants.

Ethics and Conflict of Interest

On January 19, 2009, the LYNX Governing Board amended and modified Administrative Rule 5, Code of Ethics, to establish additional rules and policies pertaining to the conduct of all officers, managers, employees, or agents of the Authority and Members of the Board pursuant to Part II, Chapter 343, Florida Statutes. The Authority elected to apply certain provisions of the State Code of Ethics, Part III of Chapter 112, Florida Statutes as adopted by the State of Florida. “The declared policy of this law is to prohibit any Member, officer or employee from having any interest in, or engaging in, any obligation “which is in substantial conflict with the proper discharge of his duties in the public interest” § 112.311, Florida Statutes (2005). All Members, officers and employees of the Authority shall familiarize themselves with and comply with all applicable provisions of Part III of chapter 112, Florida Statutes.” Administrative Rule 5 details provisions related to the use of official position to secure special privileges or exemptions, disclosure of confidential information, transacting business in

an official capacity, and personal investments. In order to comply with financial disclosure and gift reporting requirements, Administrative Rule 5 requires that “the Authority shall maintain current lists of reporting individuals as required by State law, and provides additional requirements to assure ethical conduct of Members, officers and employees of the Authority, and shall be, wherever possible, construed as supplemental to Part III of Chapter 112, Florida Statutes.” Administrative Rule 5 incorporates the use of Form 8B, Memorandum of Voting Conflict for County, Municipal, and Other Local Public Officers. In the event any Member of the Board is presented with a voting conflict of interest under Section 112.3143, Florida Statutes, that person must abstain from voting on such a matter (but may participate in the discussion of such a matter) by first disclosing said conflict. In addition, said Member must complete and file with the Secretary of the Board the Form 8B before making any attempt to influence the decision.

LYNX reported that no ethics or conflict of interest violations were registered or investigated in FY 2009.

Audit

LYNX has established an audit committee that mirrors the current composition and leadership of the board of directors. The audit committee meets approximately one hour prior to each regular bi-monthly board meeting. The Commission reviewed recent minutes from the audit committee meetings, and typical items reviewed by the audit committee included proposed amendments to administrative rules, updates on the status of ongoing contracts, consent and agenda items for the next board of directors meeting, and proposals regarding fare adjustments and service changes. Detailed minutes of the audit committee and the board of directors meetings are posted on the

LYNX Web site www.golynx.com along with a schedule of audit committee and board of directors meetings scheduled for the calendar year.



LYNX busline.

An annual independent audit of the Central Florida Regional Transportation Authority was completed for the year ending September 30, 2008. The Independent Auditor's Report, prepared by Cherry, Bekaert & Holland, Certified Public Accountants, issued on March 18, 2009 expressed an unqualified opinion on CFRTA's financial statements. No significant deficiencies relating to the audit of the financial statements were reported in the Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*. No instances of noncompliance material to the financial statements were disclosed during the audit. A significant deficiency relating to the audit of major federal or state financial assistance projects was reported in the Independent Auditors' Report on Compliance and Internal Control over Compliance Applicable to each Major Federal Awards Program and State Financial Assistance Project. The Independent Auditors' Report on

Compliance for each Major Federal Awards Program and State Financial Assistance Project expressed an unqualified opinion. An audit finding relative to major federal awards programs was reported. There were no audit findings relative to major state financial assistance projects.

The independent auditors, during procedures related to the National Transit Database report, found that the LYNX internal controls over Motor Bus Directly Operated (MBDO) sampling requirements for passenger miles traveled were insufficient (*Statement of Condition 2008-01*), resulting in noncompliance with requirements. While the automatic passenger counters (APC) were operating effectively, oversight was not adequate to ensure staff were collecting or recording required samples in accordance with the statistical sampling plan. LYNX attempted to regenerate samples from the APCs, but was unsuccessful. The samples for passenger miles traveled data are used to generate a number used in a formula by the Federal Transit Administration (FTA) to provide funding to LYNX. Noncompliance with sampling procedures related to passenger miles traveled data raises the possibility that data could be inaccurately reported and could cause the FTA to modify funding to LYNX in the future. The independent auditors acknowledged that LYNX was coordinating with FTA to provide passenger miles traveled data for FY 2008 and recommended continued follow up to this issue for FY 2008 and to the extent it exists in FY 2009 as well as that LYNX review its statistical sampling plan requirements and implement procedures to more effectively monitor the collection of samples by staff for compliance purposes. LYNX management's response to *Statement of Condition 2008-01* indicated that, at the present time, calibration samples of the APCs are preformed in order to determine the accuracy of the APC data. LYNX is required to perform a minimum of 100

such checks each year and was on target to do so in 2009. LYNX has also documented and implemented *staff redundancy* into these procedures. The performance of these functions is no longer dependent on a single individual, and training is provided to new staff along with ongoing training of existing staff on the management of the APC equipment and data to ensure compliance. The LYNX Service planning manager, director of planning, and chief administrative officer meet bi-weekly to review and ensure all aspects of the process are being followed.

Status of Prior Audit Findings and Recommendations

Three prior audit findings concerned LYNX information systems. Pursuant to Observation 08-01, independent auditors recommended that a business analysis be conducted to determine the relative priority and recovery time objectives of all operations, including finance processing. Based on the determined objectives, it was recommended that LYNX prepare a formal disaster recovery and business continuity plan for data processing services and business operations that is reviewed and tested annually to ensure procedures are up to date and effective in providing the recovery and restoration of operations and services. In response, LYNX completed a Threat and Vulnerability Assessment as well as a Transit Security Assessment to identify potential threats and weaknesses to the LYNX business operations in case of a disaster. As a result, LYNX developed formal written Continuance of Operations (COOP) and Continuance of Government (COG) plans and intended to prepare and test a formal written disaster recovery plan for data processing services by December 2009. Unfortunately, the formal written disaster recovery plan for data processing services is not yet completed as anticipated. LYNX does have a Business Continuity and Contingency Plan, which

is included in the LYNX COOP, for data processing services. LYNX performed an emergency/disaster drill with data processing services in December 2009 and has an additional drill planned for the near future.

Independent auditors, in Observation 08-02, recommended that information technology security awareness training be provided via the Web, through staff meetings, and through emails or handouts and that employees sign-off on information technology security policies on an annual basis. In response, LYNX developed a "Network Security Starts with You" presentation to train staff on security awareness. LYNX Information Technology also modified the "LYNX Information Security Policy," which was introduced to LYNX staff at training sessions. The annual training session is mandatory, covers security awareness and LYNX spam portal use, and introduces the "LYNX Information Security Policy," which requires signature of acceptance. LYNX completed the IT Security Awareness Training and will continue the training program throughout the year as new employees are hired and as a refresher course for existing employees.

For Observation 08-03, the independent auditors recommended that the LYNX Steering Committee create a formal Information Technology Strategic Plan that aligns Information Technology strategies with overall business objectives in each of the next five years. LYNX management indicated that the LYNX Information Technology Committee (ITC) released the Strategic Plan in September 2009.

Federal Transit Administration

The Federal Transit Administration (FTA) contracted with Calyptus Consulting Group, Inc. to perform a follow-up to the 2006 review of the procurement system used by CFRTA in the expenditure of grant funds. The site visit was

conducted on July 8 through 9, 2008. The final review was completed on July 9, 2008, when an exit conference was held to formally present the findings of the review to FTA regional staff and LYNX management. LYNX was rated deficient in 16 of the elements assessed. The reviewing contractor also made seven suggestions to improve the LYNX procurement system.

Corrective actions were undertaken from November 12, 2008 through January 22, 2009 and included revisions of administrative rules subsequently approved by the board of directors, including changes in administrative procedures, training of procurement staff and project managers and updating of internal checklists and revisions to bid and request for proposal templates to ensure internal controls. The corrective measures were forwarded to FTA for final comment. In addition, LYNX implemented a self



LYNX Operations Center.

inspection program to be conducted on a quarterly basis to ensure the implementation of corrective action and compliance with FTA regulation in the LYNX procurement policies. On July 14, 2009, LYNX received a letter from the Office of Program Management and Oversight that FTA had completed its review of the Procurement System, the corrective actions taken satisfactorily resolved

all findings, the report was considered to be closed, and no further response was necessary.

The FTA Office of Civil Rights periodically conducts discretionary reviews of grant recipients to determine if they are honoring their commitment, as represented by certification to FTA, to comply with responsibilities under 49 CFR Part 26. FTA conducted a compliance review of CFRTA's "Disadvantage Business Program Plan" to examine the LYNX Disadvantaged Business Enterprise (DBE) Program Plan and its implementation, make recommendations regarding corrective actions deemed necessary and appropriate, and provide technical assistance. The DBE compliance review was initiated on May 19, 2008, and a written report of findings was issued on September 15, 2008. LYNX was provided with an opportunity to examine the report and respond within 30 days of the date of the report; the LYNX response would then be incorporated into the findings in the final report. Deficiencies were noted in areas including: policy statement, determining/meeting goals, required contract provisions, record keeping and enforcement, and public participation and outreach. LYNX was required to provide a written response within 60 days. Since the issuance of FTA's final report in October 2008, LYNX has responded to the review acknowledging the recommendations, outlined a plan to correct the deficiencies, and submitted corrections to FTA. At this time, LYNX has not received any further comments, and there has been no change to the LYNX submission to FTA.

American Public Transportation Association Peer Review

In response to a request from LYNX, the American Public Transportation Association (APTA) conducted a peer review of the LYNX bus maintenance program and practices on June 1 through 5, 2009. The APTA peer review process is

Transportation Authority Monitoring and Oversight

well established as a valuable resource to the industry for assessing all aspects of transit operations and functions. The peer review was conducted on-site by experienced transit personnel who were selected on the basis of their subject matter expertise. The panel interviewed agency staff, reviewed relevant documents, conducted a variety of inspections and provided LYNX chief executive officer (CEO) with a summary of observations and recommendations. The review focused on programs and practices of the LYNX bus maintenance functions. The panel provided LYNX with feedback and a variety of recommendations to address maintenance efficiencies, performance measures/indicators, staffing levels, the fleet maintenance program, processes/procedures, sharing best practices, quality assurance/quality control, use of



LYNX busline.

technology, training investments, American Recovery and Reinvestment Act, and potential for outsourcing. The peer review panel found the LYNX Maintenance Division staff fully committed to providing safe and reliable vehicles each and every day. The panel did note the organization could benefit in areas of efficiency and effectiveness by ensuring performance goals are applied and measured within the Maintenance Division. The panel suggested that goals be communicated,

posted, understood and followed up throughout the division and that staff be held accountable for achievements. The panel also stressed regular review of performance measures with senior management.

The panel noted that the general condition of vehicles in service was quite good; however, since the fleet was quite young the panel suggested that efforts to ensure that standard operating procedures were developed, updated and communicated would prove to be a valuable tool to quality maintenance and to enable supervisors to understand their roles and responsibilities for quality control of work performed.

Public Records and Open Meetings

On August 24, 2006, LYNX issued Administrative Rule 9 Public Records, pursuant to Article 1, Section 24, Florida Constitution and Chapter 119, Florida Statutes that applied to all officers, managers, employees or agents of the Authority and members of the governing board. The Rule defines public records and outlines provisions related to public access, format of public records, information concerning the public records office, public record requests, including fees and charges, and public record exemptions.

On January 19, 2006, pursuant to Part II, Chapter 343, Florida Statutes, LYNX established Administrative Rule 2, Board Governance (Bylaws). The Rule applies to all officers, managers, employees, or agents of LYNX and members of the governing board. Section 2.1, Adoption of Bylaws, delineates the rules that govern the affairs and conduct of the business of LYNX. Section 2.2, Governing Board, outlines the Authority and composition of the board as well as the roles and responsibilities of board officers and members. Meetings of the board are administered in accordance with Robert's Rules of Order. Notice of

and public access to all meetings must be given in the manner required by applicable law as well as by LYNX Bylaws. Public notices are posted at the LYNX main administration building and are published on the LYNX Web site. An agenda must be prepared prior to each meeting. LYNX is also subject to the provisions of Section 189.417, Florida Statutes and Chapter 286, Florida Statutes, for open meetings.

On November 11, 2008, LYNX Chief Executive Officer Linda Watson approved the issuance of a Public Participation Program Policy by the LYNX Transit Operations/Planning Division of Strategic Planning. The policy applied to all officers, employees, and agents of LYNX and established that it is “the policy of LYNX to proactively inform and involve the Central Florida public in the planning and implementation of new services, routing adjustments, passenger fare adjustments, new facility construction, and planning activities in accordance with Federal and State Regulations.”

The Commission reviewed agendas, minutes of meetings and notices of public meetings available on the LYNX Web site. From this limited review, the Commission determined that LYNX is operating within procedure and statute.

Procurement

On January 22, 2009, pursuant to Part II, Chapter 343, Florida Statutes, the LYNX Governing Board amended and modified Administrative Rule 4, Procurement and Contract Administration, which “applies to the process by which the Authority contracts for labor, services, goods, and materials for its business, both in the normal and ordinary course of business and in emergency situations. It establishes the process and procedure to be followed by the Authority, the Governing Board, and Authority Staff in regard to said matters.” Administrative Rule 4, as amended, added the

following definitions to the procurement and contract administration process:

- Advertising Contract (Section 4.1.1) shall mean a Contract pursuant to which the Authority provides to a third party advertising on one or more properties of the Authority, in exchange for which there is paid or provided to the Authority money or other goods or benefits. Such an Advertising Contract includes Bus Advertising Contracts.
- Financially Exigent Agreement (Section 4.1.21) means an agreement entered into or renewed in accordance with Section 4.4.13.
- Financially Exigent Situation (Section 4.1.22) means a situation whereby a grant or other funding device to or for the benefit of the Authority will terminate or whereby the Authority will otherwise suffer a financial loss or opportunistic loss.
- Short-term Bus Service Agreement (Section 4.1.48) means an agreement to provide bus services to a third party entered into in accordance with Section 4.4.12.
- Trade (Section 4.1.53) shall mean a transaction involving an Advertising Contract pursuant to which the Authority provides to a third party advertising on one or more of its properties in exchange, in whole or in part, for a payment not in cash, but in kind. The payment in kind can take the form of any non-cash consideration such as services, labor, materials, advertising, etc.

Administrative Rule 4 delineates contracting Authority for eight distinct types of contracts, including major contracts, options for major contracts, minor contracts, bus advertising contracts, emergency purchases, fuel purchases,

Transportation Authority Monitoring and Oversight

short-term bus service agreements, and financially exigent agreements. Governing board approval is required for all major contracts, and the governing board does have the authority when it approves the contract to delegate authority. If the governing board does not specifically authorize staff to exercise options for major contracts, options must go before the governing board for approval. Minor contracts are defined as contracts with a value of \$150 thousand or less that are approved in the budget, with a term, including options, of not more than five years. Minor contracts may be approved by the CEO or delegated by the CEO to other senior staff (value of \$50 thousand or less), the procurement/contracts manager (value of \$25 thousand or less), contract administrator/buyer (value of \$5 thousand or less), or to other LYNX employees (purchases of \$2,500 or less) and must



LYNX busline.

be noticed to the governing board as an information item at the next scheduled meeting, if the contract exceeds \$25 thousand.

Bus advertising contracts are defined as Level 1, Level 2, and Level 3. Level 1 contracts may be approved by the CEO, chief administration officer (CAO) and the chief financial officer (CFO) and include contracts that do not exceed \$180

thousand in the aggregate, where the term does not exceed 12 months. If the Level 1 contract is less than \$150 thousand, the CEO can further delegate authority to approve the contract pursuant to the rules governing minor contracts. Level 2 consists of those contracts that exceed \$180 thousand but are less than \$300 thousand or have a term greater than 12 months. The CEO may approve Level 2 contracts provided that the contracts receive prior approval of the Authority's General Counsel; however, the CEO may not delegate approval authority for Level 2 contracts. Level 3 contracts include all bus advertising contracts that fall outside of Levels 1 and 2. Level 3 contracts must be approved by the governing board, reviewed by the General Counsel, and approval authority may not be delegated. In addition, if the bus advertising contract involves a bus trade, which refers to a transaction involving a bus advertising contract where LYNX provides third party advertising in exchange for payment in kind, the bus trade must be approved by the CEO. A summary of new advertising contracts was required to be provided as information items to the governing board at its next meeting. In addition, the Authority delineated limitations on advertising content as specified in Section 4.4.6 C.

Contracts involving emergency purchases must be reported to the governing board at its next scheduled meeting as a discussion item. The CEO may approve an emergency purchase of \$150 thousand or less without approval of the governing board and may delegate approval authority to any senior officer. If the amount exceeds \$150 thousand, the CEO shall attempt to contact the chairman or vice chairman for approval and oversight. If the chairman and vice chairman are unavailable, and the situation necessitates immediate action, the CEO will have authority to approve and execute the contract. The CEO may not delegate approval authority for amounts in

excess of \$150 thousand. Authority for approval is also provided to the chairman of the board, or in his absence, the vice chairman of the board. In the absence of the CEO, approval authority may be granted to any senior officer by the chairman or vice chairman.

Governing board approval is required for any competitive solicitation; however, in said approval, the governing board can establish the conditions for approval of that contract by the CEO or other persons to accept fuel bids and execute fuel contracts. If LYNX has an opportunity to acquire fuel at a savings of five percent over its existing fuel contract, and that is permitted under the existing fuel contract (i.e., the existing fuel contract is not on an exclusive basis), then the CEO would have the ability to acquire such other fuel at such a savings or more and for a term not longer than the term of the other fuel contract, including options. Any fuel purchases under this Rule would be reported to the governing board at its next scheduled meeting as an information item. The governing board would generally establish guidelines for fuel purchases every two years.

The CEO may approve short-term bus service agreements, if the dollar value of the agreement does not exceed \$500 thousand, and may delegate approval authority, but must report the agreement to the governing board at its next scheduled meeting. The CEO may also approve financially exigent agreements if the agreement or renewal is less than \$150 thousand. The CEO may not delegate approval authority for financially exigent agreements and must report the agreement to the governing board at its next scheduled meeting. Administrative Rule 4 also mandates that the procurement of certain consultant or professional services shall be conducted in accordance with provisions of law, including Florida Statutes 287.055, or any

successor provision thereof (the “Consultants Competitive Negotiations Act”) or to 40 U.S.C. 541, where applicable. In addition, as amended on January 22, 2009, Administrative Rule 4 requires that the Authority notify the FTA of any protests related to procurements involving federal funds and keep the FTA informed of the status of any such protests.

Disadvantaged Business Enterprise Policy

LYNX has established a Disadvantaged Business Enterprise (DBE) program in accordance with regulations of the U.S. Department of Transportation (USDOT), 49 CFR Part 26. As a recipient of federal financial assistance from USDOT and as a condition of receiving this assistance, LYNX has signed an assurance that it will comply with 49 CFR Part 26. It is the policy of LYNX to ensure DBEs, as defined in Part 26, have an equal opportunity to receive and participate in USDOT-assisted contracts.

Consultant Contract Reporting

LYNX provided information on three *General Consulting* contracts as presented in the following table. Earth Tech Consulting Services, an architectural and engineering consulting firm, is a general engineering consultant providing expertise and technical skills in developing, designing, and engineering facilities, and related services. The single sub consultant to Earth Tech Consulting Services exceeding \$25 thousand in FY 2009 was Buholtz, totaling \$57,769. Reynolds, Smith & Hills, is a general consultant firm providing expertise and technical skills in transportation and transit planning, engineering, GIS, and technology. Two sub consultants to Reynolds, Smith & Hills exceeded \$25 thousand in FY 2009. They were Runways Transportation, totaling \$145,000 and Sharon Greene & Associates, totaling \$72,036. Data Transfer Solutions (DTS), a general

Table 33
Central Florida Regional Transportation Authority
Summary of General Consultant Sub Consultant Activity
FY 2009

<i>Consulting Contract</i>	<i>Description</i>	<i>Sub Consultants >\$25k</i>
Earth Tech Consulting Services, aka, AECOM	Architecture & Engineering	
Buholtz	Electrical & Design Services	\$57,769
Reynolds Smith & Hills	Transportation/Transit Planning	
Runways Transportation	Transit Planning/Service Analysis	\$145,000
Sharon Greene & Associates	Base Financial Forecast	\$72,036
Data Transfer Solutions (DTS)	Transportation & Financial Planning	
Runways Transportation	Transit Planning/Service Analysis	\$88,550
Tindale Oliver & Associates	Transit Planning/Service Analysis	\$54,866
Total Sub Consultants >\$25k		\$418,221

consultant firm, provides transportation and financial planning services to LYNX. Two sub consultants to DTS exceeded \$25 thousand in FY 2009. They were Runways Transportation, totaling \$88,550 and Tindale Oliver & Associates, totaling \$54,866.

Compliance with Bond Covenants

LYNX has no outstanding revenue bonds issued at this time. LYNX does have three outstanding State Infrastructure Bank Loan Agreements (SIB) with the Department.

Loans Payable

On August 16, 2001, the Authority entered into a State Infrastructure Bank Loan Agreement (SIB#1), allowing draws of up to \$7,958,991 for the construction of the LYNX Central Station. The loan matures in 2011. It was non-interest bearing until October 1, 2006 and bears an interest rate of 5 percent, thereafter. On June 9, 2004, the Authority entered into another SIB Loan (SIB #2), allowing draws of up to \$7,600,000 for the construction of the new Operating Base Facility. This loan matures in 2016, was non-interest bearing until October 1, 2007, and bears an interest rate of 2 percent, thereafter. On August

14, 2006, the Authority entered into another SIB Loan (SIB#3), allowing draws of up to \$7,140,000 for the acquisition of rolling stock, including paratransit vehicles. The allowable amount of \$7,140,000 for SIB #3 was executed in FY 2006. This loan matures in 2013, was non-interest bearing until October 1, 2008, and bears an interest rate of 1 percent, thereafter. Loans payable activity at September 30, 2009 and 2008 is as follows:

Table 34
Central Florida Regional Transportation Authority
Loans Payable
September 30, 2009

<i>Loan</i>	<i>Beginning Balance</i>	<i>Payments</i>	<i>Ending Balance</i>	<i>Amounts Due Within One Year</i>
SIB #1	\$2,085,848	\$916,800	\$1,169,047	\$962,641
SIB #2	\$6,770,508	\$694,082	\$6,076,426	\$707,963
SIB #3	\$7,140,000	\$1,470,835	\$5,669,165	\$1,414,143
Total	\$15,996,356	\$3,081,717	\$12,914,638	\$3,084,747

LYNX committed its FTA 5307 grant funds as the source to fund the payment obligations of the loans, pursuant to the SIB Loan Agreement.

Summary

LYNX is a full service public transportation authority operating within a 2,500 square mile service area in the Orlando metropolitan area and throughout Orange, Seminole, and Osceola Counties. LYNX continues to expand its service parameters and relies on fare revenues, federal and state grants, and financial support from its local partners to fund operations, including fixed route bus service, paratransit service, flex service and carpools/vanpools.

LYNX actively participated in and cooperated with the Commission's review, and the Commission relied heavily on documentation and clarifications provided by LYNX management.

LYNX met or exceeded 5 of the 12 applicable fixed route objectives established for performance measures. The seven fixed route measures that require improvement include: average headway, operating expense per revenue mile, operating expense per revenue hour, operating expense per passenger trip, operating expense per passenger mile, revenue miles between failures, and revenue miles versus vehicle miles.

LYNX provides significant public transit service to the community it serves and does so with a great deal of consistency over a variety of operating parameters. LYNX has continued to improve on-time performance and customer responsiveness. In light of continued escalation in operating costs, the Commission encourages LYNX to focus on containing those costs moving forward.

In the area of governance, the FY 2008 independent financial statement audit expressed an unqualified opinion on CFRTA's financial statements. No significant deficiencies relating to the audit of the financial statements were reported

in the Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*. No instances of noncompliance material to the financial statements were disclosed during the audit. The Independent Auditors' Report on Compliance for each Major Federal Awards Program and State Financial Assistance Project expressed an unqualified opinion. A significant deficiency relating to the audit of major federal or state financial assistance projects was reported, and pursuant to the auditor's recommendations, LYNX worked with FTA to resolve the discrepancy in sampling requirements. There were no audit findings relative to major state financial assistance projects.

Three prior audit findings concerned the LYNX information systems. LYNX conducted a Threat and Vulnerability Assessment, a Transit Security Assessment, developed formal written Continuity of Operations and Continuity of Government Plans, performed an emergency/disaster drill with data processing services in December 2009, and is in the process of finalizing a formal written disaster recovery plan for data processing services. LYNX completed IT Security Awareness Training and will continue the program throughout the year for newly hired employees and as a refresher course for existing employees. LYNX also released a Strategic Plan developed by the Information Technology Committee.

FTA's July 2008 follow-up to a 2006 procurement review noted 16 deficiencies. Corrective actions, including revisions of administrative rules subsequently approved by the Board of Directors, undertaken by LYNX satisfactorily fulfilled FTA's requirements. LYNX submitted a formal response to FTA's Office of Civil Rights examination of the

LYNX DBE program and is awaiting acknowledgement of the response from FTA.

Based on the Commission's limited review of audit committee and board of directors meeting minutes, LYNX policies and procedures, Florida Statutes, financial statements, and other documentation provided by LYNX, no instances of noncompliance with applicable laws or regulations in the areas of ethics, conflicts of interest, public records, open meetings, bond compliance and other governance criteria established by the Commission were noted.

The Commission encourages LYNX to develop and establish a course of action focused on improving performance to achieve objectives. In addition, the Commission acknowledges with appreciation the cooperation and assistance on the part of LYNX in providing the resources necessary to complete this review.

Subsequent Event

During review of the FY 2009 Transportation Authority Monitoring and Oversight Report at the May 6, 2010, Florida Transportation Commission meeting, Central Florida Regional Transportation Authority revealed errors in the data they had previously reported to the Commission. Although the Commission did not perform any substantive analysis of the new data, the most significant differences in amounts reported by the Authority related to operating expenses and operating revenues. Central Florida Regional Transportation Authority submitted a letter clarifying the new data that follows. Going forward, the Commission, in concert with the Authority, will review and adjust, as necessary, historical data.



May 13, 2010

Marty Lanahan, Chair
Florida Transportation Commission
605 Suwannee Street, MS-9
Tallahassee, FL 32399-0450

Madame Chair:

In reviewing our response to the Florida Transportation Commission for inclusion in the Transportation Authority Monitoring and Oversight Fiscal Year 2009 Report, it was discovered that the figures as originally reported were in error. It appears for instance, that Para-transit activities were incorporated into the numbers originally reported. The report is intended to reflect only fixed route activities. Lynx has taken steps to insure this does not happen in the future.

In order to more accurately reflect the results of operations for FY09, we have restated the information below. The errors were primarily in the area of Total Operating Revenues and Total Operating Expenses for FY08 and FY09. The revised figures are as follows:

	As Originally Reported FY2008	Revised FY2008
Operating Revenues:	\$ 41,247,382	\$ 32,818,381
Operating Expenses	\$ 87,150,449	\$ 90,795,044

	As Originally Reported FY2009	Revised FY2009
Operating Revenues:	\$ 42,216,981	\$ 32,842,406
Operating Expenses	\$ 102,882,269	\$ 87,231,880

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Orlando, FL 32801-1518

Utilizing the revised figures, the following Performance Indicators for FY09 would have been as follows:

	Objective	As Originally Reported FY2009	Revised FY2009
Operating Revenues per Operating Expenses:	> 30%	41.0%	37.6%
Operating Expenses per Revenue Hour:	< \$75	\$99.91	\$84.71
Operating Expenses per Revenue Mile:	< \$5.30	\$7.23	\$6.13
Operating Expenses per Passenger Trip:	< \$3	\$4.33	\$3.67
Operating Expenses per Passenger Mile:	< \$0.47	\$0.72	\$0.61

We regret the error in reporting but believe it is important to accurately reflect the results of operations for FY09.

Sincerely,



Linda S. Watson
Chief Executive Officer

Jacksonville Transportation Authority (JTA)

Background



The Jacksonville Transportation Authority (JTA) is an agency of the State of Florida, created as the first transportation authority in the State under Chapter 349, as amended, Florida Statutes (F.S.). Originally created to construct and operate tolled limited access and bridge facilities, in 1972, JTA became a multimodal transportation agency, with the authority to plan, design, construct, maintain and operate transportation facilities in Duval County, including highways and bridges on the State Highway System (SHS), mass transit facilities, and appurtenances to both highway and transit functions.

JTA provides public transportation services to the general public in the Jacksonville metropolitan area and throughout Duval County in the form of fixed route bus service, paratransit service, an automated people mover, trolleys, and stadium shuttle service. JTA also implements roadway projects under its own authority and work plans, and pursuant to its role in the Better Jacksonville Plan, which includes 32 roadway projects totaling more than \$800 million. The projects include 12 interchange improvements, roadway widening projects, construction of one major bridge and the design of another.

As amended, Chapter 349, Florida Statutes, now provides that JTA also has the “right to plan, develop, finance, construct, own, lease, purchase, operate, maintain, relocate, equip, repair, and manage those public transportation projects, such as express bus services; rapid transit services; light rail, commuter rail; heavy rail, or other transit

services, ferry services; transit stations; park-and-ride lots; transit-oriented development nodes; or feeder roads, reliever roads, connector roads, bypasses, or appurtenant facilities, that are intended to address critical transportation needs or concerns in the Jacksonville, Duval County, metropolitan area. These projects may also include all necessary approaches, roads, bridges, and avenues of access that are desirable and proper with the concurrence of the department, as applicable, if the project is to be part of the State Highway System.”

The governing body of JTA consists of seven voting members, three members appointed by the Governor and confirmed by the Senate, three members appointed by the Mayor of the City of Jacksonville subject to confirmation by the Council of the City of Jacksonville, and the district secretary of the Department of Transportation serving in the district that contains the City of Jacksonville. All members with the exception of the district secretary shall be residents and

Highlights

- Beginning in 2009, JTA became subject to Commission review of operations and budget, acquisition of property, management of revenue and bond proceeds.
- JTA facilitated a study effort regarding the framework for the creation of a regional transportation agency.
- JTA met or exceeded 7 of the 12 objectives established for performance measures for bus.
- Bus achieved an average headway of 45 minutes, well below the less than 60-minute objective.
- JTA's Skyway met or exceeded 5 of the 12 performance measures.
- Skyway achieved less than one complaint per 5,000 boardings with 0.1 complaints.

qualified electors of Duval County. Appointed members serve four-year terms that commence on June 1 during the year in which they are appointed, and each member holds office until a successor is appointed and qualified. A vacancy during a term must be filled by the respective appointing authority for the balance of the unexpired term. Any member appointed to the authority for two consecutive full terms is ineligible for appointment to the next succeeding term.

On an annual basis, board members select one member as chair of the authority, one member as vice chair of the authority, one member as secretary of the authority, and one member as treasurer of the authority. The members of the authority are not entitled to compensation, but may be reimbursed for travel expenses or other expenses actually incurred in their duties as provided by law.

Four voting members of the authority constitute a quorum, and no resolution adopted by the authority becomes effective unless with the affirmative vote of at least four members.

Table 35
Jacksonville Transportation Authority
Current Board Members

<i>Name</i>	<i>Appointment</i>	<i>Position</i>
Ava L. Parker	Appointed by Mayor John Peyton	Chairman
Michael Cavendish	Appointed by Governor Charlie Crist	Vice-Chairman
Donald P. Hinson	Appointed by Mayor John Peyton	Secretary
Edward E. Burr	Appointed by Governor Charlie Crist	Treasurer
Cleve E. Warren	Appointed by Mayor John Peyton	Member
A. J. Johns	Appointed by Governor Charlie Crist	Member
Alan Mosely	District Two Secretary	Member

The authority employs an executive director, who may hire staff, permanent or temporary and may organize the staff of the authority into departments and units. The executive director may appoint department directors, deputy directors, division chiefs, and staff assistants to the executive director. The authority establishes the compensation of the executive director, who

serves at the pleasure of the authority. All employees of the authority are exempt from the provisions of Part II of Chapter 110, F.S. The authority may employ such financial advisers and consultants, legal counsel, technical experts, engineers, and agents and employees, permanent or temporary, as it may require and may fix the compensation and qualifications of such persons, firms, or corporations.

Subsidiary Public Benefit Corporation

Jax Transit Management, Inc. (JTM) is a Florida not-for-profit corporation responsible for the management of payroll and related benefits for drivers, mechanics and certain other employees who support the transit functions of JTA. JTA owns all of the stock of JTM and members of JTM's board of directors are appointed by JTA. The transactions of JTM are consolidated with the primary government (JTA) and are included in the expenses of JTA's enterprise funds.

JTA employees are covered under two union contracts. Bus operators are covered under a three-year contract with Amalgamated Transit Local Union No. 1197, which is currently under extension during ongoing negotiations with Amalgamated Transit Union. Mechanics operate under a three-year contract with the International Association of Machinist and Aerospace Workers Local Union No. 759, which is in effect until November 6, 2011.

Better Jacksonville Plan

JTA entered into Interlocal Agreements (ILA) with the City of Jacksonville (the City) in 2000 for the purpose of constructing the roadway and infrastructure projects of the Better Jacksonville Plan (the Plan), as defined in the ILAs. Pursuant to these agreements, JTA pledged its Charter County Transportation Surtax revenues, and the City pledged its Duval County constitutional gas taxes

and its Infrastructure Sales Surtax revenues to pay the debt service on transportation and infrastructure revenue bonds issued by the City to fund transportation projects under the Plan. All bonds are revenue obligations, and there is no guarantee by JTA or the City, nor any other JTA revenues or assets pledged for the bonds.

The ILAs continue in effect until all of the bonds have been paid in full or defeased in accordance with their terms. The terms of the ILAs also require that the City make available its Local Option Gas Tax (LOGT) to JTA for JTA's operation of its mass transit division. Any excess funds calculated pursuant to the terms of the ILA (as amended) will be allocated entirely to JTA. JTA may use these funds for any lawful purpose.

Recent Initiative

At the direction of the Florida Legislature, through the Florida Department of Transportation, JTA facilitated a study effort regarding the framework for the creation of a regional transportation agency (RTA). The RTA Study boundaries included Baker, Clay, Duval, Flagler, Nassau, Putnam and St. Johns counties. A Study Advisory Panel, which was formed to assist JTA and the Department during the study, and members of the public met six times



JTA Skyway.

between September 2009 and January 2010. The Final Study Report, submitted to the Florida Legislature on February 1, 2010, contained the key findings of the seven-county study in addition to a recommendation to create a study commission to focus on the framework set forth in the report.

As a corollary to the major emphasis on highway and bridge capital funding from its Transportation Sales Surtax under the Better Jacksonville Plan, JTA focused efforts on restructuring mass transit operations for improved service and cost containment. JTA trimmed a total of 832 thousand vehicle miles from the Bus and Skyway systems in FY 2009 and decreased combined operating expenses for the two systems by \$12.7 million.

Moving forward into FY 2010, the biggest challenge facing JTA is declining revenues. Cost containment will, therefore, continue to be a top priority.

Performance Measures

In the 2009 legislation which substantially amended JTA's authorizing statute (Chapter 349, F.S.), the Florida Transportation Commission's (Commission) role was expanded to include providing oversight to JTA. Under its authorizing legislation, the Commission conducts periodic reviews of each authority's operations and budget, acquisition of property, management of revenue and bond proceeds, and compliance with applicable laws and Generally Accepted Accounting Principles (GAAP). Consequently, the Commission, in concert with the authorities, developed performance measures and management objectives that establish best practices across the industry to improve the overall delivery of services to the traveling public and freight moving through communities that are

critical to the overall economic well-being and quality of life in Florida.

Since performance measures and objectives had already been established for bus fixed route service for an agency currently monitored by the Commission, the Central Florida Regional Transportation Authority (LYNX), Commission staff examined those measures and objectives in detail.

JTA was an active participant not only in the development of performance measures but also in establishing objectives to measure its performance. Commission staff, assisted by researchers from the Center for Urban Transportation Research (CUTR) at the University of South Florida, actively worked with JTA staff through a series of working sessions at JTA headquarters and multiple teleconferences to establish measures and objectives that were a true reflection of authority effectiveness and efficiency in a variety of areas.

Commission and JTA staff agreed that the established performance measures and operating indicators appeared to be appropriate for evaluating JTA's performance. Unfortunately, since the LYNX performance measure objectives for fixed route bus service were driven by performance data from FY 2006, Commission staff determined that the LYNX performance measure objectives were outdated and needed to be updated for JTA. Commission staff and CUTR conducted multiple reviews of peer agency performance data, including recent performance data available from LYNX. Specific aspects of the performance data were reviewed further to gain a clear understanding of the basis for trends identified at JTA.

Consensus was reached, and JTA performance measures, objectives and operating indicators for

bus were recommended to and approved by the Commission's Transportation Oversight Committee for inclusion in the FY 2009 Oversight Report. On November 6, 2009, the Florida Transportation Commission unanimously adopted the recommended performance measures, objectives and operating indicators as recommended by the Transportation Oversight Committee.

JTA – Bus

JTA performance data used for this report represent information collected during FY 2009, which spans from October 1, 2008 through September 30, 2009. JTA was successful in achieving 7 of the 12 objectives for performance. FY 2009 results, as reported by JTA, are provided in Table 36. Results for the last five fiscal years are included in Appendix B.

Each of the performance measures is discussed in terms of achievement of the objective, prevailing trends, and future corrective action.

Average Headway

JTA reported an average headway of 45 minutes from FY 2005 through FY 2009. Although actual performance was consistently less than 60 minutes (the LYNX objective is <60 minutes), the management objective for JTA's average headway was established at less than 60 minutes to allow JTA flexibility in scheduling that could potentially reduce operating costs.

Operating Expenses

JTA reported that revenue miles and passenger miles have trended downward as a result of adjustments to bus routes and schedules. While operating costs did decrease in FY 2009, two specific types of costs appeared to be driving operating costs upward: "service costs" and "other costs." JTA indicated that "service" costs included

the Bus Marshall Program (off-duty police officers ride buses), consultant support for reorganization and the corporate training program, and non-capital improvements to the JTA headquarters building. JTA reported that these costs had peaked and would significantly decrease moving forward. In terms of "other costs," JTA indicated that contracted services for "Choice Ride" and "Ride Request" (shuttle services) were included as

operating costs. Since this type of service appears to be purchased transportation rather than directly operated service, JTA will re-evaluate the allocation of the operating costs of this service in the future. JTA also acknowledged that there might have been some expenses for various studies for the planning of a regional transportation center that could have been capitalized rather than expensed.

Table 36
Jacksonville Transportation Authority
Summary of Performance Measures - Bus
FY 2009¹

<i>Performance Measure</i>	<i>Detail</i>	<i>Objective</i>	<i>Actual Results</i>	<i>Meets Objective</i>
Average Headway	Average headway of all routes	<60 minutes	45	✓
Operating Expense per Revenue Mile	Operating expenses divided by revenue miles	<\$6.50	\$6.03	✓
Operating Expense per Revenue Hour	Operating expenses divided by revenue hours	<\$91	\$90.91	✓
Operating Revenue per Operating Expense	Revenue generated through operation of the transit authority divided by operating expenses	>20%	18.3%	X
Operating Expense per Passenger Trip	Operating expenses divided by annual ridership	<\$5.30	\$5.24	✓
Operating Expense per Passenger Mile	Operating expenses divided by passenger miles	<\$1.00	\$1.01	X
Revenue Miles between Safety Incidents	Annual revenue miles divided by safety incidents	>1,367,757	217,119	X
Revenue Miles between Failures	Revenue miles divided by revenue vehicle system failures ²	>10,500	8,327	X
Revenue Miles versus Vehicle Miles	Revenue miles divided by vehicle miles ³	>.90	0.97	✓
Customer Service	Average time from complaint to response	14 days	7	✓
Customer Service	Customer complaints divided by boardings	<1 per 5,000 boardings	0.8	✓
On-time Performance	% trips end to end on time "less than 5 minutes late"	>80.0%	80%	X

¹ Fiscal Year 2009 represents 12 months of unaudited data from October 1, 2008 through September 30, 2009.

² A failure is classified as the breakdown of either a major or minor element of the revenue vehicle's mechanical system.

³ Total annual vehicle miles include: deadhead miles, vehicle miles from the end of service to the garage, driver training and other miscellaneous miles not considered to be in direct revenue service.

Transportation Authority Monitoring and Oversight

Beginning in FY 2005, JTA altered its cost allocation plan (overhead) and excluded engineering capital dollars from the basis data for allocating overhead. As a result, approximately 80 percent of corporate expenses were allocated to bus operations and only 3 percent were allocated to engineering (highway operations). Beginning in FY 2009, in order to assign costs appropriately, JTA changed the allocation methodology to mirror FY 2004 practices. In FY 2004, bus operations were allocated 38 percent, and highway operations were allocated 55 percent of corporate expenses. Although JTA will not restate any amounts in their financial documents or in the National Transit Database (NTD), actual operating costs for bus were restated and reviewed using the FY 2004 methodology in order to identify consistent trends



JTA Bus.

moving forward. Management objectives for the following cost-related performance measures were established based on restated costs as provided by JTA. In order to illustrate the actual costs related to the following measures, reported and restated data are presented.

Operating Expense per Revenue Mile

An evaluation of the relationship between operating expenses and revenue miles provides a measure of the general cost efficiency of the service provided over distance.

JTA's reported and restated operating expenses per revenue mile from FY 2005 through FY 2009 are presented in Table 37.

Table 37
Jacksonville Transportation Authority
Operating Expense per Revenue Mile - Bus

<i>Expense</i>	<i>2005</i>	<i>2006</i>	<i>2007</i>	<i>2008</i>	<i>2009</i>
Reported	\$5.14	\$5.44	\$6.33	\$6.92	\$6.03
Restated	\$4.77	\$5.07	\$5.98	\$6.50	
Objective					\$6.50

Based on restated cost data, JTA's management objective for operating expense per revenue mile was established at less than \$6.50. JTA achieved this objective with an operating cost per revenue mile of \$6.03. JTA's operating cost per revenue mile of \$6.03 fell below the objective of less than \$6.50 by \$0.47 (7.2%), thereby achieving the objective. An 18.7 percent reduction in operating costs was significant enough to offset a 6.8 percent decrease in annual revenue miles resulting in a reduced operating cost per revenue mile of \$0.47 in FY 2009.

Operating Expense per Revenue Hour

An evaluation of the relationship between operating expenses and revenue hours also provides a measure of the general cost efficiency of the service provided over time.

JTA's reported and restated operating expenses per revenue hour from FY 2005 through FY 2009 are presented in Table 38.

Based on restated cost data, JTA's management objective for operating cost per revenue hour was

Table 38
Jacksonville Transportation Authority
Operating Expense per Revenue Hour - Bus

<i>Expense</i>	<i>2005</i>	<i>2006</i>	<i>2007</i>	<i>2008</i>	<i>2009</i>
Reported	\$84.19	\$88.39	\$96.26	\$104.77	\$90.91
Restated	\$78.10	\$82.34	\$91.00	\$98.42	
Objective					\$91.00

established at less than \$91.00. JTA achieved this objective with an operating cost per revenue hour of \$90.91. JTA's operating cost per revenue hour of \$90.91 fell below the objective of less than \$91.00 by \$0.09 (0.1%), thereby achieving the objective. An 18.7 percent reduction in operating costs was significant enough to offset a decrease of 6.3 percent in annual revenue hours, resulting in a reduced operating cost per revenue hour of \$13.86 in FY 2009.

Operating Revenue per Operating Expense

The relationship between operating revenue and operating expense provides a measure of the effective use of income. Unlike the previous objective, where the goal was to achieve lower costs per revenue mile, the target for this objective is to increase the percentage of revenue derived from fares and other revenue sources.

JTA's reported and restated ratios of operating revenue per operating expense from FY 2005 through FY 2009 are presented in Table 39.

Table 39
Jacksonville Transportation Authority
Operating Revenue per Operating Expense - Bus

<i>%</i>	<i>2005</i>	<i>2006</i>	<i>2007</i>	<i>2008</i>	<i>2009</i>
Reported	15.6%	16.5%	13.2%	14.1%	18.3%
Restated	16.9%	17.7%	13.9%	15.0%	
Objective					20.0%

Based on restated cost data, JTA's management objective for operating revenue per operating expense was established at greater than 20

percent. While JTA failed to achieve this performance measure objective with an 18.3 percent ratio of revenue to operating expenses, improvement in this area was significant. Improved performance was driven by increased operating revenue combined with decreased operating expenses

Operating Expense per Passenger Trip

An evaluation of the relationship between operating expenses and passenger trips provides a measure of the general cost efficiency of the service provided.

JTA's reported and restated operating expenses per passenger trip from FY 2005 through FY 2009 are presented in Table 40.

Table 40
Jacksonville Transportation Authority
Operating Expense per Passenger Trip - Bus

<i>Expense</i>	<i>2005</i>	<i>2006</i>	<i>2007</i>	<i>2008</i>	<i>2009</i>
Reported	\$5.28	\$5.14	\$6.00	\$6.42	\$5.24
Restated	\$4.89	\$4.79	\$5.67	\$6.03	
Objective					\$5.30

Based on restated cost data, JTA's management objective for operating expense per passenger trip was established at less than \$5.30. JTA achieved this objective with an operating cost per passenger trip of \$5.24. JTA's operating cost per passenger trip of \$5.24 fell below the objective of less than \$5.30 by \$0.06 (1.1%), thereby achieving the objective. An 18.7 percent reduction in operating costs was significant enough to offset a 0.4 percent decrease in annual passenger trips, resulting in a reduced operating cost per passenger trip of \$1.18 in FY 2009.

Operating Expense per Passenger Mile

An evaluation of the relationship between operating expenses and passenger miles also provides a measure of the general cost efficiency of the service provided.

JTA's reported and restated operating expenses per passenger mile from FY 2005 through FY 2009 are presented in Table 41.

Table 41
Jacksonville Transportation Authority
Operating Expense per Passenger Mile - Bus

<i>Expense</i>	<i>2005</i>	<i>2006</i>	<i>2007</i>	<i>2008</i>	<i>2009</i>
Reported	\$0.86	\$0.87	\$1.02	\$1.21	\$1.01
Restated	\$0.79	\$0.81	\$0.96	\$1.14	
Objective					\$1.00

Based on restated cost data, JTA's management objective for operating expense per passenger mile was established at less than \$1.00. JTA failed to achieve this objective with an operating cost per passenger mile of \$1.01. JTA's operating cost per passenger mile of \$1.01 exceeded the objective of less than \$1.00 by \$0.01 (1.0%). While JTA failed to achieve this performance measure objective, improvement in this area was significant.

The remaining performance measure objectives mirror those previously established for LYNX.

Revenue Miles between Safety Incidents

The span of revenue miles between incidents is a measure of safe customer service. Significant revenue miles between safety incidents results in infrequent exposure of customers to safety hazards. In early 2008, measures and objectives established in 2007 were reviewed with the authorities to incorporate adjustments and/or modifications identified during the first year review process. The Commission, with the assistance of the authorities, formally adopted a modified performance measure that changed the safety

performance measure from "revenue miles between major safety incidents" to "revenue miles between safety incidents" to conform to NTD reporting requirements. The new performance objective was defined as 10 percent above the average of the last 5 years. JTA reported the following performance data for FY 2004 through FY 2008.

Table 42
Jacksonville Transportation Authority
Revenue Miles Between Safety Incidents
FY 2009 Performance Objective - Bus

<i>Fiscal Year</i>	<i>Revenue Miles</i>	<i>Safety Incidents</i>	<i>Revenue Miles Between Incidents</i>
2004	9,928,700	5	1,985,740
2005	10,014,300	10	1,001,430
2006	9,897,600	12	824,800
2007	9,638,800	5	1,927,760
2008	9,546,900	20	477,345
Average			1,243,415
>10% above Average			1,367,757
2009	8,901,889	41	217,119

JTA's management objective for revenue miles between safety incidents was established at greater than 1,367,757 miles. JTA failed to achieve the new objective with 217,119 revenue miles between safety incidents (84.1% below the target). In FY 2009, JTA's revenue miles fell by more than 600 thousand compared to FY 2008, while the number of safety incidents more than doubled (rose from 20 to 41). During the 2008 calendar year, the National Transit Database implemented a change in the definition of "major incident." Major incidents (safety or security) are now defined as "any person with an injury requiring treatment away from the scene." It had been previously reportable if two or more people required medical treatment away from the scene. Non-major incidents (safety) are now defined as "any property damage," while prior to calendar year 2008, it was reportable only if it was equal to

or greater than \$7,500. As a result, JTA was required to implement a change in measurement criteria, which impacted reportable incidents. Trend data used for comparison (FY 2004 through FY 2008) are based on a different NTD definition of “safety incidents.”

Revenue Miles between Revenue Vehicle System Failures

The span of revenue miles between revenue vehicle system failures (defined as the breakdown of either a major or minor element of the revenue vehicle’s mechanical system) is a measure of maintenance effectiveness in keeping the fleet in good condition. A significant number of revenue miles between revenue vehicle system failures can serve to reinforce customer confidence in on-time bus performance. JTA failed to achieve the performance measure objective of greater than 10,500 revenue miles between revenue vehicle system failures with 8,327 revenue miles between failures. Despite a seven percent decrease in failures in FY 2009 (1,069 versus 1,150), the sizeable decline in revenue miles resulted in diminished miles between failures.

Revenue Miles versus Vehicle Miles

The relationship between revenue miles and vehicle miles provides a measure of the effectiveness of fleet assignment given that vehicle miles include non-revenue miles, such as deadhead miles (from yard to start of a route and vehicle miles from the end of the route to the yard). JTA exceeded the performance measure objective of greater than 0.90 for FY 2009 with 0.97, indicating highly effective use of the fleet.

Customer Service – Average Time from Complaint to Response

JTA achieved the performance measure objective of timely response to customer complaints within

two weeks of receipt of the complaint. JTA reduced average response time to customer complaints to seven days in FY 2009.

Customer Service – Number of Complaints per Boarding

JTA also achieved the performance objective of less than one complaint per 5,000 boardings with 0.8 complaints, despite record growth in the number of customer complaints in FY 2009 (1,690 in FY 2009 compared to 966 in FY 2008).

On-time Performance

JTA nearly achieved the on-time performance objective of greater than 80.0 percent of trips end-to-end on-time with 80.0 percent on-time performance. On-time is defined as less than five minutes late.

Operating Indicators—Bus

The Commission, in concert with the authorities, developed operating indicators that provide meaningful operational and financial data that supplement performance measures in evaluating and monitoring organizational performance. The Commission did not establish objectives or goals for these indicators, as various authorities have unique characteristics. FY 2009 operating indicators for bus, as reported by JTA, are provided in Table 43. In order to observe current trends, operating indicators based on reported data for FY 2007 and FY 2008 are also provided. Results for the last five fiscal years are included in Appendix B.

Based on the indicators presented, JTA maintained weekday ridership of almost 35 thousand with expanded revenue service hours (a 2.8% increase). JTA logged fewer revenue miles than in FY 2008 (a 6.8% decrease) and reduced peak service vehicles

Transportation Authority Monitoring and Oversight

Table 43
Jacksonville Transportation Authority
Summary of Operating Indicators - Bus
FY 2007 through FY 2009

<i>Operating Indicator</i>	<i>Detail</i>	<i>Actual 07 Results</i>	<i>Actual 08 Results</i>	<i>Actual 09 Results</i>
Operating Expense per Capita (Potential Customer)	Annual operating budget divided by service area population	\$73.70	\$77.61	\$63.10
Farebox Recovery Ratio	Ratio of passenger fares ¹ to total operating expenses	12.0%	12.7%	15.4%
Service Area Population	Approximation of overall market size	827,453	850,962	850,962
Service Area Population Density	Persons per square mile based on service area population and size	3,419	3,516	3,516
Operating Expense	Spending on operations, including administration, maintenance, and operation of service vehicles	\$60,981,288	\$66,045,992	\$53,695,432
Operating Revenue ²	Revenue generated through operations of transit authority	\$8,031,294	\$9,281,644	\$9,837,889
Total Annual Revenue Miles	Miles vehicles operated in active service ³	9,638,800	9,546,900	8,901,889
Total Annual Revenue Hours	Hours vehicles operated in active service	633,500	630,400	590,626
Total Revenue Vehicles ⁴	Vehicles available to meet annual maximum service requirement	183	184	182
Peak Vehicles	Vehicles operated to meet annual maximum (peak) service requirements	179	147	135
Ratio of Revenue Vehicles to Peak Vehicles ⁵ (spare ratio)	Revenue vehicles, including spares, out-of-service vehicles, and vehicles in/awaiting maintenance, divided by the number of vehicles operated in maximum service	2.2%	20.1%	25.8%
Annual Passenger Trips ⁶	Passenger boardings on transit vehicles	10,171,201	10,290,987	10,253,890
Average Trip Length	Average length of passenger trip, generally derived through sampling	5.9	5.3	5.2
Annual Passenger Miles	Passenger trips multiplied by average trip length (in miles)	59,798,506	54,542,231	53,320,228
Weekday Span of Service (hours)	Hours of transit service on a representative weekday from first service to last service for all modes	21.2	21.3	21.9
Average Fare	Passenger fare revenues divided by passenger trips	\$0.72	\$0.82	\$0.81
Passenger Trips per Revenue Mile	Passenger trips divided by revenue miles	1.06	1.08	1.15
Passenger Trips per Revenue Hour	Passenger trips divided by revenue hours	16.1	16.3	17.4
Passenger Trips per Capita	Passenger trips divided by service area population	12.3	12.1	12.0
Average Age of Fleet	Age of fleet (in years) average	7.0	7.9	6.8
Unrestricted Cash Balance	End of year cash balance from financial statement	\$6,317,816	\$6,536,357	\$11,005,843
Weekday Ridership	Average ridership on weekdays	34,948	34,927	34,872
Capital Commitment to System Preservation	% of capital spent on system preservation	21%	34%	100%
Capital Commitment to System Expansion	% of capital spent on system expansion	79%	66%	0%
Intermodal Connectivity	Intermodal transfer points available	3	3	3

¹ Passenger fares are revenues generated annually from carrying passengers in regularly scheduled service.

² Operating revenue includes passenger fares, special transit fares, freight tariffs, auxiliary transportation revenues, subsidy from other sectors of operations and non-transportation revenues.

³ Active service refers to vehicle availability to pick up revenue passengers.

⁴ Total revenue vehicles include spares, out-of-service vehicles, and vehicles in or awaiting maintenance, but exclude vehicles awaiting sale and emergency contingency vehicles.

⁵ Vehicles awaiting sale and emergency contingency vehicles are not included as revenue vehicles in this calculation.

⁶ A passenger trip is counted each time a passenger boards the train.

from 147 in FY 2008 to 135. Operating expenses declined (by 18.7%), while operating revenue increased (by 6.0%). JTA logged slightly fewer passenger trips (a 0.4% decrease), and because the average trip slightly decreased to 5.2 miles, passenger miles fell (by 2.2%). The farebox recovery ratio grew (an increase of 20.8% versus FY 2008), while the average fare fell slightly from \$0.82 to \$0.81 (a 1.4% decrease). The service area population remained static while passenger trips per capita fell from 12.1 to 12.0 in FY 2009. The cost per capita fell almost 19 percent (from \$77.61 to \$63.10).

JTA maintained weekday ridership of almost 35 thousand with expanded revenue service hours (a 2.8% increase).

The average age of the fleet was 6.8 years. JTA's current operating spare ratio of 25.8 (above 20%) positions the authority for future service expansion. From a financial perspective, JTA continued to grow its unrestricted cash balance and committed all of its capital investment to system preservation (100%). JTA provides three intermodal connections.

Performance Measures—Skyway

Since JTA's Skyway represented a new mode of transportation not previously monitored by the Commission, measures and objectives as well as operating indicators had to be established.

Only three public transit agencies in the United States operate automated guideway systems: Jacksonville Transportation Authority in Florida, Miami-Dade Transit (MDT) in Florida, and Detroit Transportation Corporation (DTC) in Michigan.

Commission staff and CUTR conducted multiple reviews of peer agency performance data, including recent performance data available from MDT. Specific aspects of the performance data were reviewed further to gain a clear understanding of the basis for trends identified at JTA. Commission staff recommended that all performance measures and operating indicators for Skyway operations mirror those established for fixed route bus with the exception of the on-time performance measure. Due to the nature of the system, staff suggested the definition of on-time performance be defined as "successful cycles divided by scheduled cycles."

JTA performance data used for this report represent information collected during FY 2009, which spans from October 1, 2008 through September 30, 2009. JTA was successful in achieving 5 of the 12 objectives for performance. FY 2009 results, as reported by JTA, are provided in Table 44. Results for the last five fiscal years are included in Appendix B.



Skyway Station. Photo courtesy of www.seefloridago.com.

Table 44
Jacksonville Transportation Authority
Summary of Performance Measures - Skyway
FY 2009¹

<i>Performance Measure</i>	<i>Detail</i>	<i>Objective</i>	<i>Actual Results</i>	<i>Meets Objective</i>
Average Headway	Average headway of all routes	<10 minutes	6	✓
Operating Expense per Revenue Mile	Operating expenses divided by revenue miles	<\$23.00	\$30.49	X
Operating Expense per Revenue Hour	Operating expenses divided by revenue hours	<\$310.00	\$407.34	X
Operating Revenue per Operating Expense	Revenue generated through operation of the transit authority divided by operating expenses	>15%	7.2%	X
Operating Expense per Passenger Trip	Operating expenses divided by annual ridership	<\$11.00	\$13.35	X
Operating Expense per Passenger Mile	Operating expenses divided by passenger miles	<\$27.50	\$33.38	X
Revenue Miles between Safety Incidents	Annual revenue miles divided by safety incidents	>156,994	39,379	X
Revenue Miles between Failures	Revenue miles divided by revenue vehicle system failures ²	>10,500	8,950	X
Revenue Miles versus Vehicle Miles	Revenue miles divided by vehicle miles ³	>.90	0.99	✓
Customer Service	Average time from complaint to response	14 days	1	✓
Customer Service	Customer complaints divided by boardings	<1 per 5,000 boardings	0.1	✓
On-time Performance	Successful cycles divided by scheduled cycles	>80%	98%	✓

¹ Fiscal Year 2009 represents 12 months of unaudited data from October 1, 2008 through September 30, 2009.

² A failure is classified as the breakdown of either a major or minor element of the revenue vehicle's mechanical system.

³ Total annual vehicle miles include: deadhead miles, vehicle miles from the end of service to the garage, driver training and other miscellaneous miles not considered to be in direct revenue service.

Average Headway

JTA reported an average headway of 6 minutes from FY 2005 through FY 2009. The management objective for JTA's average headway was established at less than 10 minutes to allow JTA flexibility in scheduling that could potentially reduce operating costs.

Operating Expenses

Beginning in FY 2005, JTA altered its cost allocation plan (overhead) and excluded

engineering capital dollars from the basis data for allocating overhead. As a result, approximately 80 percent of corporate expenses were allocated to bus operations, 3 percent were allocated to engineering (highway operations), and 9 percent were allocated to fixed guideway operations (Skyway). JTA indicated that beginning in FY 2009, in order to assign costs appropriately, the allocation methodology was changed to mirror FY 2004 practices. In FY 2004, bus operations were allocated 38 percent, highway operations were allocated 55 percent, and the Skyway was

allocated 7 percent of corporate expenses. Although JTA will not restate any amounts in their financial documents or in NTD, actual operating costs for Skyway were restated and reviewed using the FY 2004 methodology in order to identify consistent trends moving forward. Management objectives for the following cost-related performance measures were established based on restated costs as provided by JTA. In order to illustrate the actual costs related to the following measures, reported and restated data are presented.

Operating Expense per Revenue Mile

An evaluation of the relationship between operating expenses and revenue miles provides a measure of the general cost efficiency of the service provided over distance.

JTA's reported and restated operating expenses per revenue mile from FY 2005 through FY 2009 are presented in Table 45.

Table 45

Jacksonville Transportation Authority Operating Expense per Revenue Mile - Skyway

<i>Expense</i>	<i>2005</i>	<i>2006</i>	<i>2007</i>	<i>2008</i>	<i>2009</i>
Reported	\$23.32	\$22.30	\$18.14	\$27.32	\$30.49
Restated	\$21.62	\$20.46	\$17.08	\$25.59	
Objective					\$23.00

Based on restated cost data, JTA's management objective for operating expense per revenue mile was established at less than \$23.00. JTA failed to achieve this objective with an operating cost per revenue mile of \$30.49. JTA's operating cost per revenue mile of \$30.49 exceeded the objective of less than \$23.00 by \$7.49 (32.6%). A 5.8 percent reduction in operating costs was insufficient to offset the 15.6 percent decrease in annual revenue miles. The drop in revenue miles was attributable to a change in operating hours (from 6:00 a.m. – 11:00 p.m. to 6:00 a.m. – 9:00 p.m.).

In addition, Skyway's operations were restructured to provide only weekday service, as Saturday operations were eliminated. Both scenarios reduced revenue miles and hours.

This resulted in an increase in operating cost per revenue mile of \$3.17 in FY 2009.

Operating Expense per Revenue Hour

An evaluation of the relationship between operating expenses and revenue hours also provides a measure of the general cost efficiency of the service provided over time.

JTA's reported and restated operating expenses per revenue hour from FY 2005 through FY 2009 are presented in Table 46.

Table 46

Jacksonville Transportation Authority Operating Expense per Revenue Hour - Skyway

<i>Expense</i>	<i>2005</i>	<i>2006</i>	<i>2007</i>	<i>2008</i>	<i>2009</i>
Reported	\$309.02	\$295.31	\$242.65	\$366.36	\$407.34
Restated	\$286.42	\$271.00	\$228.56	\$343.14	
Objective					\$310.00

Based on restated cost data, JTA's management objective for operating cost per revenue hour was established at less than \$310.00. JTA failed to achieve this objective with an operating cost per revenue hour of \$407.34. JTA's operating cost per revenue hour of \$407.34 exceeded the objective of less than \$310.00 by \$97.34 (31.4%). A 5.8 percent reduction in operating costs was insufficient to offset the 15.3 percent decrease in annual revenue hours, resulting in an increase in operating cost per revenue hour of \$40.98 in FY 2009.

Operating Revenue per Operating Expense

The relationship between operating revenue and operating expense provides a measure of the

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effective use of income. Unlike the previous objective, where the goal was to achieve lower costs per revenue mile, the target for this objective is to increase the percentage of revenue derived from fares and other revenue sources.

JTA's reported and restated ratios of operating revenue per operating expense from FY 2005 through FY 2009 are presented in Table 47.

Table 47

**Jacksonville Transportation Authority
Operating Revenue per Operating Expense - Skyway**

%	2005	2006	2007	2008	2009
Reported	10.1%	9.1%	11.5%	8.3%	7.2%
Restated	10.9%	9.9%	12.2%	8.9%	
Objective					>15.0%

Based on restated cost data, JTA's management objective for operating revenue per operating expense was established at greater than 15 percent. JTA failed to achieve this performance measure objective with a 7.2 percent ratio of revenue to operating expenses. JTA has shown a consistent decline in performance in this area since FY 2007. Although operating expenses did decline, operating revenue declined as well, resulting in less operating revenue per operating expense.

Operating Expense per Passenger Trip

An evaluation of the relationship between operating expenses and passenger trips provides a measure of the general cost efficiency of the service provided.

JTA's reported and restated operating expenses per passenger trip from FY 2005 through FY 2009 are presented in Table 48.

Table 48

**Jacksonville Transportation Authority
Operating Expense per Passenger Trip - Skyway**

Expense	2005	2006	2007	2008	2009
Reported	\$8.27	\$9.10	\$7.44	\$12.69	\$13.35
Restated	\$7.66	\$8.36	\$7.01	\$11.88	
Objective					\$11.00

Based on restated cost data, JTA's management objective for operating expense per passenger trip was established at less than \$11.00. JTA failed to achieve this objective with an operating cost per passenger trip of \$13.35. JTA's operating cost per passenger trip of \$13.35 exceeded the objective of less than \$11.00 by \$2.35 (21.4%). Although operating expenses did decline, passenger trips declined as well, thereby increasing the operating cost per passenger trip.

Operating Expense per Passenger Mile

An evaluation of the relationship between operating expenses and passenger miles also provides a measure of the general cost efficiency of the service provided.

JTA's reported and restated operating expenses per passenger mile from FY 2005 through FY 2009 are presented in Table 49.

Table 49

**Jacksonville Transportation Authority
Operating Expense per Passenger Mile - Skyway**

Expense	2005	2006	2007	2008	2009
Reported	\$20.04	\$23.86	\$18.02	\$31.72	\$33.38
Restated	\$18.58	\$21.89	\$16.97	\$29.71	
Objective					\$27.50

Based on restated cost data, JTA's management objective for operating expense per passenger mile was established at less than \$27.50. JTA failed to achieve this objective with an operating cost per passenger mile of \$33.38. JTA's operating cost per passenger mile of \$33.38 exceeded the

objective of less than \$27.50 by \$5.88 (21.4%). Although operating expenses did decline, passenger miles declined as well, thereby increasing the operating cost per passenger mile.

The remaining performance measure objectives mirror those previously established for LYNX.

Revenue Miles between Safety Incidents

The span of revenue miles between incidents is a measure of safe customer service. Significant revenue miles between safety incidents results in infrequent exposure of customers to safety hazards. In early 2008, measures and objectives established in 2007 were reviewed with the authorities to incorporate adjustments and/or modifications identified during the first year review process. The Commission, with the assistance of the authorities, formally adopted a modified performance measure that changed the safety performance measure from “revenue miles between major safety incidents” to “revenue miles between safety incidents” to conform to NTD reporting requirements. The new performance objective was defined as 10 percent above the average of the last 5 years. JTA reported the following performance data for FY 2004 through FY 2008.

Table 50
Jacksonville Transportation Authority
Revenue Miles Between Safety Incidents
FY 2009 Performance Objective - Skyway

<i>Fiscal Year</i>	<i>Revenue Miles</i>	<i>Safety Incidents</i>	<i>Revenue Miles Between Incidents</i>
2004	277,500	1	277,500
2005	261,000	0	261,000
2006	259,600	4	64,900
2007	254,200	4	63,550
2008	233,300	5	46,660
Average			142,722
>10% above Average			156,994
2009	196,896	5	39,379

JTA's management objective for revenue miles between safety incidents was established at greater than 156,994 miles. JTA failed to achieve the new objective with 39,379 revenue miles between safety incidents (74.9% below the target). In FY 2009, JTA's revenue miles fell by more than 36 thousand versus FY 2008, while the number of safety incidents remained at 5, resulting in fewer miles between incidents.

Revenue Miles between Revenue Vehicle System Failures

The span of revenue miles between revenue vehicle system failures (defined as the breakdown of either a major or minor element of the revenue vehicle's mechanical system) is a measure of maintenance effectiveness in keeping the fleet in good condition. A significant number of revenue miles between revenue vehicle system failures can serve to reinforce customer confidence in Skyway on-time performance. JTA failed to achieve the performance measure objective of greater than 10,500 revenue miles between revenue vehicle system failures with 8,950 revenue miles between failures. In FY 2007 and FY 2008, JTA achieved 25,420 and 33,329 revenue miles between failures, respectively. The sizeable decline in revenue miles combined with a 214 percent increase in failures versus FY 2008 (22 versus 7) resulted in failure to meet the target. The authority indicated that service interruptions related to power issues with the guideway and ground signal rail reception, which mimicked a power outage, contributed to the increase in failures. Permanent modifications will be made to the guideway to alleviate and eliminate the problem moving forward through the use of funds provided through the American Recovery and Reinvestment Act (ARRA).

Revenue Miles versus Vehicle Miles

The relationship between revenue miles and vehicle miles provides a measure of the effectiveness of fleet assignment given that vehicle miles include non-revenue miles, such as deadhead miles (from yard to start of a route and vehicle miles from the end of the route to the yard). JTA exceeded the performance measure objective of greater than 0.90 for FY 2009 with 0.99, indicating highly effective use of the fleet.

Customer Service – Average Time from Complaint to Response

JTA achieved the performance measure objective of timely response to customer complaints within two weeks of receipt of the complaint. JTA's average response time to customer complaints since FY 2003 has been one day, well below the two week requirement.

Customer Service – Number of Complaints per Boarding

JTA also achieved the performance objective of less than one complaint per 5,000 boardings with 0.1 complaints. JTA reported five customer complaints in FY 2009.

On-time Performance

JTA achieved the on-time performance objective of greater than 80 percent of trips end-to-end on-time with 98 percent on-time performance. On-time is defined as successful cycles divided by scheduled cycles.

Operating Indicators— Skyway

The Commission, in concert with the authorities, developed indicators that provide meaningful operational and financial data that supplement

performance measures in evaluating and monitoring organizational performance. The Commission did not establish objectives or goals for these indicators, as various authorities have unique characteristics. FY 2009 operating indicators, as reported by JTA, are provided in Table 51. In order to observe current trends, operating indicators based on reported and restated data for FY 2007 and FY 2008 are also provided. Results for the last five fiscal years are included in Appendix B.

JTA's operating indicators for Skyway have gradually declined over the past several years with many of the FY 2009 indicators representing the lowest levels to date. Average weekday ridership, revenue miles, and revenue hours have fallen year to year since FY 2004. Passenger trips have decreased annually since FY 2005, and operating revenue shows annual declines since FY 2007. The farebox recovery ratio, which rose to 7.3 percent in FY 2007, fell to 5.1 percent in FY 2009, slightly above an all-time low of 5.0 in FY 2005.

Skyway's average fare of \$0.68 was slightly less than the average fare in FY 2008 (\$0.71), which was the highest average fare reported to date. Since Skyway's average trip length of 0.4 miles remained stable, while passenger trips declined, Skyway logged 10.5 percent fewer passenger miles. No change was reported in the service area population, and passenger trips per capita decreased.

The average age of the fleet is 10.6 years. Skyway's current operating spare ratio of 30 percent (above 20%) positions the authority for future service expansion. From a financial perspective, JTA decreased its unrestricted cash balance and committed all of its capital investment to system preservation. Skyway continued to provide 3 intermodal connections.

Table 51
Jacksonville Transportation Authority
Summary of Operating Indicators - Skyway
FY 2007 through FY 2009

<i>Operating Indicator</i>	<i>Detail</i>	<i>Actual 07 Results</i>	<i>Actual 08 Results</i>	<i>Actual 09 Results</i>
Operating Expense per Capita (Potential Customer)	Annual operating budget divided by service area population	\$5.57	\$7.49	\$7.06
Farebox Recovery Ratio	Ratio of passenger fares ¹ to total operating expenses	7.3%	5.6%	5.1%
Service Area Population	Approximation of overall market size	827,453	850,962	850,962
Service Area Population Density	Persons per square mile based on service area population and size	3,419	3,516	3,516
Operating Expense	Spending on operations, including administration, maintenance, and operation of service vehicles	\$4,610,441	\$6,374,693	\$6,004,260
Operating Revenue ²	Revenue generated through operations of transit authority	\$530,015	\$529,465	\$431,327
Total Annual Revenue Miles	Miles vehicles operated in active service ³	254,200	233,300	196,896
Total Annual Revenue Hours	Hours vehicles operated in active service	19,000	17,400	14,740
Total Revenue Vehicles ⁴	Vehicles available to meet annual maximum service requirement	10	10	10
Peak Vehicles	Vehicles operated to meet annual maximum (peak) service requirements	7	7	7
Ratio of Revenue Vehicles to Peak Vehicles ⁵ (spare ratio)	Revenue vehicles, including spares, out-of-service vehicles, and vehicles in/awaiting maintenance, divided by the number of vehicles operated in maximum service	30.0%	30.0%	30.0%
Annual Passenger Trips ⁶	Passenger boardings on transit vehicles	619,414	502,364	449,730
Average Trip Length	Average length of passenger trip, generally derived through sampling	0.4	0.4	0.4
Annual Passenger Miles	Passenger trips multiplied by average trip length (in miles)	255,906	200,946	179,892
Weekday Span of Service (hours)	Hours of transit service on a representative weekday from first service to last service for all modes	17	17	16
Average Fare	Passenger fare revenues divided by passenger trips	\$0.54	\$0.71	\$0.68
Passenger Trips per Revenue Mile	Passenger trips divided by revenue miles	2.44	2.15	2.28
Passenger Trips per Revenue Hour	Passenger trips divided by revenue hours	32.6	28.9	30.5
Passenger Trips per Capita	Passenger trips divided by service area population	0.7	0.6	0.5
Average Age of Fleet	Age of fleet (in years) average	8.6	9.6	10.6
Unrestricted Cash Balance	End of year cash balance from financial statement	\$1,550,690	\$4,893,359	\$4,629,892
Weekday Ridership	Average ridership on weekdays	1,800	1,736	1,559
Capital Commitment to System Preservation	% of capital spent on system preservation	95%	34%	100%
Capital Commitment to System Expansion	% of capital spent on system expansion	5%	66%	0%
Intermodal Connectivity	Intermodal transfer points available	3	3	3

¹ Passenger fares are revenues generated annually from carrying passengers in regularly scheduled service.

² Operating revenue includes passenger fares, special transit fares, freight tariffs, auxiliary transportation revenues, subsidy from other sectors of operations and non-transportation revenues.

³ Active service refers to vehicle availability to pick up revenue passengers.

⁴ Total revenue vehicles include spares, out-of-service vehicles, and vehicles in or awaiting maintenance, but exclude vehicles awaiting sale and emergency contingency vehicles.

⁵ Vehicles awaiting sale and emergency contingency vehicles are not included as revenue vehicles in this calculation.

⁶ A passenger trip is counted each time a passenger boards the Skyway.

Performance Measures— Highways

JTA does not currently operate toll roads, but builds roads, bridges, interchanges, etc. and then turns the assets over to the Florida Department of Transportation or the City of Jacksonville who maintains them. As a result, only some performance measures and operating indicators adopted for toll authorities under Commission oversight were recommended and adopted for JTA highways.

Commission staff recommended that debt service coverage in compliance with bond covenants not be included as required JTA reporting due to the limited control and accountability over the bond issue (Senior Lien Refunding Bond, Series 1997). The JTA half cent local option sales tax (Duval County Transportation Discretionary Sales Tax) is the only revenue pledged by the Authority for

repayment of the outstanding bonds. Duval County also pledges their Constitutional Gas Tax revenues for payment of this outstanding bond issue (one series of bonds is also backed by the full faith and credit pledge of the State of Florida).

Consensus was reached, and JTA performance measures, objectives and operating indicators for highways were recommended to and approved by the Commission's Transportation Oversight Committee for inclusion in the FY 2009 Oversight Report. Objectives for applicable performance measures for highways remain the same as those applied to other authorities under Commission oversight, driven by objectives that guide the Department.

On November 6, 2009, the Florida Transportation Commission unanimously adopted the recommended performance measures, objectives and operating indicators as recommended by the Transportation Oversight Committee.

Table 52
Jacksonville Transportation Authority
Summary of Performance Measures - Highways
FY 2009

<i>Performance Measure</i>	<i>Detail</i>	<i>Objective</i>	<i>Actual Results</i>	<i>Meets Objective</i>
Operations and Budget				
Consultant Contract Management	Final cost % increase above original award	< 5%	-1.3%	✓
Construction Contract Adjustments - Time	% contracts completed within 20% above original contract time	≥ 80%	100.0%	✓
Construction Contract Adjustments - Cost	% projects completed within 10% above original contract amount	≥ 90%	100.0%	✓
Applicable Laws				
Minority Participation ¹	M/WBE and SBE utilization as % of total expenditures (each agency establishes goal/target)	> 90%	95.3%	✓

¹ JTA has established an agency-wide goal of 15 percent; actual results represent agency-wide performance.

JTA – Highways

JTA managed a variety of road projects during FY 2009. Projects funded by the Better Jacksonville Plan included multiple intersection improvements, widening and replacement of two existing two-lane draw bridges with high level bridges of three lanes each, and widening an existing roadway to four lanes with a landscaped median, bike lanes, and sidewalks. Activities included planning, design, construction, and an alternatives analysis.

JTA performance data used for this report represent information collected during FY 2009, which spans from October 1, 2008 through September 30, 2009. JTA was successful in achieving 4 of the 4 objectives for performance. FY 2009 results, as reported by JTA, are provided in Table 52. Results for the last five fiscal years are included in Appendix B.

Consultant Contract Management

JTA achieved the three performance measure objectives for consultant contract management. The final cost of design and CEI consultant contracts completed during FY 2009 was approximately 1.3 percent below the amount awarded in the original five contracts. All construction contracts were completed on-time and within 10 percent above the original contract amount.

Minority Participation

An overview of JTA's Disadvantaged Business Enterprise Program (DBE), which establishes guidelines for the participation of firms owned and operated by socially and economically disadvantaged persons in Department-assisted contracting, is posted on JTA's Web site www.jtafla.com and includes an Objectives/Policy Statement (26.1, 26.3) for the public that contains the following DBE program objectives:

- To create a level playing field on which such firms can compete fairly for JTA contracts;
- To ensure non-discrimination in the award and administration of Department-assisted contracts;
- To increase participation of qualified firms that are owned, operated and controlled by socially and economically disadvantaged individuals in the award and administration of Department-assisted contracts;
- To help remove present and past barriers to the participation of DBEs in Department-assisted contracts;
- To ensure that the Department's DBE program is narrowly tailored in accordance with applicable law;
- To ensure that only firms that fully meet the eligibility standards are permitted to participate as DBE firms; and,
- To assist in the development of firms that can compete successfully in the marketplace outside the DBE program.

JTA's DBE and Small and Emerging Business Enterprise (SBE) Programs are grounded in the JTA Procurement Rule (Rule No. 002), adopted August 27, 2009. Both programs are maintained by JTA's Contract Compliance Office.

JTA established a goal of at least 15 percent of total Department-assisted expenditures with qualified DBE firms in FY 2008 and achieved 14.3 percent in FY 2009. With 95.3 percent utilization, JTA achieved the performance objective of greater than 90 percent minority participation as a percentage of utilization.

Operating Indicators— Highways

FY 2009 operating indicators, as reported by JTA, are provided in Table 53. Also, to assist in trend analysis, FY 2007 and FY 2008 operating results are provided. Results for the last five fiscal years are included in Appendix B.

Right-of-Way

In FY 2009, JTA acquired parcels totaling approximately \$3.8 million through the Right-of-way Program. Final settlements significantly exceeded agency appraisals, but were well below owners appraisals. In some cases, owners did not obtain appraisals.

Governance—Bus, Skyway and Highways

In addition to establishing performance measures for transportation authorities, the Commission developed “governance” criteria for assessing each authority’s adherence to statutes, policies and procedures. To that end, the Commission monitored compliance in the areas of ethics, conflicts of interest, audits, public records, open meetings, procurement, consultant contracts and compliance with bond covenants.

Ethics and Conflict of Interest

JTA’s policy regarding business standards of conduct pursuant to Jacksonville Transportation Authority Standard Procedures, Number 002-00-00, effective August 31, 1995, is outlined as follows:

It is the policy of the Jacksonville Transportation Authority (JTA) to adhere to Florida Statutes 112.311-112.326, Code of Ethics for Public Officers and Employees.

This policy establishes that no JTA employee shall:

- Have any interest, financial or otherwise, direct or indirect; or
- Engage in any business transaction or professional activity; or
- Incur any obligation of any nature;

which is in conflict with the proper discharge of his/her duties in the public interest.

It is expected that all JTA employees demonstrate the highest standards of personal integrity in public activities, and avoid any interest or activity which is in conflict with the conduct of official duties.

Table 53
Jacksonville Transportation Authority
Summary of Operating Indicators - Highways
FY 2007 through FY 2009

<i>Indicator</i>	<i>Detail</i>	<i>Actual 07 Results</i>	<i>Actual 08 Results</i>	<i>Actual 09 Results</i>
Property Acquisition				
Right-of-Way	Agency Appraisals	\$5,811,230	\$2,911,494	\$2,087,600
	Initial Offers	\$4,308,815	\$2,677,544	\$1,566,300
	Owners Appraisals	\$9,204,156	\$2,295,700	\$5,670,376
	Final Settlements	\$6,783,850	\$4,355,659	\$3,842,275

A copy of Florida Statutes 112.311 - 112.326, Code of Ethics for Public Officers and Employees, is attached as an appendix to the policy. The business standards also address disclosure or use of certain information, disclosure of conflict of interest, reporting of violations, definition of "gift,"

JTA reported no ethics violations or conflicts of interest during the past year.

and details policies on gifts. JTA employees are required to sign an acknowledgement indicating each employee has reviewed JTA's Business Standards of Conduct Procedure, understands JTA's policy, and agrees to abide by this policy as well as Florida Statutes 112.311-112.326, Code of Ethics for Public Officers and Employees. The signed acknowledgement is retained in each employee's personnel file. JTA's independent auditor requires each JTA Board Member to sign a formal conflict of interest statement, which is maintained on file by the independent auditor.

JTA reported no ethics violations or conflicts of interest during the past year.

Audit

An annual independent audit of the Jacksonville Transportation Authority, completed for the year ending September 30, 2008, was conducted by McGladrey & Pullen, Certified Public Accountants. The Independent Auditor's Report indicated that the financial statements were prepared in conformity with GAAP and received an unqualified opinion. The Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* identified two significant deficiencies in internal control over financial reporting (IC 2008-1 and IC 2008-2), and

considered one of the significant deficiencies (IC 2008-1) to be a material weakness in internal control over financial reporting.

Deficiency IC 2008-1 concerned internal controls over financial reporting that resulted from the failure of established policies and procedures to effectively control financial reporting during a period of turnover in key positions within the JTA Finance Department. JTA management indicated that reorganization and realignment of finance and accounting staff was established as a priority for 2009 and committed to completion of a comprehensive needs analysis, followed by a new organizational structure to meet identified needs along with updated position descriptions, succession planning, and cross-training of key personnel. Policies and procedures will be rewritten with a targeted completion date of summer 2010.

Deficiency IC 2008-2 resulted from a lack of segregation of the approval function of a transaction from the accounting function, during a period of turnover in key positions within the Finance Department when staffing resources were reallocated to complete tasks assigned to positions that had become vacant. While JTA management indicated that current checks and balances are in place to mitigate any risks arising from staff shortages and detailed current procedures that minimize risk, JTA concurred that the staff realignment effort could yield benefits in the area of segregation of duties as well.

As a recipient of federal, state, and county financial assistance, JTA is also responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. The Independent Auditor conducted an audit of JTA compliance in accordance with

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“auditing standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations; and Chapter 10.550, Rules of the Auditor General.” The independent auditor rendered an unqualified opinion on JTA’s federal and state programs and reported on May 26, 2009 that “JTA complied, in all material respects, with requirements applicable to each of its major federal programs and state projects for the year ended September 30, 2008.” The auditors identified no deficiencies in internal control over compliance that they considered to be material weaknesses.

The auditors identified four management recommendations in a Management Letter issued on May 26, 2009: ML 2008-01, Record Retention; ML 2008-02 Coordination of Efforts; ML 2008-03, Inventory Reserves; and, ML 2008-04, Finance Department Staffing. JTA management verified the existence of a policy and procedures for records retention, agreed that cross-training and/or overlapping functions would add greater flexibility and efficiency to the retrieval of archived documents, and committed to implementation as staffing permits. JTA management concurred that coordination of efforts could be improved and will take steps necessary to ensure that entries originating outside of the finance and accounting areas are coordinated and approved by the appropriate accounting management personnel. In relation to inventory reserves, JTA management indicated the process whereby obsolete parts are regularly reviewed for inclusion in the reserve balance is already underway. JTA management also agreed that delays in the accounting and financial reporting processes resulted from vacancies and organizational alignment and identified reorganization and realignment of finance and accounting staff as a top priority for 2009.

There were two management recommendations from the FY 2007 audit that the auditors identified as still outstanding (not corrected): ML 2007-04, Accounts Payable/Accrued Expenses and ML 2007-05, Establish an Audit Committee. The Authority reported that ML 2007-04 has been corrected, but little progress has been made on the development of an audit committee.



JTA Beach Boulevard Bridge.

The United States Code, Chapter 53 of Title 49, requires the Federal Transit Administration of the United States Department of Transportation (USDOT) to perform reviews and evaluations of Urbanized Area Formula Grant activities at least every three years. The FTA review, known as the Triennial Review, assesses the transit agency’s grant compliance with federal requirements through the examination of grant management practices and program implementation in 23 different areas. FTA’s Office of Safety and Security conducted a Drug and Alcohol program audit, which was closed with full compliance in June 2009. FTA completed a desk review in the FTA Region IV Office on January 14, 2009, followed by a site visit to JTA on June 11 and 12, 2009. Deficiencies were found in Maintenance, Procurement, and the Americans with Disabilities Act (ADA).

Maintenance deficiencies included failure of JTA to meet preventive maintenance mileage interval standards as identified in JTA's Maintenance Plan based on a sampling of paratransit vehicles, and preventive maintenance of JTA's lifts was not performed in accordance with JTA's Facility Maintenance Plan. Corrective action delineated by FTA required that JTA develop a remediation plan by September 12, 2009 to satisfy JTA and FTA that the capital investment is well cared for and provide written reports to the FTA Region IV office for three consecutive quarters that demonstrate required preventive maintenance inspections are performed in a timely fashion.

In the area of procurement, FTA found that JTA conducted sole source procurement for disc brakes and rotors for Skyway where adequate price competition was lacking as the file contained only a written price analysis rather than the required cost analysis. By September 12, 2009, JTA was required to submit a revised procurement manual that requires the completion of a cost analysis in connection with every sole source procurement action, including contract modifications, where price competition was lacking.

FTA found that JTA did not offer free fares on its ADA complementary paratransit service for trips that were the operational equivalent to trips on the free downtown shuttle. As a result, by September 14, 2009, JTA was required to develop and implement a fare program that does not charge its ADA complementary paratransit passengers a fare for trips that are the operational equivalent of a trip on the downtown shuttle and submit evidence to the FTA Region IV Civil Rights Officer that this corrective action has been implemented.

JTA revamped procedures to address FTA's Findings and provided FTA with all necessary

documentation as required. (Note: JTA was informed that the four FTA Triennial Review Findings were closed as of December 9, 2009.)

Public Records and Open Meetings

Consistent with the requirements of Section 120.53, Florida Statutes, JTA complies with Section 1-17 Meetings (as amended January 28, 1993), Section 1-18 Workshops, and Section 1-19, Notice of Meeting or Workshop (as amended January 27, 1994) of the JTA Bylaws in the conduct of all meetings. Except in the case of emergency meetings, which may be held at any such time and date at the call of the Chairman of the Authority or of the committee, respectively, without prior notice or agenda for the purpose of acting upon emergency matters affecting the public health, safety or welfare, the Authority shall give at least seven (7) days public notice of any meeting or workshop, by posting such notice on its bulletin board of its headquarters. As Proof of Publication, JTA provided receipts from the *Florida Times-Union* for multiple notices of opportunities for public hearings to address comments on FY 2007 and FY 2008 Section 5316 Formula Grants and FY 2009 Section 5309 Fixed Guideway Modernization Grant in April and May of 2009.

Rule drafting workshops, in addition to being posted in the manner prescribed above, must be advertised in the Legal Notice of a newspaper of general circulation in Duval County, Florida at least seven (7) days in advance. JTA Bylaws include the specified format to be used for meeting notices.

A copy of the regular meeting agenda must be prepared in time to ensure that a copy may be received at least seven (7) days before the event by any person who requests a copy and who pays the reasonable cost of the copy. The agenda must contain the items to be considered, in the order of presentation. After the agenda has been made

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available, change shall be only for good cause, as determined by the Chairman or person presiding, stated in the record. Notice of change must occur at the earliest time practical. The agenda must be specific as to items to be considered. All action items, including matters of agency discretion, policy-making and rule-making, shall be specifically designated and summarized in the agenda. JTA Bylaws include the specified format to be used for meeting agendas. Regular meetings are required to be held at 2:00 p.m. on the last Thursday of each month at JTA headquarters, as specified in the JTA Bylaws.



Dames Point Bridge.

Consistent with Section 120.53, Florida Statutes and Chapters 286 and 119, Florida Statutes and pursuant to Section 1-15 Minutes of the JTA Bylaws, the secretary of the Authority or his designee is required to keep the official minutes of the meetings of the Authority, transcribe them into writing and have them approved at a meeting within two (2) subsequent meetings. The minutes

of each meeting of the Authority, when approved, constitute the official and controlling record of the meeting. The minutes, before being submitted for approval, must be checked against the electronic recordings of each meeting to ascertain accuracy.

Section 1-14 Authority Clerk of the JTA Bylaws designates the Executive Director as the Clerk for the Authority. The Authority Clerk is the custodian of the Authority's permanent records. The Executive Director, as Authority Clerk, must maintain permanent record books and record therein the minutes and formal orders of the Authority.

JTA Bylaws, Section 1-11 Public Access to the Authority, Public Records and Rules, as established June 27, 1985, require that any member of the public shall have access to all Authority meetings and proceedings unless provided by law. All public records of the Authority, including but not limited to its Rules, may be inspected and copied during normal business hours at the headquarters of the Authority. On November 21, 2003, the JTA Board of Directors approved the Public Records Request Policy of Jacksonville Transportation Authority as an internal procedure to ensure compliance with the Public Records Law and to establish consistency in responding to public documents requests. The policy directs that all employees comply with Florida's public records law, incorporates the definition of public records contained in Chapter 119, Florida Statutes, and provides detailed guidance for responding to public records requests, charges for copies of documents, and record keeping.

The Commission reviewed agendas and minutes of meetings requested from JTA, as they are not posted on the Authority's website. In addition to information regarding upcoming meetings, public

hearings and workshops, the JTA Web site www.jtafla.com does provide a statement of JTA's mission statement, JTA's administrative rules, a copy of the most recent Annual Report, the history of JTA, a profile of JTA's services, a guide for doing business with JTA along with schedules, a project listing, and an outline of future plans. Links to three surveys to generate customer feedback are also available on the website: Riverside Trolley Survey, JTA Comment Card, and "Plan Your Trip" Survey. From this limited review, the Commission determined that JTA appears to be operating within procedure and statute.

Procurement

On August 27, 2009, JTA adopted Procurement Rule (Rule No. 002) to provide standards, procedures and methods for procurement by JTA of goods and services of all types to support JTA's statutory responsibilities and powers. Open competition is required, and the Procurement Rule applies to all procurements of goods and services (including construction) and to solicitation and award of agreements under which JTA receives revenues or other compensation for use of its assets or services, except as otherwise specified.

Approved procurement methods include: competitive sealed bids, competitive sealed proposals, two-step procurement, sole source negotiation, small purchases, and emergency procurement. Ancillary services may be procured

by JTA's general counsel, general engineering consultant, certified public accountant, financial advisor, and other professionals specified in Rule 002. Procurement thresholds, which determine the level of necessary authority for contract award under the applicable payment method, are delineated in Rule 002. Solicitations for formal procurements over \$100,000, which must be made by an approved procurement method, shall be made by Board action or as delegated by the Board. Formal procurements not in excess of \$100,000 may be awarded by the concurrence of the director of the applicable department (if other than the Chief Financial Officer), the Chief Financial Officer (CFO), the Executive Director, and in appropriate cases, the Grants Manager. The written approval of all such JTA officers and employees must be maintained in the procurement file for the applicable procurement, along with the contract and solicitation documents.

Small purchases of goods and services, which are capital and/or operating funded items included in an approved budget, as well as contract change orders require approval only by the JTA officers and employees (or designees) as presented in Table 54.

Approval of change orders for capital funded items that are the greater of up to \$100 thousand or 10 percent of the total original contract and in the aggregate with all other change orders under that

Table 54

**Jacksonville Transportation Authority
Small Purchase Approval Requirements**

<i>Small Purchases</i>	<i>Required Approval (s)</i>
<i>Capital Funded Items</i>	
\$0 - \$25,000	Division Manager, Department Director & Grants Manager
<i>Operating Funded Items</i>	
\$0 - \$6,000	Division Manager
\$6,001 - \$25,000	Division Manager & applicable Department Director
\$0 - \$25,000	Purchasing Manager for inventory parts

contract require approval of the Division Manager, Department Director and Grants Manager. Change orders for operating funded items that are up to the greater of the small purchase limits (identified in Table 54) or 10 percent of the total original contract and in the aggregate with all other change orders under that contract require approval of the manager.

Consultant Contract Reporting

JTA awarded a General Engineering and Consulting Service contract to Reynolds, Smith and Hill. The contract is work-order based where individual assignments are negotiated on an as-needed basis. Funds are encumbered separately for each individual work order. C. Robinson Associates, Inc. was the only sub consultant contract greater than \$25 thousand, as indicated in Table 55.

Table 55
Jacksonville Transportation Authority
Summary of General Consultant Sub Consultant Activity
FY 2009

<i>Consulting Contract</i>	<i>Description</i>	<i>Sub Consultants >\$25k</i>
Reynolds, Smith & Hill	Transportation/Transit Planning	
C. Robinson Associates, Inc.	HR and Training Consultant	\$56,000
Total Sub Consultants >\$25k		\$56,000

Compliance with Bond Covenants

JTA has no outstanding revenue bonds.

Summary

JTA is a full-service public transportation authority operating within a 411-square-mile service area throughout the City of Jacksonville and Duval County. JTA continues to expand its service parameters and relies on fare revenues, federal and state grants, and significant financial support from the City of Jacksonville and Duval County to fund bus and Skyway operations.

JTA actively participated in and cooperated with the Commission's review, and the Commission relied heavily on documentation and clarifications provided by JTA management.

JTA met or exceeded 7 of the 12 applicable objectives established for performance measures for bus. The five measures that require improvement include: ratio of operating revenue to operating expense, revenue miles between safety incidents, revenue miles between failures, and on-time performance. JTA met or exceeded 5 of the 12 applicable performance measures for Skyway. The seven measures that require improvement include: operating expense per revenue mile, per revenue hour, per passenger trip, and per passenger mile; ratio of operating revenue to operating expense; and, revenue miles between safety incidents and between failures. JTA met or exceeded 4 of the 4 applicable performance measures for Highways.

JTA continues to provide fixed route bus service to the community it serves and does so with a great deal of consistency over a variety of operating parameters. Despite a reduction in revenue hours and miles, JTA maintained weekday ridership with an enhanced weekday span of service. In light of less than acceptable operating revenue per operating expense, the Commission encourages JTA to focus on reducing expenditures. In addition, the Commission suggests that JTA focus efforts to minimize safety incidents and reduce vehicle system failures.

Gradual declines in JTA's Skyway ridership, which began in FY 2006, appear to have reached a level that has yielded less than acceptable operating costs in most parameters. In addition, JTA experienced an unprecedented number of vehicle system failures that resulted in diminished performance in FY 2009 with the Skyway fleet

approaching an average age of 11 years. The Commission encourages JTA to examine efforts to grow Skyway's ridership in order to enhance the system's productivity and to focus on efforts to minimize vehicle system failures.

In the area of Governance, the FY 2008 Independent Financial Statement Audit reflected an unqualified opinion; the auditors identified two significant deficiencies and one material weakness in JTA's internal control over financial statements; rendered an unqualified opinion on JTA's federal and state programs, which complied, in all material respects, with requirements applicable to each of its major federal programs and state projects; and, identified no deficiencies in internal control over compliance considered to be material weaknesses. During a June 2009 Triennial Review of JTA, FTA identified deficiencies in three areas, which were corrected and closed in December 2009.

Based on the Commission's limited review of Governing Board Directors meeting minutes, JTA policies and procedures, Florida Statutes, Financial Statements, and other documentation provided by JTA, no instances of noncompliance with applicable laws or regulations in the areas of ethics, conflicts of interest, public records, open meetings, bond compliance and other governance criteria established by the Commission were noted.

The Commission encourages JTA to develop and establish a course of action focused on improving performance to achieve objectives. In addition, the Commission acknowledges with appreciation the cooperation and assistance on the part of the JTA Board and staff in providing the resources necessary to complete this review.

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South Florida Regional Transportation Authority (SFRTA/Tri-Rail)

Background



The South Florida Regional Transportation Authority (SFRTA) is an agency of the state of Florida, created in 2003 by Chapter 343, Florida Statutes, as the successor to the Tri-County Commuter Rail Authority (TCRA). SFRTA inherited all of TCRA's rights, assets, labor agreements, privileges and obligations. SFRTA also assumed operation of the Tri-Rail commuter rail service through a funding agreement with the Florida Department of Transportation (the Department), which owns the South Florida Rail Corridor (SFRC), on which Tri-Rail operates.

Pursuant to Chapter 343, SFRTA is authorized to own, operate, maintain, and manage a transit system in the tri-county area of Broward, Miami-Dade, and Palm Beach counties. SFRTA was also empowered to “plan, develop, own, purchase, lease or otherwise acquire, demolish, construct, improve, relocate, equip, repair, maintain, operate, and manage a transit system and transit facilities.” SFRTA was authorized to adopt rules necessary to govern operation of a transit system and facilities

Highlights

- Tri-Rail reported the lowest operating cost per passenger mile since 2004.
- Reliability increased to more than 64,000 miles between failures.
- Tri-Rail now uses a 99 percent blend of bio-diesel fuel on all locomotives, excluding diesel multiple units (DMU).

and to “coordinate, develop, and operate a regional transportation system within the area served.” Each county served by SFRTA must dedicate and transfer not less than \$2.670 million before October 31 of each fiscal year (FY). These funds may be used for capital, operations, and maintenance. In addition, they must provide \$1.565 million in operating funds to SFRTA



West Palm TriRail. Photo courtesy of www.seefloridago.com

annually before October 31 of each fiscal year. SFRTA must develop and adopt a plan for the operation, maintenance, and expansion of the transit system that is reviewed and updated annually. A copy of the plan, “South Florida Regional Transportation Authority Transit Development Plan, FY 2010-2019, Annual Update,” was completed in 2009 and represents the first update to the Transit Development Plan (TDP) Major Update that covered the period from FY 2009 through FY 2018. The plan is available at the following Web site www.sfirta.fl.gov/docs/planning/TDP/2009_TDP.pdf. SFRTA is authorized to borrow money as provided by the State Bond Act, and bonds must be authorized by SFRTA resolution after approval of the issuance of bonds at a public hearing.

Transportation Authority Monitoring and Oversight

The governing body of SFRTA consists of nine voting members, including one County Commissioner elected by the County Commission from each of the following counties: Broward, Miami-Dade and Palm Beach (three members), one citizen appointed by each County Commission who is not a member of the County Commission (three members), a Department District Secretary or his or her designee appointed by the Secretary of Transportation (one member), and two citizen appointees from the Governor (two members). The Department appointee and the two citizen appointees must all reside in different counties within the SFRTA service area. Members are appointed to serve four-year staggered terms, except that the terms of the appointees of the Governor must be concurrent. A vacancy during a term is filled by the respective appointing authority in the same manner as the original appointment and only for the balance of the unexpired term.

Table 56
South Florida Regional Transportation Authority
Current Board Members

<i>Name</i>	<i>Appointment</i>	<i>Position</i>
Jeff Koons	Commissioner, Palm Beach County	Chair
Bruno Barreiro	Commissioner, Miami-Dade County	Vice Chair
Kristin Jacobs	Commissioner, Broward County	Board Member
James A. Cummings	Representative, Broward County	Board Member
Felix M. Lasarte	Representative, Miami-Dade County	Board Member
Marie Horenburger	Representative, Palm Beach County	Board Member
Alice N. Bravo, P.E.	District VI Secretary's Designee	Board Member
George Morgan, Jr.	Governor's Appointee	Board Member
F. Martin Perry	Governor's Appointee	Board Member

The Governing Board generally meets on a monthly basis to conduct authority business. An Executive Director is selected by the Board to oversee the daily operations of SFRTA.

SFRTA coordinates, develops, and implements a regional transportation system in South Florida that provides commuter rail service (Tri-Rail) and offers a shuttle bus system in Broward County for residents and visitors. Bus connections to Tri-Rail stations in Palm Beach, Miami-Dade and Broward counties are provided by Palm Tran, Miami-Dade

Transit, and Broward County through fixed routes. SFRTA operates service in Broward, Miami-Dade, and Palm Beach counties within a service area of 5,128 square miles that is home to more than 5.4 million residents. North-south daily service along a 72-mile commuter rail corridor with 18 stations connects the region's three major downtown areas and three international airports. Weekday service that begins at 4:00 a.m. provides 20-minute headways in each direction during morning and afternoon peak periods and is available until 11:35 p.m. Ten train sets operate service that includes 50 one-way trips each weekday, 16 one-way trips on Saturday and Sunday. SFRTA typically operates three-car trains, but does operate some two-car sets during various parts of the service day. While annual passenger boardings rose to 4.2 million, a 9.3 percent increase over the previous year that represented 360 thousand additional boardings, the FY 2009 annual operating budget, as approved by the SFRTA Governing Board, was \$58.9 million, a decrease of 4.5 percent versus the previous year. Peak service vehicles, which had fallen from a high of 52 in FY 2007 to 34 in FY 2008, remained unchanged at 34.

In FY 2009, the significant financial support received by SFRTA from its funding partners for Tri-Rail operations declined slightly. By law, each of the three counties is required to provide a minimum of \$1.565 million in operational funds per year to SFRTA. In FY 2008, SFRTA received \$4.37 million from each of the counties for a total of \$13.1 million, which was then matched by the Department for a total of \$26.2 million. Miami-Dade, Broward, and Palm Beach Counties advised SFRTA that beginning in FY 2009, their allocations would be reduced as a result of budget shortfalls experienced within all three counties. The allocation from each of the counties was reduced from \$4.37 million in FY 2008 to \$4.14 million in

FY 2009. The FY 2009 allocation from the counties totaled \$12.4 million and was then matched by the Department for a total of \$24.8 million (a 5.3% reduction). State grants from the Department for the operating Joint Participation Agreement (JPA), feeder bus service, and dispatch services decreased by approximately \$1.1 million (5.7%), primarily due to a decrease in the State's contribution for FY 2009. Federal grants from the Federal Transit Administration (FTA) and Federal Highway Administration (FHWA) for preventive maintenance, planning activities, and traffic mitigation increased approximately \$2.4 million (13.3%), mainly due to an approximate \$1.8 million increase in the use of FHWA grants. SFRTA's FY 2009 operating budget of nearly \$59 million was 4.5 percent less than the FY 2008 operating budget, and operating expenses fell from \$48.7 million in FY 2008 to slightly more than \$45 million in FY 2009 (a 7.5% decrease). FY 2009 capital expenditures totaled \$7.9 million, nearly 66 percent below FY 2008 spending of \$23.3 million, and planned capital expenses from FY 2010 through FY 2014 exceed \$252 million.

An annual update of the TDP was completed in FY 2009. The FY 2010 through 2019 TDP contains updated goals and objectives, outlines accomplishments and challenges, describes capital improvements, and details the financial plan moving forward.

Tri-Rail implemented a new Ft. Lauderdale airport circulator shuttle.

During FY 2009, SFRTA implemented a new Ft. Lauderdale airport circulator shuttle that runs from Monday through Friday on a continuous 20-30 minute loop between the Ft. Lauderdale/Hollywood International Airport Station at Dania Beach and the Ft. Lauderdale/Hollywood International Airport (Terminals 1-3) between the hours of 10:00 a.m.

and 6:00 p.m. SFRTA also successfully transitioned to the use of biofuels on all locomotives. Tri-Rail trains now operate on a 99 percent blend, one of the purest blends of biodiesel fuel of any commuter rail system in the nation. Due to warranty restrictions, Diesel Multiple Units (DMUs) will continue to run on diesel.

In April 2009, SFRTA completed an evaluation of the Tri-Rail locomotive fleet and outlined opportunities for new locomotives, including single and multiple prime mover locomotives that have been modified to use alternative fuels.

On June 1, 2009, SFRTA implemented a 25 percent increase in all fares, and with assistance from the Department, completed several onboard surveys in an effort to provide better public service. Comparison of the results of two major onboard surveys provided SFRTA with detailed information on Tri-Rail passengers and passengers' views, and survey results showed that more than 66 percent of Tri-Rail's passengers were "choice riders," i.e., they could have traveled by car, but chose to ride Tri-Rail.

June 1, 2009—implemented a 25 percent increase in all fares.

SFRTA renovated the Pompano Beach station to include a parking lot west of the existing platform that increased station access, provided passenger drop-off areas, allocated space for three bus bays, and added 39 parking spaces, including additional American with Disabilities Act (ADA) spaces. Improvements to the Lake Worth Station parking area were completed in February 2009 and provide passengers with additional parking spaces, including ADA spaces adjacent to the station platform, improved bus circulation for Palm Tran

buses to pick-up and drop-off passengers, allowing buses to enter the station parking area rather than parking on adjacent roadways, and improved safety, access, and convenience to station platforms. As a joint effort, Palm Beach County and SFRTA completed construction of the West Palm Beach Intermodal Facility (I/F) in August 2009. Benefits derived from the construction of the West Palm Beach I/F include: allocation of 118 additional public parking spaces and bicycle locker facilities to alleviate overcrowding of the east lot parking facility; an increase of 25 additional employee parking spaces; relocation of the

Tri-Rail added parking spaces and improved access at Pompano Beach and Lake Worth Stations

Palm Beach County and SFRTA completed construction of the West Palm Beach Intermodal Facility

entrance/exit of the facility away from the railroad crossing to improve safety; additional bus-to-bus transfers and a more convenient and seamless transition between rail and buses through consolidation of Palm Tran routes at the West Palm Beach I/F; and, Palm Tran's new 95 express bus service (from Stuart and Jupiter to West Palm Beach) terminates at the I/F connecting Treasure Coast residents with Tri-Rail and additional Palm Tran routes.

The final two DMUs were delivered to SFRTA from Colorado Rail Car Company. SFRTA is working to finish construction of one of the DMUs, which was incomplete due to the financial situation of the rail car company.

Cameras were installed on-board Tri-Rail trains and a new schedule was implemented in May 2009

that enhanced on-time performance, with trains operating on time in the high 80th and low 90th percentiles.

In recognition of its environmental efforts, SFRTA received a proclamation during Clean Air Month in "honor and appreciation of its leadership in the use of alternative fuels" from the Broward County Board of County Commissioners.

SFRTA reached an agreement with Miami-Dade County regarding transfers with the implementation of the County's "Easy Card" smartcard and continued its efforts to coordinate with South Florida Commuter Services for its Employer Discount Program (EDP), which grew enrollment from 5,994 members in July 2008 to 9,128 members in May 2009.

Moving forward into FY 2010, perhaps the biggest challenge facing SFRTA is an anticipated budget shortfall as SFRTA's funding partners notified SFRTA that they intend to allocate the minimum contribution allowable by law in FY 2011, which when combined with the loss in federal and state matches, will result in an anticipated budget shortfall of \$18 million for SFRTA.

SFRTA has tried, unsuccessfully, for years to secure a dedicated funding source. In these difficult economic times SFRTA recognized that a funding source was needed to offset the loss in county and state contributions. During the 2009 legislative session, SFRTA, with the support of local legislators, attempted to secure a \$2 Rental Car Surcharge allocated directly to SFRTA. The provision was included in legislation that failed to pass. In order to comply with mandates contained in the Full-Funding Grant Agreement (FFGA) with the FTA for the double tracking program, which required that SFRTA operate 48 trains per weekday, the SFRTA Governing Board voted to



Tri-Rail's 20th Anniversary Celebration.

transfer capital funds to operations to allow continuation of the current schedule. While this temporary fix allowed FFGA mandates to be maintained, SFRTA continues to need a dedicated funding source to operate in the future.

In FY 2010, in addition to efforts to secure a dedicated funding source, SFRTA plans to focus the efforts of a recently created Heavy Maintenance Division on preventive maintenance projects. The first project includes system-wide station rust removal, painting, and refurbishment of pedestrian bridges. Applications for Transportation Investment Generating Economic Recovery (TIGER) program funds have been submitted to purchase and implement a Broadband Backbone system that will incorporate a train tracker global positioning system (GPS) and passenger information system, a command center and security; purchase additional locomotives; extend the Tri-Rail system to Jupiter; create three new stations; and, purchase and run a smartcard transit fare system. SFRTA also applied for Transit Investment for Green House Gas and Energy Reduction (TIGGER) dollars to fund the creation of a solar parking pilot program and to purchase additional locomotives.

Performance Measures

Pursuant to the Florida Transportation Commission's (Commission) expanded role in providing oversight to authorities created under Chapters 343 and 348, the Commission conducts periodic reviews of each authority's operations and budget, acquisition of property, management of revenue and bond proceeds, and compliance with applicable laws and Generally Accepted Accounting Principles (GAAP). Consequently, the Commission, in concert with the authorities, developed performance measures and management objectives that establish best practices across the industry to improve the overall delivery of services to the traveling public and freight moving through communities that are critical to the overall economic well-being and quality of life in Florida.

SFRTA was an active participant not only in the development of performance measures but also in establishing objectives to measure its performance. A series of working sessions was held after distribution of the first performance report to fine tune measures and objectives in order to ensure that they were a true reflection of authority effectiveness and efficiency in a variety of areas. FY 2009 performance measures include the following change that was made to the original FY 2007 performance measures and objectives:

- Revenue Miles between Failures (Performance Measure)
 - ◇ Tri-Rail reported 38,057 revenue miles between failures in FY 2007, significantly exceeding the objective of >10,500
 - ◇ FY 2009 objective was set at a 10 percent increase over actual FY 2007 performance (41,863 revenue miles between failures)

Transportation Authority Monitoring and Oversight

Transit performance measures and SFRTA performance data used for this report represent information collected during FY 2009, which spans from July 1, 2008 through June 30, 2009. SFRTA was successful in achieving 8 of the 11 objectives for performance. FY 2009 results, as reported by SFRTA, are provided in Table 57. Results for the last five fiscal years are included in Appendix B.

Each of the performance measures is discussed in terms of achievement of the objective, prevailing trends, and future corrective action.

Average Headway

SFRTA achieved an average headway of 40.0 minutes, well below the 50-minute objective. While the average headway reduction of 0.4

Table 57
South Florida Regional Transportation Authority
Summary of Performance Measures
FY 2009¹

<i>Performance Measure</i>	<i>Detail</i>	<i>Objective</i>	<i>Actual Results</i>	<i>Meets Objective</i>
Average Headway	Average headway of all routes	<50 minutes	40	✓
Operating Expense ² per Revenue Mile	Operating expenses divided by revenue miles	<\$18.00	\$15.12	✓
Operating Revenue per Operating Expense	Revenue generated through operation of the transit authority divided by operating expenses	>25%	22.3%	X
Operating Expense per Passenger Trip	Operating expenses divided by annual ridership	<\$15	\$10.67	✓
Operating Expense per Passenger Mile	Operating expenses divided by passenger miles	<\$0.45	\$0.37	✓
Major Incidents	FRA reportable incidents for rail	Zero	0	✓
Revenue Miles between Failures	Revenue miles divided by revenue vehicle system failures ³	>41,863	64,826	✓
Revenue Miles versus Vehicle Miles	Revenue miles divided by vehicle miles ⁴	>.93	0.98	✓
Customer Service	Average time from complaint to response	14 days	32 days	X
Customer Service	Customer complaints divided by boardings	<1 per 5,000 boardings	0.6	✓
On-time Performance	% trips end to end on time "less than 6 minutes late"	>80%	73%	X

¹ Fiscal Year 2009 represents 12 months from July 1, 2008 through June 30, 2009.

² Operating expenses do not include the cost of feeder bus service or capital planning.

³ A failure is classified as the breakdown of either a major or minor element of the revenue vehicle's mechanical system.

⁴ Total annual vehicle miles include: deadhead miles, vehicle miles from the end of service to the yard, driver training and other miscellaneous miles not considered to be in direct revenue service.

minutes from FY 2008 to FY 2009 translated into a modest 1.0 percent improvement for Tri-Rail customers, SFRTA continued to show consistent annual reductions in the average headway. The average headway of 68.5 minutes in FY 2005 was reduced to an all time low of 40.0 minutes in FY 2009 (a 41.6% reduction).

Operating Expense per Revenue Mile

An evaluation of the relationship between operating expenses and revenue miles provides a measure of the general cost efficiency of the service provided over distance. SFRTA operating cost per revenue mile of \$15.12 fell below the objective of less than \$18.00 by \$2.88 (16.0%), thereby achieving the objective. A 7.5 percent reduction in operating costs coupled with a 4.4 percent increase in annual revenue miles resulted in the reduced operating cost per revenue mile of \$1.94 in FY 2009.

Operating Revenue per Operating Expense

The relationship between operating revenue and operating expense provides a measure of the effective use of income. Unlike the previous objective, where the goal was to achieve lower costs per revenue mile, the target for this objective is to increase the percentage of revenue derived from fares and other revenue sources. While SFRTA failed to achieve this performance measure objective with a 22.3 percent ratio of revenue to operating expenses (the performance objective is >25%), improvement in this area since FY 2006 has been significant. Improved performance was driven by increased operating revenue combined with decreased operating expenses. While SFRTA did institute a 25 percent increase in all fares, effective June 1, 2009 (one month prior to the end of FY 2009), the benefits derived from additional fare revenue will be more apparent in FY 2010, after the fare increase has been in effect for an extended period of time.

Operating Expense per Passenger Trip

An evaluation of the relationship between operating expenses and passenger trips provides a measure of the general cost efficiency of the service provided. SFRTA operating costs per passenger trip of \$10.67 fell below the objective of less than \$15.00 by \$4.33 (28.9%), thereby achieving the objective. A decline in operating costs of over \$3.6 million in FY 2009 along with a 9.3 percent growth in passenger trips significantly reduced the cost per passenger trip. SFRTA provided a record number of 4.2 million passenger trips in FY 2009.

Operating Expense per Passenger Mile

An evaluation of the relationship between operating expenses and passenger miles also provides a measure of the general cost efficiency of the service provided. In FY 2009, SFRTA achieved the objective of operating costs per passenger mile of less than \$0.45 by \$0.08 (17.8%). While operating costs per passenger mile gradually increased from FY 2003 through FY 2007 (an average annual increase of 10.8%), SFRTA was able to reduce the FY 2008 operating cost per passenger mile of \$0.40 by \$0.03 (a 7.5% reduction) to \$0.37, the lowest operating cost per passenger mile since FY 2004. Despite a 9.3 percent increase in passenger trips, FY 2009 passenger miles fell by less than one-tenth of one percent due to a shorter trip length (31.7 miles to 29.0 miles). Nonetheless, the reduction in operating expenses was sufficient enough to offset the slight loss in passenger miles and resulted in a lower cost per passenger mile.

Major Incidents

The span of revenue miles between major incidents is a measure of safe customer service. Significant revenue miles between major incidents results in infrequent exposure of customers to

safety hazards. SFRTA achieved the objective of zero Federal Railroad Administration (FRA) reportable incidents.

Revenue Miles between Revenue Vehicle System Failures

The span of revenue miles between revenue vehicle system failures (defined as the breakdown of either a major or minor element of the revenue vehicle's mechanical system) is a measure of maintenance effectiveness in keeping the fleet in good condition. A significant number of revenue miles between revenue vehicle system failures can serve to reinforce customer confidence in on-time train performance. During a review of performance measure objectives, the Commission and SFRTA agreed to increase the FY 2009 objective for revenue miles between revenue vehicle system failures from ">10,500" to "actual FY 2007 (38,057) + 10 percent," resulting in a new objective of greater than 41,863 miles between failures. SFRTA achieved the revenue miles between failures performance objective for FY 2009 with 64,826 revenue miles between failures, not only exceeding the new objective by 22,963 miles (54.9%) but also exceeding FY 2008 performance by 47,084 revenue miles between failures (265.4%). SFRTA achieved this measure by reducing the number of failures from 161 in FY 2008 to 46 (a reduction of 71.4%) and increasing revenue miles by 4.4 percent.

Revenue Miles versus Vehicle Miles

The relationship between revenue miles and vehicle miles provides a measure of the effectiveness of fleet assignment given that vehicle miles include non-revenue miles, such as deadhead miles (from yard to start of a route and vehicle miles from the end of the route to the yard). SFRTA exceeded the performance measure objective of greater than 0.93 for FY 2009 with 0.98, indicating highly effective use of the fleet.

Customer Service – Average Time from Complaint to Response

SFRTA failed to achieve the performance measure objective of timely response to customer complaints. Response time from receipt of complaint of 32 days exceeded the performance measure objective of 14 days. In 2003, SFRTA established the Tri-Rail Passenger Feedback Database, which has evolved considerably as an important tool for customer communication, quality assurance and measurable data. Part of that evolution included a complete Passenger Feedback Database overhaul, which began in 2008 and was implemented, in part, in 2009. This overhaul included enhanced tracking mechanisms and processes, as well as more thorough and effective responses, resulting in "growing pains" and a longer average response time. As part of these enhancements, more data were being captured, while resources to handle this data dwindled. In response to the aforementioned challenge of dwindling resources, a Customer Service "Designated Customer Service Feedback Specialist" position was budgeted and filled in late 2009. SFRTA is also looking forward to bringing a "Designated Operations Feedback Specialist" onto its team in 2010 (this position has already been budgeted, as well). The primary responsibility for these two positions is to handle passenger feedback, which will assist in considerably lowering the average time from complaint to response.

With many of the procedural and personnel enhancements already in place, there has been a marked improvement in average response times. Additional database and personnel enhancements are expected to be instituted in early 2010, and SFRTA expects additional improvements moving forward.

SFRTA's goal is to have an enhanced system and processes fully in place by mid-2010, with

substantial improvements and a return to acceptable customer response times in FY 2010.

Customer Service – Number of Complaints per Boarding

SFRTA did achieve the performance objective of less than one complaint per 5,000 boardings with 0.6 complaints; nonetheless, FY 2009 represents a 111 percent increase in the number of customer complaints posted in FY 2008. With stronger quality assurance measures in place, and more thorough responses distributed, passengers began to utilize the Passenger Feedback System with greater frequency. This newfound and enhanced reliance on the “system” resulted in a considerable increase of passenger feedback in 2009 compared to 2008. SFRTA appreciates the willingness of its customers to communicate freely with staff and views customer input as an opportunity for establishing open lines of communication.

On-time Performance

SFRTA fell short of achieving the on-time performance objective of greater than 80 percent of trips end-to-end on-time. On-time is defined as less than six minutes late. SFRTA on-time performance fell from 78.4 percent reported in FY 2008 to 73.4 percent in FY 2009. SFRTA is currently analyzing the cost of taking over dispatch, maintenance and operation on the South Florida Rail Corridor (SFRC) as negotiated in the South Florida Operating Maintenance Agreement (SFOMA). If sufficient financial resources can be identified to cover those costs, SFRTA will coordinate responsibility of managing SFRC with the Department. In addition SFRTA is looking at replacement of rolling stock using federal stimulus monies and other capital resources to significantly reduce delays due to mechanical problems.

Operating Indicators

The Commission, in concert with the authorities, developed indicators that provide meaningful operational and financial data that supplement performance measures in evaluating and monitoring organizational performance. The Commission did not establish objectives or goals for these indicators, as various authorities have unique characteristics. FY 2009 operating indicators, as reported by SFRTA, are provided in Table 58. In order to observe current trends, operating indicators for FY 2007 and FY 2008 are also provided. Results for the last five fiscal years are included in Appendix B.

SFRTA operating indicators appear to be highly consistent from year to year with FY 2009 indicators conforming to established trend lines. Based on the indicators presented, SFRTA has continued to increase weekday ridership (by 9.1%) on expanded revenue miles (a 4.4% increase) during the same span of revenue service as FY 2008 with the same sized fleet. Operating expenses declined (by 7.5%), while operating revenue increased (by 9.7%). SFRTA logged more passenger trips (a 9.3% increase), but because the average trip was 2.7 miles shorter (an 8.5% decrease) than the average trip in FY 2008, passenger miles fell slightly (by 0.001%). The farebox recovery ratio increased (21.1%) as did the average fare, which grew from \$2.25 to \$2.31 (a 2.7% increase). The service area population grew slightly (a 0.9% increase), while passenger trips per capita increased (by 8.3%) at a lower cost (from \$8.94 to \$8.20 per capita) than was previously the case.

The average years since the last rebuild was 7.2 years for locomotives and 8.2 years for coaches, below the required rebuilds of 9 years and 12 years, respectively. SFRTA's current operating

Transportation Authority Monitoring and Oversight

Table 58
South Florida Regional Transportation Authority
Summary of Operating Indicators
FY 2007 through FY 2009

<i>Operating Indicator</i>	<i>Detail</i>	<i>Actual 07 Results</i>	<i>Actual 08 Results</i>	<i>Actual 09 Results</i>
Operating Expense per Capita (Potential Customer)	Annual operating budget divided by service area population	\$7.54	\$8.94	\$8.20
Farebox Recovery Ratio	Ratio of passenger fares ¹ to total operating expenses	17.4%	17.9%	21.6%
Service Area Population	Approximation of overall market size	5,541,080	5,448,962	5,497,997
Service Area Population Density	Persons per square mile based on service area population and size	1,081	1,063	1,072
Operating Expense	Spending on operations, including administration, maintenance, and operation of service vehicles	\$41,794,730	\$48,726,979	\$45,075,706
Operating Revenue ²	Revenue generated through operations of transit authority	\$7,412,341	\$9,155,673	\$10,045,435
Total Annual Revenue Miles	Miles vehicles operated in active service ³	2,587,883	2,856,470	2,981,997
Total Annual Revenue Hours	Hours vehicles operated in active service	100,481	76,620	76,890
Total Revenue Vehicles ⁴	Vehicles available to meet annual maximum service requirement	63	47	47
Operating Expense per Revenue Hour	Cost of operating an hour of revenue service	\$415.95	\$635.96	\$586.24
Peak Vehicles	Vehicles operated to meet annual maximum (peak) service requirements	52	34	34
Ratio of Revenue Vehicles to Peak Vehicles ⁵ (spare ratio)	Revenue vehicles, including spares, out-of-service vehicles, and vehicles in/awaiting maintenance, divided by the number of vehicles operated in maximum service	17.5%	27.7%	27.7%
Annual Passenger Trips ⁶	Passenger boardings on transit vehicles	3,408,486	3,863,684	4,223,350
Average Trip Length	Average length of passenger trip, generally derived through sampling	28.5	31.7	29
Annual Passenger Miles	Passenger trips multiplied by average trip length (in miles)	97,141,851	122,478,783	122,477,150
Weekday Span of Service (hours)	Hours of transit service on a representative weekday from first service to last service for all modes	19	19	19
Average Fare	Passenger fare revenues divided by passenger trips	\$2.13	\$2.25	\$2.31
Passenger Trips per Revenue Mile	Passenger trips divided by revenue miles	1.32	1.35	1.42
Passenger Trips per Revenue Hour	Passenger trips divided by revenue hours	33.9	50.4	54.9
Passenger Trips per Capita	Passenger trips divided by service area population	0.62	0.71	0.77
Average Age Since Last Rebuild	Average years since last rebuild for locomotives (9 years)	5.2	6.2	7.2
Average Age Since Last Rebuild	Average years since last rebuild for coaches (12 years)	6.2	7.2	8.2
Unrestricted Cash Balance	End of year cash balance from financial statement	\$7,400,122	\$9,043,899	\$13,346,864
Weekday Ridership	Average ridership on weekdays	11,545	13,228	14,430
Capital Commitment to System Preservation	% of capital spent on system preservation	0%	0%	0%
Capital Commitment to System Expansion	% of capital spent on system expansion	100%	100%	100%
Intermodal Connectivity	Intermodal transfer points available	18	18	18

¹ Passenger fares are revenues generated annually from carrying passengers in regularly scheduled service.

² Operating revenue includes passenger fares, special transit fares, freight tariffs, auxiliary transportation revenues, subsidy from other sectors of operations and non-transportation revenues.

³ Active service refers to vehicle availability to pick up revenue passengers.

⁴ Total revenue vehicles include spares, out-of-service vehicles, and vehicles in or awaiting maintenance, but exclude vehicles awaiting sale and emergency contingency vehicles.

⁵ Vehicles awaiting sale and emergency contingency vehicles are not included as revenue vehicles in this calculation.

⁶ A passenger trip is counted each time a passenger boards the train.

spare ratio of 27.7 percent (above 20%) positions the authority for future service expansion. From a financial perspective, SFRTA continued to grow its unrestricted cash balance and committed all of its capital investment to system expansion (100%). SFRTA continued to provide 18 intermodal connections.

Governance

In addition to establishing performance measures for transportation authorities, the Commission developed “governance” criteria for assessing each authority’s adherence to statutes, policies and procedures. To that end, the Commission monitored compliance in the areas of ethics, conflicts of interest, audits, public records, open meetings, procurement, consultant contracts and compliance with bond covenants.

Ethics and Conflict of Interest

SFRTA follows the “Code of Ethics for Public Officers and Employees” that is found in Chapter 112, Part III, Florida Statutes. SFRTA subscribes to the following Standards of Conduct and Conflict of Interest Policies, and reported no ethics violations or conflicts of interest during the past year.

- SFRTA Board members and staff of SFRTA shall be governed by the policy of the State of Florida set forth in Section 112.311, Florida Statutes.
- SFRTA Board members and staff of SFRTA shall be governed by the appropriate standards of conduct set forth in Section 112.313, Florida Statutes.
- SFRTA Board members shall be governed by the appropriate provisions of Section 112.3143, Florida Statutes governing voting conflicts.
- SFRTA Board members and staff of SFRTA shall be governed by the appropriate provisions of Section 112.3144, Florida Statutes governing full and public disclosure of financial interests.
- SFRTA Board members and staff of SFRTA shall be governed by the appropriate provisions of Section 112.3148, Florida Statutes governing reporting and prohibiting receipt of certain gifts by procurement employees.
- Staff of SFRTA shall be governed by the appropriate provisions of Section 112.3185 concerning contractual services.
- SFRTA Board members and staff of SFRTA shall be governed by the penalty provisions of Section 112.317, Florida Statutes for any violation of the statutory provisions listed above.

Audit

The Rules of the Auditor General (Section 10.554 (1)(h)3), require any findings and recommendations to improve financial management, accounting procedures, and internal control be addressed in the management letter. Pursuant to an audit conducted by TCBA Watson Rice LLP, an independent certified public accounting firm, for the fiscal year that ended June 30, 2009, TCBA Watson Price LLP issued a management letter to SFRTA on November 20, 2009 that contained four recommendations, including: accrual of supplier invoices at year-end, maintenance of capital assets records in computerized fixed assets system, information technology security, and documentation of the review and approval of journal entries. SFRTA acknowledged the recommendations and provided a plan to comply with each of the recommendations moving forward. During the

Transportation Authority Monitoring and Oversight

current year, no similar findings were noted regarding supplier invoices, capital asset records or journal entries. In regard to information technology security, SFRTA is currently seeking a replacement for its fare collection box for Payment Card Industry (PCI) compliance and is also in the process of evaluating and implementing an Intrusion Detection System, as recommended in the management letter.

For the year ending June 30, 2009, an annual independent audit of the SFRTA was completed by TCBA Watson Rice LLP. The auditors rendered an unqualified opinion on SFRTA's financial statements and reported on November 20, 2009 that "in all material respects, the financial position of SFRTA as of June 30, 2009 and 2008, and the changes in its financial position and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United State of America." As a recipient of federal, state, and county financial assistance, SFRTA is also responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. The Independent Auditor conducted a SFRTA audit of compliance in accordance with "auditing standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations; and Chapter 10.550, Rules of the Auditor General." TCBA Watson Rice LLP rendered an unqualified opinion on SFRTA's federal and state programs and reported on November 20, 2009 that "SFRTA complied, in all material respects, with requirements applicable to each of its major Federal programs and State projects for the year ended June 30, 2009."

The United States Code, Chapter 53 of Title 49, requires the Federal Transit Administration of the United States Department of Transportation (USDOT) to perform reviews and evaluations of Urbanized Area Formula Grant activities at least every three years. The FTA review, known as the Triennial Review, assesses the transit agency's grant compliance with federal requirements through the examination of grant management practices and program implementation in 23 different areas. Two areas, FTA Charter Bus and School Bus were not applicable as SFRTA does not operate FTA-funded bus service. FTA's Office of Safety and Security conducted a Drug and Alcohol program audit in 2008, which was closed with full compliance. FTA completed a desk review in the FTA Region IV Office on December 8, 2008, followed by a site visit to SFRTA on May 20 through 22, 2009. No deficiencies were found with the FTA requirements in any of the areas reviewed.

It was noted that the Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to SFRTA for the FY 2008 Comprehensive Annual Financial Report (CAFR).



Tri-Rail's 20th Anniversary Celebration.

Public Records and Open Meetings

Consistent with the requirements of Section 286.011, Florida Statutes, SFRTA complies with Article IV of the SFRTA Bylaws, as amended on February 23, 2007, in the conduct of all meetings. Notice of and public access to all meetings must be given in the manner required by applicable law as well as SFRTA Bylaws. Regular meetings are generally held on the fourth Friday of each month at a time convenient for the Board. A copy of the regular meeting agenda must be posted on the SFRTA website not less than four calendar days prior to the Board meeting. SFRTA is also required to publish notice of its Board meetings or workshops in the Florida Administrative Weekly, the SFRTA website, at least one local newspaper of general circulation throughout some or all of SFRTA service area, and in the office of SFRTA not less than seven days before the meeting. SFRTA provided a copy of the Florida Administrative Weekly, Volume 35, Number 14, which was dated April 10, 2009 and contained a notice regarding an SFRTA meeting to be held on April 24, 2009 to receive public input on SFRTA's intent to increase passenger fares for the Tri-Rail commuter rail service. FTA also provided Proof of Publication, dated June 15, 2009, from the Miami Herald, which served as notice for the June 26, 2009 meeting of the SFRTA Governing Board.

Article VII of the SFRTA Bylaws requires that under the supervision of the Secretary, SFRTA maintain such books and records as required under applicable law and comply with all applicable law governing access to public records. Public records requests can be made by submitting a completed Public Records Request Form to the Public Records Department via mail, e-mail, telephone, facsimile or hand delivery. Individuals seeking public records will be contacted once the request has been received. The requested information will be provided in a reasonable period of time under

normal conditions and in accordance with applicable law, unless such information is considered under the law to be confidential or exempt from public records disclosure. If the requested documents are exempt from public records disclosure, the requestor will be notified promptly. If time constraints prevent the replication and distribution of the requested material within the specified time frame, the requestor will be contacted and informed of the progress of the request.

Tri-Rail served a record number of 4.2 million passengers in FY 2009.

The Commission reviewed agendas, minutes of meetings and notices of public meetings, which are available on the SFRTA Web site www.sfcta.fl.gov. In addition to information regarding upcoming meetings and records of past meetings, the SFRTA website provides a statement of SFRTA's mission, goals, and objectives; presents workshop materials for review; outlines the SFRTA legislative act; links to the South Florida Regional Planning Council; and, posts a copy of the 2009 CAFR. Planning and capital development are also referenced on the website and include information on the existing transit system, an overview of planning projects and studies, detailed capital development and land-use information along with an overview of current legislative activity. From this limited review, the Commission determined that SFRTA is operating within procedure and statute.

Procurement

SFRTA currently subscribes to the procurement rules and regulations promulgated and approved by the Board of the TCRA, cited as the "Procurement Code of the Tri-County Commuter Rail Authority." The Procurement Code provides a unified purchasing system with centralized responsibility that allows for processing of some work by delegation. Principles of law and equity supplement the provisions of the code, which requires all parties involved in the negotiation,

development, performance, or administration of contracts to act in good faith. Open competition is required, and the Procurement Code applies to every procurement, irrespective of funding source, except as otherwise specified. JPAs with the Department and previously reported standards of conduct and conflict of interest policies are delineated. All rights, powers, duties and authorities relating to the procurement of supplies, services, and construction are vested in the Board. Approval authority for procurement actions and contracts are outlined in the following table.

Table 59
South Florida Regional Transportation Authority
Procurement Actions and Contracts Approval Authority

<i>Contracts, Task Orders, and Work Orders</i>	<i>Single Change Orders</i>	<i>Additional Change Orders</i>
Board Approval Required		
Engineering/construction contracts >\$100,000	>\$100,000 or over 10% of the value of Board approved contract, whichever is less >\$10,000 of contract approved by Executive Director	Accumulation >\$100,000 or over 10% of the value of Board approved contract, whichever is less Accumulation >\$10,000 of contracts approved by the Executive Director
All other contracts, task orders, and work orders >\$25,000	>\$25,000 or over 10% of the value of the Board approved contract, whichever is less >\$2,500 of contract approved by Executive Director	Accumulation >\$25,000 or over 10% of the value of the Board approved contract, whichever is less Accumulation >\$2,500 of contracts approved by Executive Director
Executive Director Approval Required		
Engineering or construction services contracts ≤ \$100,000	Up to \$100,000 or up to 10% of the value of the Board approved contract, whichever is less Up to \$10,000 of contracts approved by the Executive Director	Accumulation up to \$100,000 or up to 10% of the value of the Board approved contract, whichever is less Accumulation up to \$10,000 of contracts approved by the Executive Director
>\$10,000 and less than or equal to \$25,000	Up to \$25,000 or up to 10% of the value of the Board approved contract, whichever is less Up to \$2,500 of contracts approved by the Executive Director >10% of the value of contracts approved by the Director Procurement	Accumulation up to \$25,000 or up to 10% of the value of the Board approved contract, whichever is less Accumulation up to \$2,500 to contracts approved by the Executive Director Accumulation >10% of the value of contracts approved by the Director of Procurement
Professional services and for the purchase of computer, communications and electronic equipment of \$25,000 or less		
Director of Procurement		
\$10,000 or less and all Micro-purchases	10% or less of the value of contracts approved by the Director of Procurement	

Except as otherwise provided in the Procurement Code, all rights, powers, duties and authority relating to the procurement of supplies, services and construction vested in the Board are delegated to the Executive Director, who is specifically authorized to delegate the approval authority as outlined in the aforementioned table to the Deputy Executive Director and to the Director of Procurement. The Director of Procurement serves as the Principal Contracting Officer and may delegate this authority only with the written approval of the Executive Director. The General Counsel is required to review all contracts to be approved by the Board or Executive Director before such documents are executed.

Consultant Contract Reporting

SFRTA awarded General Engineering and Consulting Service contracts to four firms on June 24, 2005. Each contract was awarded for a three-year term with two one-year renewal option periods in the maximum not to exceed \$5 million. The contract were renewed in 2009. The contracts are work-order based where individual assignments are negotiated on an as-needed basis. Funds are encumbered separately for each individual work order. Due to the multitude of disciplines required in the Scope of Services, consulting firms were encouraged to establish a team comprising a prime consultant and a number of sub consultants to provide all disciplines required in the solicitation. Sub consultant contracts greater than \$25 thousand are presented in Table 60.

Table 60
South Florida Regional Transportation Authority
Summary of General Consultant Sub Consultant Activity
FY 2009

<i>Consulting Contract</i>	<i>Description</i>	<i>Sub Consultants >\$25 K</i>
Bergmann Associates	Engineering and Architectural Design	
Booz Allen Hamilton	Development of technical specifications and solicitation documents for the procurement of locomotives	\$193,667
Booz Allen Hamilton	Project management and oversight for the procurement and installation of bike lockers at Tri-Rail stations	\$93,530
Clifton Weiss & Associates	Analysis and preparation of report for decision-making regarding SFRTA's Train Tacking and Passenger Information System	\$67,332
Parson Transportation Group	Management, Engineering, and Construction	
Booz Allen Hamilton	Continued development of regional business rule framework for fare collection	\$48,862
HDR Engineering	Architectural and Engineering Consultant	
PBS&J	Preparation of a remedial action plan to treat impacted soil and groundwater at Parcel 104/105	\$35,666
PB Americas, Inc.	Construction Management Consultant	
Total Sub Consultants >\$25k		\$439,057

Compliance with Bond Covenants

SFRTA has no outstanding revenue bonds.

Summary

SFRTA is a full-service public transportation authority operating within a 5,128-square-mile service area throughout Broward, Miami-Dade, and Palm Beach counties. SFRTA continues to expand its service parameters and relies on fare revenues, federal and state grants, and significant financial support from its local partners to fund commuter rail operations.

SFRTA actively participated in and cooperated with the Commission's review, and the Commission relied heavily on documentation and clarifications provided by SFRTA management.



Tri-Rail Station.

SFRTA met or exceeded 8 of the 11 applicable objectives established for performance measures. The three measures that require improvement include: operating revenue per operating expense, on-time performance, and response time to customer complaints.

SFRTA continues to provide more public transit service to the community it serves and does so with a great deal of consistency over a variety of operating parameters. SFRTA has continued to increase weekday ridership, expand revenue miles and hours, and enhance service frequency. In light of less than acceptable operating revenue per operating expense, the Commission encourages SFRTA to focus on containing operating costs. In addition, the Commission suggests that SFRTA continue its positive trend in improving on-time performance and responding to customer complaints in a timely fashion.

In the area of Governance, the FY 2009 independent audit reflected an unqualified opinion of SFRTA's financial statements and on compliance in internal control over financial reporting and internal control over major federal and state programs. FTA identified no deficiencies in any area during a May 2009 Triennial Review of SFRTA.

Based on the Commission's limited review of Governing Board Directors meeting minutes, SFRTA policies and procedures, Florida Statutes, Financial Statements, and other documentation provided by SFRTA, no instances of noncompliance with applicable laws or regulations in the areas of ethics, conflicts of interest, public records, open meetings, bond compliance and other governance criteria established by the Commission were noted.

The Commission encourages SFRTA to develop and establish a course of action focused on improving performance to achieve objectives. In addition, the Commission acknowledges with appreciation the cooperation and assistance on the part of the SFRTA Board and staff in providing the resources necessary to complete this review.

Addendum

House Bill 1B, legislation passed during a special session of the Florida Legislature, was signed into law by Florida Governor Charlie Crist on December 16, 2009. The legislation established a comprehensive framework for Florida's current and future passenger rail system that includes SunRail, Tri-Rail, and plans for high speed rail, and provided additional funding for Tri-Rail in the form of a dedicated source of revenue from the Transportation Trust Fund and the Department's Work Program, effective July 1, 2010 (FY 2011).

House Bill 1B amended Section 20.23, Florida Statutes, and created a new Florida Statewide Passenger Rail Commission. Pursuant to Section 20.23(3)(b)1., Florida Statutes, a primary responsibility of the newly created Commission is *"Monitoring the efficiency, productivity, and management of all publicly funded passenger rail systems in the state, including, but not limited to, any authority created under chapter 343, chapter*

349, or chapter 163 if the authority receives public funds for the provision of passenger rail service." SFRTA was created under Chapter 343 and does receive public funds for the provision of passenger rail service. Section 20.23(3)(b)1., Florida Statutes, further states that *"This paragraph does not preclude the Florida Transportation Commission from conducting its performance and work program monitoring responsibilities."*

House Bill 1021, which took effect on July 1, 2009 (FY 2010), amended Section 120.52(1), Florida Statutes. Any Transportation Authority created under Chapter 343, Florida Statutes is no longer an agency subject to Florida's Administrative Procedures Act. As such, SFRTA no longer advertises meeting notices in the Florida Administrative Weekly.

Appendix A contains excerpts from various bills passed by the 2009 Florida Legislature that pertain to transportation authorities.

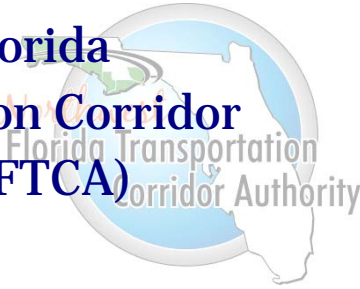
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EMERGING AUTHORITIES

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EMERGING AUTHORITIES

Northwest Florida Transportation Corridor Authority (NFTCA)



Background

The Northwest Florida Transportation Corridor Authority (NFTCA) is an agency of the state of Florida, created in 2005 pursuant to Chapter 343, Part III, Florida Statutes. "The primary purpose of NFTCA is to improve mobility on the US 98 corridor in Northwest Florida, to enhance traveler safety, identify and develop hurricane evacuation routes, promote economic development along the corridor, and implement transportation projects to alleviate current or anticipated traffic congestion."

The governing body of NFTCA consists of eight voting members: one each from Escambia, Santa Rosa, Walton, Okaloosa, Bay, Gulf, Franklin and Wakulla counties, appointed by the Governor to serve four-year terms. The District Secretary of the Florida Department of Transportation (Department) covering Northwest Florida (District Three) serves as an ex-officio, non-voting member. The following table represents current NFTCA Board members and the Officers elected at the November 19,

Table 61
Northwest Florida Transportation Corridor Authority
Current Board Members

<i>Name</i>	<i>Representing</i>	<i>Position</i>
Mr. Robert B. Montgomery	Santa Rosa County	Chairman
Mr. Stephen K. Norris	Gulf County	Vice Chairman
Mr. James F. Anders, II	Walton County	Secretary Treasurer
Honorable Cheryl K. Sanders	Franklin County	Board Member
Mr. J. Carey Scott, III	Bay County	Board Member
Mr. Robert E. McGill, III	Okaloosa County	Board Member
Mr. Ashton J. Hayward, III	Escambia County	Board Member
Vacant	Wakulla County	Board Member
Mr. Tommy Barfield	District Three	Ex-Officio

2009 Board meeting. Robert Montgomery was elected Chairman, succeeding Randall McElheney who served since the Authority's creation in 2005.

NFTCA is authorized to construct any feeder roads, reliever roads, connector roads, bypasses, or appurtenant facilities that are intended to improve mobility along the US 98 corridor. The transportation improvement projects may also include all necessary approaches, roads, bridges, and avenues of access that are desirable and proper, with the concurrence, where applicable, of the Department, when the project is to be part of the State Highway System (SHS) or the respective county or municipal governing boards. Any

Highlights

- NFTCA adopted the updated 2009 Master Plan and Prioritized Projects in June 2009.
- NFTCA has not presented the updated Master Plan within 90 days of adoption as statutorily required.
- The Department is considering a planning level Feasibility Study for the Northwest Florida Bypass (formerly Eglin Bypass) prior to NFTCA completing the Environmental Impact Study.
- The Department is currently working closely with the Federal Highway Administration and NFTCA on a Joint Participation Agreement to determine if \$1.2 million can be used to fund administrative expenses of the Authority.
- NFTCA General Counsel conducted Sunshine Law training to the Board in July 2008.
- An independent audit of NFTCA financial statements for FY 2009 (and prior years since inception of the Authority) is currently underway.
- The Authority has not filed an Annual Financial Report with the Department of Financial Services as required.
- NFTCA redesigned their Web site to provide more information to the public.

Transportation Authority Monitoring and Oversight

transportation facilities constructed by NFTCA may be tolled.

Statutory Requirements

Legislation requires NFTCA to conduct specific activities within prescribed deadlines. These requirements range from conducting public meetings to developing a Corridor Master Plan. The following table lists those requirements, as provided in Florida Statutes, and indicates whether those requirements have been met.

In addition to the above requirements, NFTCA may also enter into Public-Private Partnerships for the construction of transportation facilities, sell bonds

to finance the construction of transportation facilities, and enter into lease-purchase agreements with the Department for the operation of the US 98 Corridor System. Certain statutory requirements must be met if NFTCA were to perform the above activities. Currently, NFTCA has not entered into any such agreements or sold bonds to construct projects. NFTCA is currently in the Preliminary Design and Environmental (PD&E) phase of some of the projects in its master plan. The Florida Transportation Commission (Commission) will continue to monitor NFTCA progress towards developing transportation facilities and will report on compliance with other related statutory provisions as they are met.

Table 62
Northwest Florida Transportation Corridor Authority
Statutory Requirements

<i>Subject Area</i>	<i>Requirement</i>	<i>Status</i>
Public Meetings	Meet at least quarterly and alternate locations. (Section 343.81 (3)(c), Florida Statutes)	Board has met at least quarterly, and more frequently as needed, since September 2005 and has met at least once in each county represented.
Corridor Master Plan	Develop and adopt a Corridor Master Plan no later than July 1, 2007. (Section 343.82 (3)(a), Florida Statutes)	Completed the Corridor Master Plan and adopted the plan in April 2007.
	Update the Master Plan annually before July 1 of each year. (Section 343.82 (3)(b), Florida Statutes)	Board adopted the updated 2009 Master Plan and Prioritized Projects on June 25, 2009.
	Present the original Master Plan and updates to the governing bodies of the counties within the corridor and to the legislative delegation members representing those counties within 90 days after adoption. (Section 343.82 (3)(c), Florida Statutes)	Original Master Plan was presented as required. The updated 2009 Master Plan was not presented by September 23, 2009 (90 days after adoption) as required by statute.
	Plan and study the feasibility of constructing, operating and maintaining a bridge spanning Choctawhatchee Bay or Santa Rosa Sound. (Section 343.82 (2)(b), Florida Statutes)	A Feasibility Study of a bridge spanning Choctawhatchee Bay was completed in February 2006.
Bridge Feasibility Study		

Current Activities

As previously noted NFTCA adopted the Corridor Master Plan in April 2007 and further adopted revisions to the original Master Plan in 2008 and 2009. NFTCA has not presented the updated Master Plan to the governing bodies and legislative delegation members, as required by Section 343.82 (3)(c), Florida Statutes.

The Master Plan is intended to guide the development of a multimodal, intrastate transportation system that will serve the mobility needs of people and freight across northwest coastal Florida, minimize travel time for emergency evacuations, and foster economic growth and development in the region. The 2009 Master Plan identifies and prioritizes 33 potential projects that would improve existing facilities or create new facilities. Since adoption of the Master Plan, NFTCA has started work on two projects identified in the plan.

- NFTCA is conducting an Environmental Impact Study for the Northwest Florida Bypass (formerly Eglin Bypass) from SR 87 to US 331, creating a new four-lane limited access highway. This 54.25 mile project is the number one ranked project in the Authority's 2009 Master Plan. The study (Department FM #418947-1-28-01) is partially funded utilizing the balance of \$3 million in State (DI) funds allocated to NFTCA for the development of the Corridor Master Plan. Funding to complete the Environmental Impact Study is not currently available. The Department, through Florida's Turnpike Enterprise (Enterprise), is considering a planning level Feasibility Study for the Northwest Florida Bypass prior to completing the Environmental Impact Study.
- NFTCA is conducting a PD&E study (Department FM #422447-1-28-01) to facilitate improvements or alternatives to US

98 in Franklin County. This project is being funded by \$2.1 million of Transportation Regional Incentive Program (TRIP) funds. This project phase is expected to be complete in the spring of 2010. Additional phases are unfunded at this time.

NFTCA is coordinating efforts with the local District Three office headquartered in Chipley. There are numerous construction projects in the Department's Five-Year Work Program for the northwest Florida area that require close coordination in order to eliminate duplication, cost inefficiencies, and conflicting priorities.



US 98. Photo courtesy of www.seefloridago.com.

The Authority does not have funding for administrative expenses and does not employ an Executive Director or any staff. The Federal Highway Administration (FHWA) has earmarked \$1.2 million to NFTCA to fund a coordinated regional master plan. A Master Plan has already been developed utilizing state funds; however, the plan is updated annually. Currently, the Department is working closely with FHWA and NFTCA on a Joint Participation Agreement to determine if the \$1.2 million can be used to fund administrative expenses of the Authority.

Performance Measures and Operating Indicators

As an emerging transportation authority, NFTCA is not currently operating any facilities. Therefore, performance measures and operating indicators are not currently applicable.

Governance

In addition to establishing performance measures and operating indicators for transportation authorities, the Florida Transportation Commission (Commission) developed “governance” criteria for assessing each authority’s adherence to statutes, policies and procedures. To that end, the Commission monitored compliance in the areas of ethics, conflicts of interest, audits, public records, open meetings, procurement, consultant contracts and compliance with bond covenants.

Ethics and Conflict of Interest

On January 17, 2008, the NFTCA Board formally adopted a resolution that all Board members and employees shall comply with the applicable provisions of the Code of Ethics for Public Officers and Employees set forth in Chapter 112, Part III, Florida Statutes. The Authority has reported no ethics or conflict of interest violations or investigations and none are noted in minutes of meetings. Commission staff reviewed the Authority’s Board minutes that disclosed instances where Board members abstained from voting on agenda items due to voting conflicts. Conflict of interest documentation (State Commission on Ethics Form 8B - Memorandum of Voting Conflict for County, Municipal, and Other Local Public Officers) has been completed. As previously recommended by the Commission, NFTCA General Counsel conducted training related to Sunshine Laws, public records, ethics, and conflicts of

interest to the Board at its July, 2008 Board Meeting.

Audit

On November 15, 2007, the NFTCA Board formally adopted a resolution that established an Audit Committee. Because funding for the Authority was restricted only to specific project related costs that excluded audits, a firm was not engaged to audit the Authority. For calendar years 2006, 2007, and 2008 the Department’s Office of Inspector General completed an annual Accountant’s Compilation Report. This report is limited in presentation, but is in accordance with the requirements for “Statements for Accounting and Review Services” issued by the American Institute of Certified Public Accountants. However, the report does not include all of the disclosures required by Generally Accepted Accounting Principles (GAAP) and, therefore, did not meet the requirement established by the Commission.

In FY 2009, the Authority identified funds that could be used for audit services. NFTCA, through a competitive procurement process, selected a firm to conduct a financial statement audit at the June 25, 2009 Board meeting. The independent audit of NFTCA financial statements for FY 2009 (and prior years since inception of the Authority) is currently underway.

NFTCA has not filed an Annual Financial Report with the Department of Financial Services (DFS) as required by Section 218.32(d), Florida Statutes. The Commission understands that operational funds have not been provided for such activities; however, a Board officer could be designated to file the required limited information through the on-line reporting mechanism provided by DFS.

Public Records and Open Meetings

NFTCA has not formally adopted a policy in regards to Public Records and Open Meetings. A search of the NFTCA website indicates that notices of meetings are posted in advance of the meeting, and that the agendas and minutes of meetings are posted in a timely fashion. Commission staff also conducted a limited review of public meeting notices advertised in local newspapers. It appears that the Authority complied with the provisions of Section 189.417, Florida Statutes. It is recommended that NFTCA adopt a formal policy that it will comply with the provisions of Chapters 120 or 189, Florida Statutes, in regard to Open Meetings and Chapter 119, Florida Statutes, related to public records.



Ochlockonee Bridge in Franklin County. Photo courtesy of www.seefloridago.com.

In 2009, in order to provide more information to the public, NFTCA started redesigning their Web site www.nwftca.com. As previously noted, notices, agendas and minutes of Board meetings are posted. In addition, the Web site includes Master Plans (Phase I, Phase II and the 2009 Master Plan and Updated Priority List), Board member and contact information and project descriptions.

Procurement

On January 17, 2008, the NFTCA Board formally adopted a resolution that all procurements will be by majority vote of the Board and will comply with Florida Statutes, as applicable.

Consultant Contract Reporting

NFTCA has only procured services for a General Engineering Consultant, Legal Support and Audit Services. In FY 2009, the General Engineering Consultant (HDR) utilized one sub consultant that exceeded the \$25 thousand threshold for reporting established by the Commission. Preble-Rish, Inc. performed project development/ environmental planning services totaling approximately \$441 thousand in FY 2009.

Compliance with Bond Covenants

The Authority has not issued bonds; therefore, this governance item is not yet applicable.

Other

Section 189.418(3), Florida Statutes, requires Special Districts, to adopt annual budgets by resolution. On December 18, 2008, the NFTCA Board formally passed a resolution adopting the FY 2009 budget.

Summary

The Florida Transportation Commission review of NFTCA was conducted with the cooperation and assistance of the Authority and relied heavily on documentation and assertions provided by the Authority. The Commission's approach primarily consisted of a review of agendas and minutes of Board meetings, funding agreements and policies and procedures that have been adopted by NFTCA. Limited tests of compliance with applicable statutes were performed and, based on those results, it was determined that NFTCA is meeting

Transportation Authority Monitoring and Oversight

most of its statutory responsibilities and the governance criteria established by the Commission. However, the updated 2009 Master Plan was not presented to governing bodies and legislative delegation members as required. Additionally, NFTCA did not file a required Annual Financial Report with the Department of Financial Services.

NFTCA adopted an updated 2009 Master Plan in June 2009. An independent audit of NFTCA financial statements for FY 2009 (and prior years since inception of the Authority) is currently underway. A planning level Feasibility Study for the

Northwest Florida Bypass (formerly Eglin Bypass) is currently being considered by the Department. The Department is working with the Federal Highway Administration and NFTCA on a Joint Participation Agreement to determine if \$1.2 million can be used to fund administrative expenses for the Authority. NFTCA redesigned their Web site in order to provide more information to the public.

The Commission acknowledges with appreciation the assistance of the NFTCA Board, HDR, Inc. and the Department's District Three in providing the resources necessary to conduct this review and to complete this report.

Southwest Florida Expressway Authority (SWFEA)

Background

The Southwest Florida Expressway Authority (SWFEA) is an agency of the state of Florida, created in 2005 pursuant to Chapter 348, Part X, Florida Statutes. SWFEA has the right to acquire, hold, construct, improve, maintain, operate, own, and lease in the capacity of lessor, the Southwest Florida Transportation System, including tolled lanes on Interstate 75 (I-75) or non-tolled facilities. The express intention of SWFEA is to construct, operate, and maintain additional lanes on I-75 (tolled) within Lee and Collier counties. The Lee County Commission or Collier County Commission must approve all projects proposed by the Authority that are located within the geographical boundaries of the Commission's jurisdiction.

SWFEA is considered an Independent Special District of the state of Florida and subject to the provisions of Chapter 189, Florida Statutes (Uniform Special District Accountability Act of 1989). Compliance with governance of SWFEA is being assessed primarily in accordance with Chapters 348 and 189, Florida Statutes, although it will include other applicable statutes.

The governing Board of SWFEA is comprised of eight members (seven are voting members) that include one County Commissioner from Lee and Collier counties, one citizen appointee designated by the Lee and Collier County Commissions, and one Lee and Collier County citizen appointed by the Governor, and the Executive Director of the Southwest Florida Regional Planning Council. The Florida Department of Transportation (Department)

Highlights

- SWFEA complied with all applicable Governance criteria.
- The Authority instituted a temporary slow-down in activities due to the economic downturn and resulting reduction in traffic on I-75.
- SWFEA significantly reduced operating costs to minimum levels necessary to maintain the entity as active and in compliance with applicable laws and regulations.
- The Authority will consider impacts of early termination of SWFEA at the Board meeting scheduled in June 2010.
- The FY 2009 independent financial statement audit of SWFEA reflected an unqualified opinion with a "going concern" paragraph. The auditors noted \$1.7 million in cumulative net losses since inception and stated that it is uncertain whether the Authority will continue its primary mission.
- As a Development Stage Enterprise, SWFEA has no source of operating revenue and has relied solely on \$2 million in loans provided by Lee and Collier counties and the Department.

District One Secretary serves as a non-voting member of the Board. Initial staff services for the Board were provided by Lee and Collier Counties. Through funding, via loans made by the Department and the respective counties, staff services for the Board are now independent.

Table 63
Southwest Florida Expressway Authority
Current Board Members

Name	Representing	Position
William M. Barton	Collier County	Chair
Robert M. Taylor	Lee County	Vice-Chair
Katherine C. Green	Lee County	Treasurer
Jim Coletta	Collier County	Secretary
Tammy Hall	Lee County	Board Member
R. Bruce Anderson	Collier County	Board Member
Ken Heatherington	Southwest Florida Regional Planning Council	Board Member
Stan Cann	District One Secretary	Non-Voting Member

Statutory Requirements

Legislation does not require SWFEA to conduct any specific activities with prescribed deadlines. Legislation does grant SWFEA the powers to acquire property, enter into lease purchase agreements, establish toll rates, borrow money and issue bonds, and enter into contracts for commodities and services to design, build, finance, operate, maintain and implement the Southwest Florida Transportation System. The legislation does, however, stipulate that the statutory establishment of SWFEA shall expire 12 years after being created, if SWFEA has no outstanding indebtedness, no studies underway, no design underway, no projects under construction and is not operating or maintaining any part of the system it was established to create.

Current Activities

During fiscal year (FY) 2008, SWFEA continued to work to establish its initial project, project limits and to define time frames. SWFEA commissioned traffic and revenue studies by the Florida Turnpike Enterprise (Enterprise) and SWFEA General Consultant, Wilbur Smith Associates (WSA) that initially concluded that ten lanes would be needed on I-75 to meet southwest Florida's growing traffic demands. SWFEA looked at options related to tolling or not tolling lanes five and six of I-75, which were being added by the Department's District One under the "IROX" project (additional lanes five and six completed in December 2009). Studies concluded that lanes seven through ten would not be financially feasible without toll revenues generated from lanes five and six. Lee County supported tolling lanes five and six; however, Collier County was not in support of tolls on lanes five and six.

A study was conducted to determine if reversible toll lanes in the median of I-75 were an option; however, the directional split (majority of traffic

heading in one direction morning or evening) was not apparent and would not support the reversible concept. SWFEA also looked at building only toll lanes seven through ten in Lee County; however, that concept did not prove feasible.

During FY 2009, SWFEA continued to conduct meetings, review traffic and revenue studies, and develop a viable project; however, the downturn in the economy negatively impacted SWFEA project timeframes for project development. Construction



I-75 Caloosahatchee River Bridge.

starts decreased, population growth slowed, and traffic projections actually showed that toll lanes seven through ten may not be needed as early as anticipated. Given the situation, SWFEA, at its November 12, 2008 Board Meeting, adopted Chairman Barton's recommendation that a temporary slowdown in activities be instituted until the economy rebounds and traffic begins growing again. SWFEA will continue to retain professional staff, albeit in a reduced capacity, so that when events warrant, SWFEA will be in a position to quickly resume normal business. Therefore, SWFEA will only meet to fulfill legislative requirements. Administrative and legal activities will continue so that SWFEA continues to conduct

its business in the sunshine and meet accounting and reporting requirements. As a result, the Authority significantly reduced FY 2009 operating expenses by terminating certain services and reducing other services to bare minimum levels. Actual operating expenses for FY 2009 totaled \$248 thousand, compared to \$849 thousand reported in FY 2008.

On December 9, 2009 (FY 2010), a WSA economist presented a sketch level Economic Analysis of historical and near-term economic forecast for the southwest Florida region that indicated, on an aggressive schedule, the area would return to 2007 traffic levels by 2015 to 2017. As a result, the Board directed SWFEA General Counsel to look into the legal, administrative, financial and reporting impacts that may arise in going forward with early termination of SWFEA and to report back to the Board at the next Board meeting scheduled in June, 2010. The Florida Transportation Commission (Commission) will continue to monitor SWFEA in accordance with its oversight responsibilities.

Performance Measures and Operating Indicators

As an emerging transportation authority, SWFEA is not currently operating any facilities. Therefore, performance measures and operating indicators are not currently applicable.

Governance

In addition to establishing performance measures and operating indicators for transportation authorities, the Florida Transportation Commission (Commission) developed “governance” criteria for assessing each authority’s adherence to statutes, policies and procedures. To that end, the Commission monitored compliance in the areas of

ethics, conflicts of interest, audits, public records, open meetings, procurement, consultant contracts and compliance with bond covenants.

Ethics and Conflict of Interest

SWFEA adopted an ethics and conflict of interest policy on July 20, 2007 that requires Board members and employees to comply with the applicable provisions of the Code of Ethics for Public Officers and Employees set forth in Chapter 112, Part III, Florida Statutes. SWFEA indicated that there have been no reported or investigated violations for ethics or conflict of interest. Commission staff reviewed the Authority’s Board minutes and did not find any recorded instances of ethics or conflict of interest violations or investigations. The meeting minutes did not disclose any instances where Board members abstained from voting due to conflict of interest and no Commission on Ethics Forms 8B “Memorandum of Voting Conflict for County Municipal and Other Local Public Officers” were submitted. The Collier County Attorney’s Office presented training to SWFEA Board members on May 18, 2006 regarding Sunshine Laws, ethics and conflict of interest. The Authority’s policy is that any new Board member receives training. Since there has been no change in Board membership during FY 2009, no additional training was required.

Audit

SWFEA contracted for and the Board adopted the audited financial statements and Independent Auditor’s Report for the fiscal year ended June 30, 2009 at its December 9, 2009 Board meeting. The audit was performed pursuant to Section 218.39, Florida Statutes, and Section 10.50, Rules of the Auditor General. The results of the audit are in conformity with Generally Accepted Accounting Principles (GAAP) and SWFEA received an unqualified opinion with a “going concern” paragraph. The auditors cited factors that raised

substantial doubt about the Authority's ability to continue as a going concern. SWFEA incurred cumulative net losses since inception through June 30, 2009 of approximately \$1.7 million, and it is uncertain whether the Authority will continue to pursue its primary mission.

As a "Development Stage Enterprise," the Authority has no source of operating revenues at this time and has relied solely on approximately \$2 million in loans provided by Lee and Collier counties and the Department. As of June 30, 2009, loans payable to Lee and Collier counties for project management and administration totaled \$0.8 million and \$0.2 million, respectively. Loans payable to the Department's Toll Facility Revolving Trust Fund for traffic and revenue studies totaled \$1.0 million, as of June 30, 2009. Because SWFEA was created by legislation without operating funds, net operating losses were anticipated from the original formation of the Authority until the tolled lanes on I-75 could be built and generating toll revenue.

As previously noted, in FY 2009, SWFEA resolved to suspend active operations due to the economic downturn and the resulting reduction in traffic on I-75. The Authority also resolved not to dissolve the legal entity in order to monitor issues related to its mission. SWFEA reduced costs to minimum levels necessary to maintain the entity as active and in compliance with applicable laws and regulations. SWFEA believes it has the funds to maintain this minimal level of activity for at least two years. However, as a result of a negative traffic forecast, on December 9, 2009 (subsequent to the Audit), the Board directed SWFEA General Counsel to look into the legal, administrative, financial and reporting impacts that may arise in going forward with early termination of SWFEA and to report back to the Board at the next Board meeting scheduled in June, 2010.

The Auditors also issued their report on Compliance and Internal Control over Financial Reporting that did not identify any deficiencies in internal control that were considered material weaknesses, and the results of audit tests did not disclose instances of noncompliance required to be reported under Government Auditing Standards. Similar to last year, in the Independent Auditor's Management Letter, the deficit in unrestricted net assets triggered the reporting of a determination of financial emergency in accordance with Section 218.503, Florida Statutes. However, this condition was not a result of deteriorating financial condition and is only a reflection of the nature of a system in the early stages of development.

Public Records and Open Meetings

SWFEA is operating within guidelines established in Section 189.417 and Chapter 286, Florida Statutes, related to public meetings and required notices. A review of agendas and Board meeting minutes, as posted on the Authority's Web site www.swfea.net, showed that the agendas and minutes appear to be in compliance with statute. The minutes of the meetings are comprehensive and include documents that are discussed or presentations made before the Board. Commission staff also reviewed Board meeting advertisements posted in the Fort Myers News Press and the Naples Daily News and it appears that required notice of public meetings is in compliance with statute.

Procurement

SWFEA adopted a Procurement Policy/Procedure on March 15, 2007 that documents procurement levels and quoting levels for the purchase of goods and services. The Board must approve all purchases of \$25 thousand or more and solicited sealed bids are required for such purchases. For professional services and construction contracts, SWFEA will follow Florida Statutes or utilize current

processes established by Lee or Collier County. Lee and Collier Counties provided SWFEA with staff services until the SWFEA General Consultant, WSA, was procured through a competitive negotiated process. The contract with WSA and contracts for legal and public relations assistance were procured using established Lee County



Aerial View of Southwest Florida. Photo courtesy of www.seefloridago.com.

procurement policies. Since that time, WSA has assumed staffing responsibilities for SWFEA, and Lee and Collier counties are no longer providing staff support. Any further procurement will be accomplished utilizing the Board established procurement policy. A review of Board meeting minutes indicates compliance with procurement policies.

Consultant Contract Reporting

SWFEA indicated that the General Consultant, WSA, does not, at this time, have any sub consultants that meet the \$25 thousand threshold established for reporting.

Compliance with Bond Covenants

SWFEA has not issued bonds, therefore, this governance item is not applicable at this time.

Other

The Board adopted a number of policies and procedures in FY 2007 to help guide the business of SWFEA. The Commission did not perform any review of adherence to these policies and procedures, but acknowledges that SWFEA has gone beyond the governance requirements established by the Commission. These policies/procedures remained in effect in FY 2009, and SWFEA has made no changes to date:

- Investment Policy - complies with Section 218.415(17), Florida Statutes which limits investment options where local governments choose to adopt a “no written” investment policy.
- Travel Expenses - the policy requires Board members and all employees to adhere to Section 112.061, Florida Statutes.
- Payment of Invoices, Check Signing and Segregation of Duties - requires two signatures on any checks for payment and requires Project Manager approval of invoices.
- Fixed Assets - establishes a capitalization policy, asset categories, useful lives of various asset classes, and compliance with all provisions of Chapter 274, Florida Statutes.
- Payroll/Leave Accruals/Benefits/Holidays - establishes the payroll period, leave hours accrued, approved holidays, and payroll processing procedure.

Summary

The Florida Transportation Commission review of SWFEA was conducted with the cooperation and assistance of the Authority and relied heavily on documentation and assertions provided by the Authority. The Commission’s approach primarily consisted of a review of agendas and minutes of

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Board meetings, policies and procedures that have been adopted by SWFEA, and a review of the audited financial statements. Limited tests of compliance with applicable statutes were performed and, based on those results, it was determined that SWFEA is meeting all its statutory responsibilities and governance criteria established by the Commission.

In FY 2009, SWFEA instituted a temporary slow-down in activities due to the economic downturn and resulting reduction in traffic on I-75. The Authority significantly reduced operating costs to minimum levels necessary to maintain the entity as active and in compliance with applicable laws and regulations. The FY 2009 independent financial statement audit reflected an unqualified

opinion with a “going concern” paragraph. The auditors noted \$1.7 million in cumulative net losses since inception, and stated it is uncertain whether SWFEA will continue its primary mission. As a Development Stage Enterprise, the Authority has no source of operating revenue and has relied solely on \$2 million in loans provided by Lee and Collier counties and the Department. The Authority will consider impacts of early termination of SWFEA at the Board meeting scheduled in June 2010.

The Commission acknowledges with appreciation the assistance of the SWFEA Board and staff in providing the resources necessary to conduct this review and complete this report.

Tampa Bay Area Regional Transportation Authority (TBARTA)

Background



The Tampa Bay Area Regional Transportation Authority (TBARTA) is an agency of the state of Florida, created in 2007 pursuant to Chapter 343, Part IV, Florida Statutes, for the purposes of improving mobility and expanding multimodal transportation options for passengers and freight throughout the seven-county Tampa Bay region. TBARTA has the ability to plan, develop, finance, construct, own, purchase, operate, maintain, relocate, equip, repair, and manage public transportation projects, such as: express bus services; bus rapid transit services; light rail, commuter rail, heavy rail, or other transit services; ferry services; transit station; park-and-ride lots; transit-oriented development nodes; feeder roads, reliever roads, bypasses; or, appurtenant facilities that are intended to address critical transportation needs or concerns in the Tampa Bay region identified by TBARTA by July 1, 2009. The Authority also has eminent domain powers and can issue their own revenue bonds to finance construction or improvements to the system or can alternatively issue bonds through the Division of Bond Finance of the State Board of Administration.

TBARTA is considered an Independent Special District of the state of Florida and subject to the provisions of Chapter 189, Florida Statutes (Uniform Special District Accountability Act of 1989). Compliance with governance of TBARTA is being assessed primarily in accordance with Chapters 343 and 189, Florida Statutes, although it will include other applicable statutes.

The governing Board of TBARTA is comprised of 16 members (15 voting members and one non-voting member). The voting members consist of the following:

- One elected official appointed by the respective County Commissions from Citrus, Hernando, Hillsborough, Pasco, Pinellas, Manatee and Sarasota counties;
- One member is appointed by the West Central Florida Metropolitan Planning Organization Chairs Coordinating Committee (MPOCCC) who

Highlights

- TBARTA met all statutory requirements to date.
- The Authority complied with all applicable Governance criteria.
- TBARTA hired a full-time Executive Director in January 2009.
- A Regional Transportation Master Plan for the seven-county Tampa Bay Region was adopted in May 2009.
- TBARTA entered into a Joint Participation Agreement with the Department, whereby the Department advanced \$500 thousand of the \$2 million appropriated to TBARTA to pay initial administrative expenses.
- An independent audit of TBARTA financial statements for FY 2009 and 2008 is currently underway.
- Bay Area Commuter Services, Inc. is currently merging with TBARTA to increase program effectiveness, decrease overall costs and take advantage of efficiencies through the co-location and combination of programs and operations.
- The 2009 Legislature dissolved the Tampa Bay Commuter Transit Authority, and \$8,599 in cash was transferred to TBARTA.

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must be a chair of one of the six Metropolitan Planning Organizations in the region;

- Two members are the Mayor or the Mayor's designee of the largest municipality within the area served by the Pinellas Suncoast Transit Authority (PSTA) and the Hillsborough Area Regional Transit Authority (HART);
- One member is the Mayor, or designee, of the largest municipality within Manatee or Sarasota County, providing that the membership rotates every two years;
- Also on the Board are four business representatives appointed by the Governor, each of whom must reside in one of the seven counties of TBARTA; and,
- The one non-voting member shall be the District Secretary of the Florida Department of Transportation (Department) within the seven-county area of TBARTA.

The members appointed by the respective Commissions, MPOCCC, or Mayors serve two-year terms and may serve no more than three consecutive terms. The Governor-appointed members serve three-year terms and may serve only two consecutive terms.

Table 64 represents current TBARTA Board members and the Officers elected at the December 11, 2009 Board meeting. Ronnie Duncan was elected Chairman, succeeding Shelton Quarles, who was originally appointed Chairman by the Governor when the Authority was first created in 2007. The incumbent Vice-Chair, Treasurer and Secretary were re-elected by the Board to the same positions.

TBARTA appointed Bob Clifford as Executive Director on October 24, 2008, with TBARTA employment beginning on January 1, 2009. Mr.

Table 64
Tampa Bay Area Regional Transportation Authority
Current Board Members

<i>Name</i>	<i>Representing</i>	<i>Position</i>
Ronnie Duncan	Governor Appointee	Chairman
Mayor Frank Hibbard (Clearwater)	MPOCCC	Vice-Chair
Hugh McGuire	Governor Appointee	Treasurer
Commissioner Ann Hildebrand	Pasco County	Secretary
Commissioner John Thrumston	Citrus County	Board Member
Commissioner Dave Russell	Hernando County	Board Member
Commissioner Ken Hagan	Hillsborough County	Board Member
Commissioner Donna Hayes	Manatee County	Board Member
Commissioner Karen Seel	Pinellas County	Board Member
Commissioner Nora Patterson	Sarasota County	Board Member
Mayor Pam Iorio (Tampa)	HART Service Area	Board Member
Mayor Richard Clapp (Sarasota)	Manatee/Sarasota County	Board Member
Councilman Jeff Danner (St. Petersburg)	PSTA Service Area	Board Member
Shawn Harrison	Governor Appointee	Board Member
Sonny Vergara	Governor Appointee	Board Member
Don Skelton	District Seven Secretary	Non-Voting Member

Clifford was formerly Intermodal Systems Development Manager for the Florida Department of Transportation (Department) and was principal project manager for the development of the TBARTA Regional Transportation Master Plan. As Executive Director, Mr. Clifford is responsible to the Board in carrying out its governance and fiduciary responsibilities, which include performance and management oversight of all administrative, financial, and planning duties. He will lead the executive team, direct the budget preparation process, and be responsible for TBARTA compliance with all state and federal laws, rules and regulations.

Statutory Requirements

Legislation requires TBARTA to conduct specific activities with prescribed deadlines. These requirements include developing a conflict resolution process, establishing committees, and developing a Regional Transportation Master Plan. The following table lists those statutory requirements and indicates whether those requirements have been met.

The Regional Transportation Master Plan for the seven-county Tampa Bay Region was adopted by the TBARTA Board on May 22, 2009. In developing the plan, comprehensive technical analysis and evaluation were required, and valuable input was

Tampa Bay Area Regional Transportation Authority (TBARTA)

Table 65
Tampa Bay Area Regional Transportation Authority
Statutory Requirements

<i>Subject Area</i>	<i>Requirement</i>	<i>Status</i>
Conflict Resolution Process	Adopt a mandatory conflict resolution process that addresses consistency conflicts between TBARTA's regional transportation master plan and local government comprehensive plans by July 1, 2008. (Section 343.922 (3)(a), Florida Statutes)	Completed and adopted April 2008.
Transit Management Committee	Establish a Transit Management Committee (TMC) comprised of executives from each of the existing transit providers and Bay Area Commuter Services. (Section 343.92 (11)(a), Florida Statutes)	Completed. Appointments have been made and regular meetings have been held since January 2008. Polk County has expressed interest in joining TBARTA and attends the TMC meetings.
Citizens Advisory Committee	Establish a Citizens Advisory Committee (CAC) comprised of citizen members from each county and transit provider in the region, not to exceed 16 members. (Section 343.92 (11)(b), Florida Statutes)	Completed. Appointments have been made and regular meetings have been held since February 2008.
Regional Transportation Master Plan	Develop and adopt a Regional Transportation Master Plan that provides a vision for a regionally integrated multimodal transportation system by July 1, 2009. (Section 343.922 (3)(a), Florida Statutes)	Completed and adopted by the TBARTA Board on May 22, 2009.
	Before adoption of the Master Plan, hold at least one public meeting in each of the seven counties within the designated region. (Section 343.922 (3)(c), Florida Statutes)	Completed. TownHall public meetings were held in each of the seven counties between April 27, 2009 and May 13, 2009.
	At least one public hearing must be held before the TBARTA Board before the Master Plan is adopted. (Section 343.922 (3)(c), Florida Statutes)	Completed. Public hearing was held on May 11, 2009. The public hearing from May 11, 2009 was also resumed at the regular TBARTA Board meeting on May 22, 2009 to allow additional public comments prior to adoption of the Master Plan.
	Present original Master Plan to governing bodies of the counties within the seven-county region, to the West Central Florida MPOCCC, and to the legislative delegation members representing those counties within 90 days after adoption. (Section 343.922 (3)(e), Florida Statutes)	Completed. Copies of Master Plan were provided to required parties by August 20, 2009 (90 days after adoption). Also, formal presentations to all seven Board of County Commissioners were conducted between June 9, 2009 and September 29, 2009.
	After adoption, the Master Plan shall be updated every two years before July 1. (Section 343.922 (3)(d), Florida Statutes)	Underway

provided by the TBARTA Transit Management Committee (TMC), the Citizens Advisory Committee (CAC), the Land Use Working Group as well as government agency partners and the public. The Master Plan includes a Mid-Term Regional Network for 2035 and a Long-Term Regional Network for 2050 and beyond. TBARTA is working closely with each county, to define a Supporting Network of transit services that would provide connections with the proposed Regional Network, improve circulation within each county and provide hundreds of miles of local or sub-regional transit services. The Hillsborough County Commission is discussing the placement of a referendum on the November 2010 ballot that would add an ongoing one cent sales tax in Hillsborough County to fund mobility projects that include transit and non-transit components. If approved by the voters, the additional sales tax would help fund projects in Hillsborough County that support the Regional Network.

Table 66

**Tampa Bay Area Regional Transportation Authority
Regional Transportation Master Plan - Regional Network**

<i>Mid-Term Regional Network for 2035</i>
<ul style="list-style-type: none"> • 116 miles of Short-Distance Rail • 12 miles of Bus Rapid Transit in Exclusive Lanes • 42 miles of Bus Rapid Transit in Mixed Lanes • 159 miles of Managed Lanes with Express Bus • 226 miles of other Express Bus
<i>Long-Term Regional Network for 2050</i>
<ul style="list-style-type: none"> • 135 miles of Short-Distance Rail • 115 miles of Long-Distance Rail • 42 miles of Bus Rapid Transit in Mixed Lanes • 220 miles of Managed Lanes with Express Bus • 217 miles of other Express Bus

Section 343.922 (3)(b), Florida Statutes, requires TBARTA to consult with the Department to further the goals and objectives of the Strategic Regional Transit Needs Assessment (SRTNA). The Department's District Seven provided technical support in the development of the Master Plan and finalized a detailed assessment of regional transit

opportunities as documented in the SRTNA report. This project was considered the first phase of additional phased project developments to be embarked upon by Districts One and Seven to address the anticipated needs and expansion of transportation in the Tampa Bay area.

Current Activities

TBARTA is beginning to prioritize projects, develop financial strategies for implementation, coordinate the advancement of more detailed planning and environmental analysis for the prioritized projects, and continue public engagement and education efforts. The Authority will work with their partners to explore regional long-term funding options, including public private partnerships, and address issues related to how the regional system will operate and who will operate it.

Current TBARTA projects are funded by the Department and include:

- Clearwater to St. Petersburg Short Distance Rail Alternative Analysis
- Howard Frankland Bridge PD&E/Transit Rail Corridor Evaluation
- SR 54/SR 56 Express Bus/Managed Lanes Transit Corridor Evaluation
- USF to Wesley Chapel Rail Transit/Bus Rapid Transit Corridor Evaluation
- Sarasota Bus Rapid Transit Extension to Palmetto/Bradenton Alternative Analysis

The 2009 Legislature passed House Bill (HB) 1021 that repealed Chapter 343, Part III, Florida Statutes that created the Tampa Bay Commuter Transit Authority and required that any assets or liabilities of the Authority be transferred to TBARTA. As a result, the Tampa Bay Commuter Transit Authority was dissolved as an Independent Special

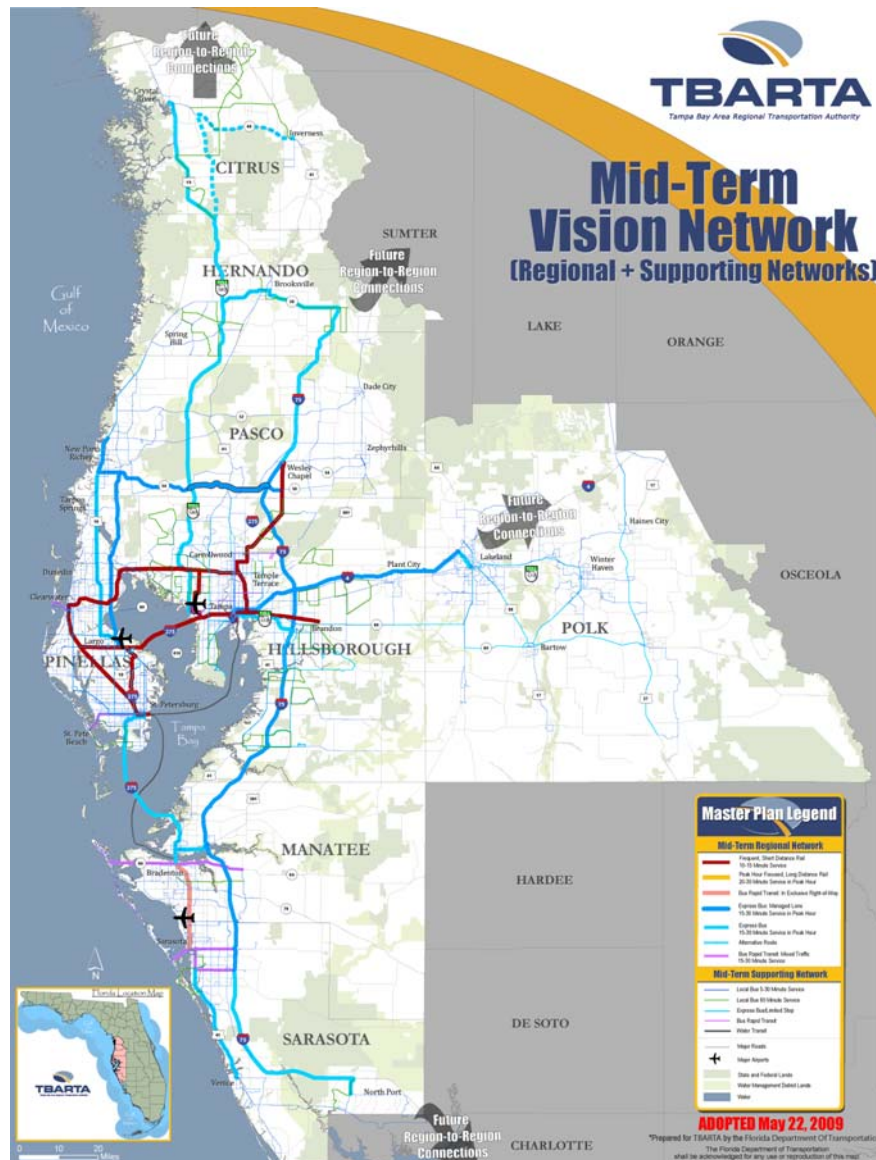


Figure 2: Map of Mid-Term Vision Network.

District and \$8,599 was transferred to TBARTA. No additional assets or liabilities were conveyed.

Pursuant to a Memorandum of Understanding between TBARTA and Bay Area Commuter Services, Inc. (BACS), BACS will merge with TBARTA with the intent of combining the two agencies into one under the auspices of TBARTA. BACS is a non-profit, regional commuter assistance program agency serving the Department's District Seven since 1992. Its purpose is to promote and

encourage transportation options to the single occupant vehicle within the five-county area of West Central Florida (Hillsborough, Pinellas, Pasco, Hernando and Citrus Counties). The merger will increase program effectiveness, decrease overall costs, and take advantage of efficiencies, which can be accomplished through the co-location and combination of programs and operations. Continued employment of existing BACS staff is intended with the current BACS Board acting in an advisory capacity. TBARTA is currently occupying

space at BACS' leased premises at the University of South Florida. BACS is nearing completion of the non-profit dissolution process in accordance with Chapter 617, Florida Statutes, as a necessary step prior to the formal merger of the Parties. It is anticipated that the formal merger will take place at the TBARTA Board meeting on April 30, 2010.

Performance Measures and Operating Indicators

As an emerging transportation authority, TBARTA is not currently operating any facilities. Therefore, performance measures and operating indicators are not currently applicable.

Governance

In addition to establishing performance measures and operating indicators for transportation authorities, the Florida Transportation Commission (Commission) developed "governance" criteria for assessing each authority's adherence to statutes, policies and procedures. To that end, the Commission monitored compliance in the areas of ethics, conflicts of interest, audits, public records, open meetings, procurement, consultant contracts and compliance with bond covenants.

Ethics and Conflict of Interest

TBARTA adopted a comprehensive set of Bylaws on November 30, 2007. Bylaws were also adopted for any Committees created by the Board. The Bylaws state that Board members, staff and agents of TBARTA shall comply with the applicable provisions of the Code of Ethics for Public Officers and Employees set forth in Chapter 112, Part III, Florida Statutes, including the applicable financial disclosure requirements found in Sections 112.3145, 112.3148 and 112.3149, Florida Statutes. TBARTA indicated that there have been

no ethics or conflict of interest violations or investigations. Commission staff reviewed the Authority's Board minutes and did not find any recorded instances of ethics or conflict of interest violations or investigations. The meeting minutes did not disclose any instances where Board members abstained from voting due to conflict of interest and no Commission on Ethics Forms 8B "Memorandum of Voting Conflict for County Municipal and Other Local Public Officers" were submitted. In addition, on April 24, 2009 the Board adopted an Employee Policies and Procedures Manual that contains a section on Business Ethics and Conduct that also contains guidance and policy on ethics and conflicts of interest.

Audits

TBARTA received \$40 thousand in combined contributions from Metropolitan Planning Organizations, \$10 thousand in private contributions, and \$50 thousand was matched by the Tampa Bay Partnership (a non-profit organization promoting the Tampa Bay region). TBARTA used these funds to pay for legal services, audits, and the cost of travel and expenses related to conducting Board and Committee meetings. Accounting for these funds was provided by the Department's District Seven Office until December 2008. As a result of an appropriation from the 2008 legislature, TBARTA entered into a Joint Participation Agreement (JPA) with the Department, whereby the Department advanced \$500 thousand of the \$2 million appropriated to TBARTA to pay initial administrative expenses. Although the original JPA required TBARTA to return any funds not expended by June 30, 2009, the 2009 legislature appropriated unspent funds, and another JPA was entered into, whereby the funding was extended to June 30, 2010. As of September 30, 2009, approximately \$328 thousand of the \$2 million appropriation has been expended, primarily for salaries and benefits, legal

services, and expenses related to conducting Board meetings and public outreach efforts. Accounting for these funds is now being provided by the Tampa Bay Regional Planning Council, utilizing the Accounting Policies and Procedures Manual adopted by the Board in June 2009. The Authority plans to utilize in-house staff for ongoing accounting beginning in May 2010, subsequent to legal consolidation of BACS with TBARTA. An



Trolley in Downtown Tampa Supporting Network.
Photo courtesy of seefloridago.com.

independent audit of TBARTA's financial statements for the fiscal years ended September 30, 2009 and 2008 is currently underway, and the report is expected to be released in May 2010.

Public Records and Open Meetings

The adopted Bylaws require that the Board and Committees of TBARTA comply with the requirements of Chapters 286, 119 and 120, Florida Statutes. The Authority reported that there have been no violations or allegations of non-compliance. A review of agendas and Board meeting minutes, as posted on the Authority's website (www.tbarta.com), showed that the agendas and minutes appear to be in compliance with statute and policy. Each monthly Board agenda package includes a list of upcoming Board,

CAC, TMC, Executive Committee, and other TBARTA meetings. Commission staff also reviewed Board meeting advertisements posted in the Florida Administrative Weekly, and it appears that required notice of public meetings is in compliance with TBARTA policy and Florida Statutes. At the October 2009 Board meeting, General Counsel provided a briefing on public records and sunshine laws in the context of the proper use of social networking sites.

Procurement

Authority Bylaws currently provide for delegation of expenditure authority of up to \$50 thousand to the Executive Director. Board approval is required for all purchases of goods or services exceeding \$50 thousand. The Authority intends to amend the Bylaws and Accounting Manual following the legal merger with BACS. The planned amendments will further specify signature authority (if any) that may be delegated to staff. Board action on these amendments is likely to occur in June 2010.

Consultant Contract Reporting

TBARTA has not secured a general consultant. Those services have been provided by the Department's District Seven, making this governance item not applicable at this time.

Compliance with Bond Covenants

TBARTA has not issued bonds, therefore, this governance item is not yet applicable.

Other

The Board has adopted a number of policies and procedures to help guide the business of TBARTA. The Commission will monitor compliance with these policies and future policies as they are fully implemented.

Summary

The Florida Transportation Commission review of TBARTA was conducted with the cooperation and assistance of the Authority and relied heavily on documentation and assertions provided by Authority management. The Commission's approach primarily consisted of a review of agendas and minutes of Board meetings and policies and procedures that have been adopted by TBARTA. Limited tests of compliance with applicable statutes were performed and, based on those results, it was determined that TBARTA is meeting all of its statutory responsibilities and the governance criteria established by the Commission.

TBARTA adopted a Regional Transportation Master Plan for the seven-county Tampa Bay Region in May 2009. The Authority entered into a Joint

Participation Agreement with the Department, whereby the Department advanced \$500 thousand of the \$2 million appropriated to TBARTA to pay initial administrative expenses. An independent audit of TBARTA financial statements for FY 2009 and 2008 is currently underway. Bay Area Commuter Services, Inc. (BACS) is currently merging with TBARTA to increase program effectiveness, decrease overall costs, and take advantage of efficiencies through the co-location and combination of programs and operations.

The Commission encourages TBARTA to continue to develop and implement policies and procedures to ensure proper governance of TBARTA expanded operations as a result of the BACS merger. The Commission acknowledges with appreciation the assistance of the TBARTA Board and staff in providing the resources necessary to conduct this review and to complete this report.

Summary of Fiscal Year 2009 Findings

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Summary of Fiscal Year 2009 Findings

Miami-Dade Expressway Authority (MDX)

The Florida Transportation Commission (Commission) review of MDX was conducted with the cooperation and assistance of the Authority and relied heavily on documentation and assertions provided by Authority management.

MDX met or exceeded 16 of the 17 management objectives established for performance measures. The performance measure objective not met was for safety.

Operating indicator trend analysis showed that FY 2009 infrastructure assets increased \$35.3 million over FY 2008 primarily due to completion of the new SR 874 on-ramp from Kendall Drive. FY 2009 construction in progress also increased \$65.9 million primarily due to continued reconstruction of two interchanges and various system-wide improvements. FY 2009 revenue decreased 2.5 percent over FY 2008 levels. MDX attributed this decrease to economic conditions adversely impacted by the housing market and rising unemployment. Routine maintenance costs for FY 2009 increased \$0.7 million, or 18.8 percent, primarily due to additional costs related to a new asset management contract and increased general engineering consultant support services. FY 2009 toll operations costs increased \$2.5 million, or 12.4 percent, over FY 2008 due to *SunPass* processing costs assessed to MDX by the Department's Turnpike Enterprise. In addition, FY 2009 administration costs increased \$1.9 million, or 34.1 percent, primarily due to increased costs assessed to MDX for Enterprise purchases of new

SunPass Mini transponders (Sticker Tags) in order to build-up inventory to meet anticipated demand.

In the area of governance, the FY 2009 independent financial statement audit reflected an unqualified opinion. No recommendations for improvement were provided in the Auditor's Management Letter and it was noted that recommendations contained in the prior year Management Letter were implemented by MDX. For procurement, Commission staff noted that the Executive Director is authorized to approve a Supplemental Agreement for a single contract up to \$2 million, and extend contract time without limits for those contracts with amounts not exceeding the Executive Directors delegated authority, without prior approval of a Standing Committee or the MDX Board. All Supplemental Agreements approved by the Executive Director are included as part of the monthly reporting to the Standing Committee and Board.

Based on the Commission's limited review of Board meeting minutes, MDX policies and procedures, Florida Statutes, Financial Statements, Bond Covenants and other documentation provided by the Authority, there were no instances noted of noncompliance with applicable laws or regulations in the areas of ethics, conflicts of interest, public records, open meetings, bond compliance and other governance criteria established by the Commission.

The Commission recognizes the positive performance results and strong governance demonstrated by MDX and encourages MDX to continue to develop and pursue an action plan to reduce highway fatalities. The Commission acknowledges with appreciation the assistance of the MDX Board and staff in providing the resources necessary to conduct this review and to complete this report.

Orlando-Orange County Expressway Authority (OOCEA)

The Commission review of OOCEA was conducted with the cooperation and assistance of the Authority and relied heavily on documentation and assertions provided by Authority management.

OOCEA met or exceeded 14 of the 16 applicable management objectives established for performance measures. The performance measure objectives not met were for safety and debt service coverage (bonded/commercial debt).

Operating indicator trend analysis showed that renewal and replacement costs significantly decreased in FY 2009 primarily due to the completion of the SR 417 resurfacing project in FY 2007 and the SR 528 resurfacing project in FY 2008. FY 2009 revenue grew by 0.2 percent over FY 2008 levels despite a decrease of 7.1 percent in toll transactions. This is a result of a toll rate increase implemented on April 5, 2009, whereby tolls increased by \$0.25 at mainline plazas and most ramps. OOCEA reported that the transaction decline in FY 2009 is attributed to the state-wide economic downturn and decrease in employment throughout central Florida. Actual toll revenue for the first 6 months of FY 2010 is approximately 31 percent higher than FY 2009 toll revenue for the same period. Total operating expenses decreased by 20 percent in FY 2009, primarily due to budget reductions in toll collection, maintenance and administration implemented by OOCEA during FY 2009; a planned decrease in renewal and replacement expenses; and, a reduction in other expenses related to feasibility studies.

In the area of governance, the State Attorney's Office convened a Grand Jury in 2007 that heard

testimony concerning an area of practice by OOCEA that caused concern regarding the exercise of responsibility by the Authority to conduct business with its vendors and consultants in a fair and ethical manner. As a result of the Grand Jury Presentment, made public on February 27, 2009, OOCEA amended its Code of Ethics policy and Personnel policy relating to political contributions and disclosures. The FY 2009 independent financial statement audit reflected an unqualified opinion. The Authority has implemented recommendations for improvement provided in the Auditor's Management Letter relating to disposal of software and communication of its purchasing policy. The recommendations for improvement contained in the October 2007 Orange County Comptroller's Office Audit of OOCEA are substantially complete. Only 3 of the 81 recommendations have not yet been completed.

OOCEA significantly increased the number of internal audits and reviews and has instituted many reforms based on recommendations contained therein. An outside consulting firm provides Internal Audit support services to OOCEA's Audit Committee and Board and independently verifies and reports the status of all audit/review recommendations. The status of all recommendations for OOCEA improvements that have not yet been implemented is provided in Appendix C. The following list identifies audits and reviews that were issued subsequent to FY 2008. These reports are posted, in their entirety, on the Authority's Web site www.expresswayauthority.com.

- Building Issues (November 2008) - Examined the accuracy and review of data prepared and presented to the Board relating to lease or build options for the new OOCEA Headquarters building
- Vehicles Issues (January 2009) - Examined vehicle transactions related to maintenance management consulting work

- Toll Revenue Review Report (April 2009) - Reviewed toll revenue operations for cash toll collections, electronic toll collections and violations
- Report of Citizens' Advisory Committee (July 2009) - Provided recommendations to the Board on issues related to additional cost controls or sources of revenue, additional audits required and staffing of the Authority
- Governance Audit of OOCEA (October 2009) - Assessed Board governance in relation to best practices and recommended enhancements to the Board for implementation

Based on the Commission's limited review of Board meeting minutes, OOCEA policies and procedures, Florida Statutes, Financial Statements, Bond Covenants and other documentation provided by the Authority, there were no instances noted of noncompliance with applicable laws or regulations in the areas of conflicts of interest, public records, open meetings, bond compliance and other governance criteria established by the Commission. As previously noted, in 2007 there was an investigation related to Ethics that prompted a change in OOCEA's Ethics policy in FY 2009.

The Commission recognizes OOCEA for its ongoing efforts to address operational findings and recommendations contained in the numerous audits and reviews of the Authority. The increase in internal audits is a direct result of OOCEA's actions to identify areas for improvement. The Commission encourages OOCEA to continue to develop and pursue action plans to help meet established performance measure objectives. The Commission acknowledges, with appreciation, the assistance of the OOCEA Board and staff in providing the resources necessary to conduct this review and to complete this report.

Santa Rosa Bay Bridge Authority (SRBBA)

The Commission review of SRBBA was conducted with the cooperation and assistance of the Authority and the Department and relied heavily on documentation and assertions provided.

The SRBBA Board is the governing body responsible for oversight of the Authority. The Authority does not have funding for administrative expenses because all revenue is used to pay debt service on outstanding bonds. Although not required, the Department provided SRBBA with limited administrative assistance for concerns of vital interest until January 2008. Due to economic conditions and legal considerations, the Department significantly scaled back administrative support for SRBBA and stopped providing administrative funding and an employee to assist with administrative duties. After pursuing legal options and in consultation with the Authority, the Department developed an amendment to the Lease-Purchase Agreement. The SRBBA Board met in January 2009 and adopted the Amendment, whereby the Department provides funding for administrative expenses, as approved by the Department at its sole discretion. The Authority is required to reimburse the Department in the same manner and priority as operating and maintenance expenses (after debt service payments).

Due to lack of administrative support and funding, the Board did not meet for approximately one year (the Board met in January 2008 and in January 2009). Subsequent to the Lease-Purchase Agreement amendment adopted by the Board in January 2009, the Board met in April 2009 and has not met since. The next Board meeting is scheduled for April 2010. Although limited administrative support and funding are currently

being provided to SRBBA, the Board did not meet for approximately one year.

SRBBA met or exceeded 6 of the 12 applicable management objectives established for performance measures. The six performance measure objectives not met include: electronic toll collection transactions; cost to collect a toll transaction; annual operating, maintenance and administrative (OM&A) forecast variance; and, the three objectives established for debt service coverage. The Authority is in technical default on its bonds, and it is forecasted that SRBBA revenue will continue to be insufficient to make required debt service payments. Based on current revenue forecasts, continued draws on the debt service reserve fund are projected to deplete the fund in FY 2012.

Operating indicator trend analysis showed that FY 2009 toll revenue and toll transactions on the Garcon Point Bridge decreased by 8.4 percent and 8.6 percent, respectively, from FY 2008 levels. The decrease in traffic and revenue can primarily be attributed to the economic recession. As previously noted, there are no administrative expenses reported for SRBBA because all revenue is used to pay debt service on outstanding bonds. Pursuant to the Lease-Purchase Agreement amendment, administrative support and funding provided by the Department are considered operational in nature and are included in operating costs reported by the Department and the Authority. Finally, the underlying bond ratings for SRBBA bonds are considered “non-investment grade.” The ratings assigned to the bonds when originally issued were subsequently lowered due primarily to poor traffic and revenue performance relative to the original forecasts and draws on the debt service reserve to make required debt service payments. All three rating agencies further downgraded SRBBA bonds in FY 2009.

In the area of governance, SRBBA has not had a required independent financial statement audit performed for several years. Although quarterly financial statements are being prepared, the statements are not being submitted to the Trustee as required in the bond resolution. Because the Board has not met in approximately one year, required Board approval of the quarterly financial statements has not been obtained. Also, the Authority has not filed a required annual financial report or audit report with the Department of Financial Services for FY 2008. As a result of the SRBBA Board not meeting, the Authority did not enforce provisions of the Lease-Purchase Agreement relating to the Department’s obligations in connection with the system. However, during the Commission’s review, no instances of Department noncompliance were noted. In addition, SRBBA bond covenants require a Determination Resolution, and the Continuing Disclosure Agreement requires a Material Event Notice to be filed with the Trustee. The required Determination Resolution and Material Event Notice for July 2009 and January 2010 were not properly filed. Also, the Board did not review the June 2009 and December 2009 Traffic Consultant’s recommendations for revisions to the toll schedule to enable the Authority to comply with Section 5.02(c) of the bond resolution.

Based on the Commission’s limited review of Board meeting minutes, SRBBA policies and procedures, Florida Statutes, Accountant’s Compilation Report, Bond Covenants, and other documentation provided by the Authority and the Department, there were no instances noted of noncompliance with applicable laws or regulations in the areas of ethics, conflicts of interest, public records, open meetings, bond compliance and other governance criteria established by the Commission, except for those instances noted above.

Because the SRBBA Board is not meeting, Commission staff finds there is inadequate governance of the Authority. The Commission will continue to monitor SRBBA and the operations of the Garcon Point Bridge and coordinate with the Department on any issues that arise. The Commission would like to acknowledge with appreciation the assistance of the Department and SRBBA in providing information necessary for completion of this report.

Tampa-Hillsborough County Expressway Authority (THEA)

The Commission review of THEA was conducted with the cooperation and assistance of the Authority and relied heavily on documentation and assertions provided by Authority management.

THEA met or exceeded 12 of the 17 applicable management objectives established for performance measures. The five performance measure objectives not met include: bridge condition rating; safety; cost to collect a toll transaction; debt service coverage - bonded/commercial debt; and, debt service coverage - comprehensive debt. Several performance measures not met in the areas of finance and operations result from finance and business rules as defined in the existing Lease-Purchase Agreement and are not entirely under the Authority's control.

Operating indicator trend analysis showed that infrastructure assets decreased by \$67 million in FY 2009 due to a reduction in additional REL project costs related to design errors that were capitalized. In FY 2009 THEA recovered approximately \$75 million from a mediation settlement related to the design errors that became evident during construction of the REL

project. FY 2009 routine maintenance expenses increased by 14 percent over FY 2008 due to a one-time cost to raise the maintenance condition rating of the roadway from 80 to 90 under a new private asset maintenance contract that began in January 2009. FY 2009 transactions and revenue decreased by approximately 3 percent over FY 2008, primarily due to the impacts of the economic recession. Additionally, FY 2009 total operating expenses increased by \$260 thousand, or 2 percent, over FY 2008 primarily due to increases in toll collection and routine maintenance (previously noted) partially offset by a significant decrease in administration expenses.

In the area of governance, the FY 2009 independent financial statement audit reflected an unqualified opinion. In October 2008, the Auditor General issued a follow-up audit report on THEA's progress in addressing the findings and recommendations in the December 2006 operational audit. The Auditor General determined that the Authority corrected 10 findings, partially corrected 2 findings and did not correct 1 finding. Subsequent to the Auditor General follow-up audit, THEA indicated that all findings have been corrected, except for lobbying services (government relations). Contrary to the Auditor General's review of Attorney General Opinions, THEA's General Counsel issued opinions that cite statutory provisions authorizing THEA to outsource any service that the Authority may perform on their own. THEA has taken the position that government relations is one such service, and it has the same legislative authority that allows other transportation authorities to contract for lobbying services.

Based on the Commission's limited review of Board meeting minutes, THEA policies and procedures, Florida Statutes, Financial Statements, Bond Covenants and other documentation provided by the Authority, there

were no instances noted of noncompliance with applicable laws or regulations in the areas of ethics, conflicts of interest, public records, open meetings, bond compliance and other governance criteria established by the Commission except for the instance noted above.

The Commission recognizes THEA's efforts in securing an Asset Maintenance Contractor to maintain the system at a maintenance condition rating of 90, at a reduced overall cost. The Commission further commends THEA for pursuing private toll collection services in order to reduce costs. The Commission encourages THEA to continue to develop and pursue action plans to help meet established performance measure objectives. The Commission acknowledges with appreciation the assistance of the THEA Board and staff in providing the resources necessary to conduct this review and to complete this report.

Central Florida Regional Transportation Authority (CFRTA/LYNX)

LYNX is a full service public transportation authority operating within a 2,500 square mile service area in the Orlando metropolitan area and throughout Orange, Seminole, and Osceola Counties. LYNX continues to expand its service parameters and relies on fare revenues, federal and state grants, and financial support from its local partners to fund operations, including fixed route bus service, paratransit service, flex service and carpools/vanpools.

LYNX actively participated in and cooperated with the Commission's review, and the Commission relied heavily on documentation and clarifications provided by LYNX management.

LYNX met or exceeded 5 of the 12 applicable fixed route objectives established for performance measures. The seven fixed route measures that require improvement include: average headway, operating expense per revenue mile, operating expense per revenue hour, operating expense per passenger trip, operating expense per passenger mile, revenue miles between failures, and revenue miles versus vehicle miles.

LYNX provides significant public transit service to the community it serves and does so with a great deal of consistency over a variety of operating parameters. LYNX has continued to improve on-time performance and customer responsiveness. In light of continued escalation in operating costs, the Commission encourages LYNX to focus on containing those costs moving forward.

In the area of governance, the FY 2008 independent financial statement audit expressed an unqualified opinion on CFRTA's financial statements. No significant deficiencies relating to the audit of the financial statements were reported in the Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*. No instances of noncompliance material to the financial statements were disclosed during the audit. The Independent Auditors' Report on Compliance for each Major Federal Awards Program and State Financial Assistance Project expressed an unqualified opinion. A significant deficiency relating to the audit of major federal or state financial assistance projects was reported, and pursuant to the auditor's recommendations, LYNX worked with FTA to resolve the discrepancy in sampling requirements. There were no audit findings relative to major state financial assistance projects.

Three prior audit findings concerned the LYNX information systems. LYNX conducted a Threat and Vulnerability Assessment, a Transit Security Assessment, developed formal written Continuity of Operations and Continuity of Government Plans, performed an emergency/disaster drill with data processing services in December 2009, and is in the process of finalizing a formal written disaster recovery plan for data processing services. LYNX completed IT Security Awareness Training and will continue the program throughout the year for newly hired employees and as a refresher course for existing employees. LYNX also released a Strategic Plan developed by the Information Technology Committee.

FTA's July 2008 follow-up to a 2006 procurement review noted 16 deficiencies. Corrective actions, including revisions of administrative rules subsequently approved by the Board of Directors, undertaken by LYNX satisfactorily fulfilled FTA's requirements. LYNX submitted a formal response to FTA's Office of Civil Rights examination of the LYNX DBE program and is awaiting acknowledgement of the response from FTA.

Based on the Commission's limited review of audit committee and board of directors meeting minutes, LYNX policies and procedures, Florida Statutes, financial statements, and other documentation provided by LYNX, no instances of noncompliance with applicable laws or regulations in the areas of ethics, conflicts of interest, public records, open meetings, bond compliance and other governance criteria established by the Commission were noted.

The Commission encourages LYNX to develop and establish a course of action focused on improving performance to achieve objectives. In addition, the Commission acknowledges with appreciation the cooperation and assistance on the part of

LYNX in providing the resources necessary to complete this review.

During review of the FY 2009 Transportation Authority Monitoring and Oversight Report at the May 6, 2010, Florida Transportation Commission meeting, Central Florida Regional Transportation Authority revealed errors in the data they had previously reported to the Commission. Although the Commission did not perform any substantive analysis of the new data, the most significant differences in amounts reported by the Authority related to operating expenses and operating revenues. The Authority submitted a letter clarifying the new data that is provided at the end of the Central Florida Regional Transportation Authority chapter of this report (following page 110). Going forward, the Commission, in concert with the Authority, will review and adjust, as necessary, historical data.

Jacksonville Transportation Authority (JTA)

JTA is a full-service public transportation authority operating within a 411-square-mile service area throughout the City of Jacksonville and Duval County. JTA continues to expand its service parameters and relies on fare revenues, federal and state grants, and significant financial support from the City of Jacksonville and Duval County to fund bus and Skyway operations.

JTA actively participated in and cooperated with the Commission's review, and the Commission relied heavily on documentation and clarifications provided by JTA management.

JTA met or exceeded 7 of the 12 applicable objectives established for performance measures for bus. The five measures that require improvement include: ratio of operating revenue to

operating expense, revenue miles between safety incidents, revenue miles between failures, and on-time performance. JTA met or exceeded 5 of the 12 applicable performance measures for Skyway. The seven measures that require improvement include: operating expense per revenue mile, per revenue hour, per passenger trip, and per passenger mile; ratio of operating revenue to operating expense; and, revenue miles between safety incidents and between failures. JTA met or exceeded 4 of the 4 applicable performance measures for Highways.

JTA continues to provide fixed route bus service to the community it serves and does so with a great deal of consistency over a variety of operating parameters. Despite a reduction in revenue hours and miles, JTA maintained weekday ridership with an enhanced weekday span of service. In light of less than acceptable operating revenue per operating expense, the Commission encourages JTA to focus on reducing expenditures. In addition, the Commission suggests that JTA focus efforts to minimize safety incidents and reduce vehicle system failures.

Gradual declines in JTA's Skyway ridership, which began in FY 2006, appear to have reached a level that has yielded less than acceptable operating costs in most parameters. In addition, JTA experienced an unprecedented number of vehicle system failures that resulted in diminished performance in FY 2009 with the Skyway fleet approaching an average age of 11 years. The Commission encourages JTA to examine efforts to grow Skyway's ridership in order to enhance the system's productivity and to focus on efforts to minimize vehicle system failures.

In the area of Governance, the FY 2008 Independent Financial Statement Audit reflected an unqualified opinion; the auditors identified two

significant deficiencies and one material weakness in JTA's internal control over financial statements; rendered an unqualified opinion on JTA's federal and state programs, which complied, in all material respects, with requirements applicable to each of its major federal programs and state projects; and, identified no deficiencies in internal control over compliance considered to be material weaknesses. During a June 2009 Triennial Review of JTA, FTA identified deficiencies in three areas, which were corrected and closed in December 2009.

Based on the Commission's limited review of Governing Board Directors meeting minutes, JTA policies and procedures, Florida Statutes, Financial Statements, and other documentation provided by JTA, no instances of noncompliance with applicable laws or regulations in the areas of ethics, conflicts of interest, public records, open meetings, bond compliance and other governance criteria established by the Commission were noted.

The Commission encourages JTA to develop and establish a course of action focused on improving performance to achieve objectives. In addition, the Commission acknowledges with appreciation the cooperation and assistance on the part of the JTA Board and staff in providing the resources necessary to complete this review.

South Florida Regional Transportation Authority (SFRTA/Tri-Rail)

SFRTA is a full-service public transportation authority operating within a 5,128-square-mile service area throughout Broward, Miami-Dade, and Palm Beach counties. SFRTA continues to expand its service parameters and relies on fare revenues, federal and state grants, and significant financial

support from its local partners to fund commuter rail operations.

SFRTA actively participated in and cooperated with the Commission's review, and the Commission relied heavily on documentation and clarifications provided by SFRTA management.

SFRTA met or exceeded 8 of the 11 applicable objectives established for performance measures. The three measures that require improvement include: operating revenue per operating expense, on-time performance, and response time to customer complaints.

SFRTA continues to provide more public transit service to the community it serves and does so with a great deal of consistency over a variety of operating parameters. SFRTA has continued to increase weekday ridership, expand revenue miles and hours, and enhance service frequency. In light of less than acceptable operating revenue per operating expense, the Commission encourages SFRTA to focus on containing operating costs. In addition, the Commission suggests that SFRTA continue its positive trend in improving on-time performance and responding to customer complaints in a timely fashion.

In the area of Governance, the FY 2009 independent audit reflected an unqualified opinion of SFRTA's financial statements and on compliance in internal control over financial reporting and internal control over major federal and state programs. FTA identified no deficiencies in any area during a May 2009 Triennial Review of SFRTA.

Based on the Commission's limited review of Governing Board Directors meeting minutes, SFRTA policies and procedures, Florida Statutes, Financial Statements, and other documentation provided by SFRTA, no instances of

noncompliance with applicable laws or regulations in the areas of ethics, conflicts of interest, public records, open meetings, bond compliance and other governance criteria established by the Commission were noted.

The Commission encourages SFRTA to develop and establish a course of action focused on improving performance to achieve objectives. In addition, the Commission acknowledges with appreciation the cooperation and assistance on the part of the SFRTA Board and staff in providing the resources necessary to complete this review.

Subsequent to SFRTA's fiscal year-end, various laws were enacted that significantly impact SFRTA. The following provides a summary of the legislation:

House Bill 1B, legislation passed during a special session of the Florida Legislature, was signed into law by Florida Governor Charlie Crist on December 16, 2009. The legislation established a comprehensive framework for Florida's current and future passenger rail system that includes SunRail, Tri-Rail, and plans for high speed rail, and provided additional funding for Tri-Rail in the form of a dedicated source of revenue from the Transportation Trust Fund and the Department's Work Program, effective July 1, 2010 (FY 2011).

House Bill 1B amended Section 20.23, Florida Statutes, and created a new Florida Statewide Passenger Rail Commission. Pursuant to Section 20.23(3)(b)1., Florida Statutes, a primary responsibility of the newly created Commission is *"Monitoring the efficiency, productivity, and management of all publicly funded passenger rail systems in the state, including, but not limited to, any authority created under chapter 343, chapter 349, or chapter 163 if the authority receives public funds for the provision of passenger rail service."* SFRTA was created under Chapter 343

and does receive public funds for the provision of passenger rail service. Section 20.23(3)(b)1., Florida Statutes, further states that *“This paragraph does not preclude the Florida Transportation Commission from conducting its performance and work program monitoring responsibilities.”*

House Bill 1021, which took effect on July 1, 2009 (FY 2010), amended Section 120.52(1), Florida Statutes. Any Transportation Authority created under Chapter 343, Florida Statutes is no longer an agency subject to Florida’s Administrative Procedures Act. As such, SFRTA no longer advertises meeting notices in the Florida Administrative Weekly.

Appendix A contains excerpts from various bills passed by the 2009 Florida Legislature that pertain to transportation authorities.

Northwest Florida Transportation Corridor Authority (NFTCA)

The Commission review of NFTCA was conducted with the cooperation and assistance of the Authority and relied heavily on documentation and assertions provided by the Authority. The Commission’s approach primarily consisted of a review of agendas and minutes of Board meetings, funding agreements and policies and procedures that have been adopted by NFTCA. Limited tests of compliance with applicable statutes were performed and, based on those results, it was determined that NFTCA is meeting most of its statutory responsibilities and the governance criteria established by the Commission. However, the updated 2009 Master Plan was not presented to governing bodies and legislative delegation members as required. Additionally, NFTCA did not

file a required Annual Financial Report with the Department of Financial Services.

NFTCA adopted an updated 2009 Master Plan in June 2009. An independent audit of NFTCA financial statements for FY 2009 (and prior years since inception of the Authority) is currently underway. A planning level Feasibility Study for the Northwest Florida Bypass (formerly Eglin Bypass) is currently being considered by the Department. The Department is working with the Federal Highway Administration and NFTCA on a Joint Participation Agreement to determine if \$1.2 million can be used to fund administrative expenses for the Authority. NFTCA redesigned their Web site in order to provide more information to the public.

The Commission acknowledges with appreciation the assistance of the NFTCA Board, HDR, Inc. and the Department’s District Three in providing the resources necessary to conduct this review and to complete this report.

Southwest Florida Expressway Authority (SWFEA)

The Commission review of SWFEA was conducted with the cooperation and assistance of the Authority and relied heavily on documentation and assertions provided by the Authority. The Commission’s approach primarily consisted of a review of agendas and minutes of Board meetings, policies and procedures that have been adopted by SWFEA, and a review of the audited financial statements. Limited tests of compliance with applicable statutes were performed and, based on those results, it was determined that SWFEA is meeting all its statutory responsibilities and governance criteria established by the Commission.

In FY 2009, SWFEA instituted a temporary slow-down in activities due to the economic downturn and resulting reduction in traffic on I-75. The Authority significantly reduced operating costs to minimum levels necessary to maintain the entity as active and in compliance with applicable laws and regulations. The FY 2009 independent financial statement audit reflected an unqualified opinion with a “going concern” paragraph. The auditors noted \$1.7 million in cumulative net losses since inception, and stated it is uncertain whether SWFEA will continue its primary mission. As a Development Stage Enterprise, the Authority has no source of operating revenue and has relied solely on \$2 million in loans provided by Lee and Collier counties and the Department. The Authority will consider impacts of early termination of SWFEA at the Board meeting scheduled in June 2010.

The Commission acknowledges with appreciation the assistance of the SWFEA Board and staff in providing the resources necessary to conduct this review and complete this report.

Tampa Bay Area Regional Transportation Authority (TBARTA)

The Commission review of TBARTA was conducted with the cooperation and assistance of the Authority and relied heavily on documentation and assertions provided by Authority management. The

Commission’s approach primarily consisted of a review of agendas and minutes of Board meetings and policies and procedures that have been adopted by TBARTA. Limited tests of compliance with applicable statutes were performed and, based on those results, it was determined that TBARTA is meeting all of its statutory responsibilities and the governance criteria established by the Commission.

TBARTA adopted a Regional Transportation Master Plan for the seven-county Tampa Bay Region in May 2009. The Authority entered into a Joint Participation Agreement with the Department, whereby the Department advanced \$500 thousand of the \$2 million appropriated to TBARTA to pay initial administrative expenses. An independent audit of TBARTA financial statements for FY 2009 and 2008 is currently underway. Bay Area Commuter Services, Inc. (BACS) is currently merging with TBARTA to increase program effectiveness, decrease overall costs, and take advantage of efficiencies through the co-location and combination of programs and operations.

The Commission encourages TBARTA to continue to develop and implement policies and procedures to ensure proper governance of TBARTA expanded operations as a result of the BACS merger. The Commission acknowledges with appreciation the assistance of the TBARTA Board and staff in providing the resources necessary to conduct this review and to complete this report.

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PLAN FOR FISCAL YEAR 2010

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Plan for Fiscal Year 2010

The Florida Transportation Commission (Commission) acted expeditiously to begin monitoring the transportation authorities as prescribed in House Bill (HB) 985 of the 2007 regular session of the Florida Legislature. Performance measures and management targets were established and governance areas for authority reporting were adopted. The Commission established a committee to oversee the development of a monitoring process and production of the initial report. Since the Commission was mindful that the first year effort would represent the start of an on-going process that would evolve and improve over time, it was anticipated that the original 2007 measures that were calculated and published might require some adjustment.

Immediately following publication of the Fiscal Year (FY) 2007 year one report in March 2008, the Commission initiated activities required to begin preparations for the FY 2008 annual performance review. Through a series of workshops and teleconferences, the Commission, with the assistance of the authorities, formally adopted performance measures and operating indicators for FY 2008 that included previous performance measures and operating indicators in addition to performance measures that had been modified or were introduced as new performance measures and operating indicators. The Commission reaffirmed “governance” criteria that provide an assessment of each of the governing boards overall management of the respective authority. The established criteria allow the Commission to assess each authority’s compliance with Florida “sunshine laws” related to ethical conduct, conflicts of interest, and public meetings; compliance with generally accepted accounting

principles; and, adherence to applicable laws and bond covenants.

Following publication of the FY 2008 year two report in March 2009, the Commission replicated the successful process used during the first two years of monitoring and oversight. On July 1, 2009, the Jacksonville Transportation Authority (JTA) joined the nine Active Transportation Authorities subject to Commission oversight and was included in the FY 2009 report. Through a series of workshops and teleconferences, the Commission, with the assistance of JTA, formally adopted performance measures and operating indicators for their fixed route bus service, automated guideway system (Skyway), and highway operations as well as the governance criteria established for all transportation authorities.

The Commission is committed to carrying out its designated responsibilities in a deliberative manner and encourages input, feedback or suggestions to help improve the report and monitoring process.

The Commission’s committee to oversee the continuing effort of transportation authority monitoring is in place and plans to consider any enhancements or changes to performance measures, management objectives, operating indicators, governance areas, and reporting format during scheduled workshops and teleconferences. Activities for FY 2010 will mirror successful actions undertaken previously, and at the end of the state fiscal year, the Commission will contact each of the monitored authorities and request information on the status and state of its governance and management practices. This request will be in addition to the call for an update of the data used to examine performance and will provide prescribed dates for submission of information. It is understood that data will not be available immediately at the close of the fiscal year.

Transportation Authority Monitoring and Oversight

While annual reporting will remain the central focus of the Commission's monitoring effort, authorities are expected to alert the Commission in a timely fashion of any externally prompted audits or investigations that may arise. In addition, the Commission intends to conduct periodic reviews of the monitored authorities, if it believes that circumstances warrant further investigation.

The Commission intends to continue occasional monitoring of authority board or committee meetings during 2010 to gain first hand exposure to the workings and culture of the authorities, which has proven to be invaluable in the past.

The approach to governance monitoring and performance measurement has been developed and will continue to be improved in close collaboration and coordination with the affected authorities. The Commission's establishment of performance measures and targets, having authorities report on other indicators of operations

and budget, and monitoring governance will fulfill the Commission's statutory responsibility, while not interfering with day-to-day management of the authorities.

The Commission will share its findings with the legislature during the 2010 session and monitor any legislative changes that may affect its oversight role. It is anticipated the Commission will convene its authority performance measures committee after the legislative adjournment to assess refinements to this process. During the summer and fall of 2010, authorities will again be asked for up-to-date information as fiscal years come to a close in order for the Commission to evaluate performance.

By the fall of 2010, an annual report will be well on its way toward production in order to provide a comprehensive status report to the legislature during the 2011 session.

APPENDIX A—LEGISLATIVE EXCERPTS

HB 5013—An act relating to transportation; amending S. 348.54, F.S.; approved by Governor Crist on May 27, 2009; effective date May 27, 2009.

HB 1021—An act relating to transportation; amending S. 120.52; repeal of select sections of Part III, Chapter 343, F.S.; approved by Governor Crist on May 27, 2009; effective date July 1, 2009.

HB 1213—An act relating to the Jacksonville Transportation Authority; amending S. 349.02, F.S.; approved by Governor Crist on June 1, 2009; effective date July 1, 2009.

HB 1B—An act relating to transportation; amending S. 20.23, F.S.; creating Florida statewide passenger rail commission; approved by Governor Crist on December 16, 2009; effective date December 16, 2009. Special Legislative Session.

F L O R I D A H O U S E O F R E P R E S E N T A T I V E S

ENROLLED

HB 5013, Engrossed 1

2009 Legislature

225 | participate in the program must be established in an amount
226 | sufficient to offset the total cost to the department for the
227 | program, including contract costs. The department shall provide
228 | the services in the most efficient and cost-effective manner
229 | through department staff or by contracting for some or all of
230 | the services. The department shall adopt rules that set
231 | reasonable rates based upon factors such as population, traffic
232 | volume, market demand, and costs for annual permit fees.
233 | However, annual permit fees for sign locations inside an urban
234 | area, as defined in s. 334.03(32), may not exceed \$5,000 and
235 | annual permit fees for sign locations outside an urban area, as
236 | defined in s. 334.03(32), may not exceed \$2,500. After
237 | recovering program costs, the proceeds from the annual permit
238 | fees shall be deposited into the State Transportation Trust Fund
239 | and used for transportation purposes. ~~Such annual permit fee~~
240 | ~~shall not exceed \$1,250.~~

241 | Section 6. Subsections (7) and (8) of section 348.54,
242 | Florida Statutes, are amended to read:

243 | 348.54 Powers of the authority.--Except as otherwise
244 | limited herein, the authority shall have the power:

245 | (7) To borrow money and to make and issue negotiable
246 | bonds, notes, refunding bonds, and other evidences of
247 | indebtedness or obligations, either in temporary or definitive
248 | form, hereinafter in this chapter referred to as "bonds of the
249 | authority," for the purpose of financing all or part of the
250 | improvement or extension of the expressway system and
251 | appurtenant facilities, including all approaches, streets,
252 | roads, bridges, and avenues of access for the expressway system,

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ENROLLED

HB 5013, Engrossed 1

2009 Legislature

253 and for any other purpose authorized by this part, and to
 254 provide for the rights of the holders thereof.

255 (8) To secure the payment of bonds by a pledge of all or
 256 any portion of the revenues or such other moneys legally
 257 available therefor and of all or any portion of the Hillsborough
 258 County gasoline tax funds in the manner provided by this part;
 259 and in general to provide for the security of the bonds and the
 260 rights and remedies of the holders thereof. Interest upon the
 261 amount of gasoline tax funds to be repaid to the county pursuant
 262 to s. 348.60 shall be payable, at the highest rate applicable to
 263 any outstanding bonds of the authority, out of revenues and
 264 other available moneys not required to meet the authority's
 265 obligations to its bondholders. The authority shall have no
 266 power at any time or in any manner to pledge the credit or
 267 taxing power of the state or any political subdivision or agency
 268 thereof, including the city and the county, nor shall any of the
 269 authority's obligations be deemed to be obligations of the state
 270 or of any political subdivision or agency thereof, nor shall the
 271 state or any political subdivision or agency thereof, except the
 272 authority, be liable for the payment of the principal of or
 273 interest on such obligations.

274 Section 7. (1) The Department of Community Affairs, in
 275 consultation with the Department of Transportation, shall
 276 implement an Energy Economic Zone Pilot Program for the purpose
 277 of developing a model to help communities cultivate green
 278 economic development, encourage renewable electric energy
 279 generation, manufacture products that contribute to energy
 280 conservation and green jobs, and further implement chapter 2008-

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ENROLLED

HB 1021, Engrossed 2

2009 Legislature

1233 2. As secondary criteria the department may consider:
1234 a. Whether a road is used as an evacuation route.
1235 b. Whether a road has high levels of agricultural travel.
1236 c. Whether a road is considered a major arterial route.
1237 d. Whether a road is considered a feeder road.
1238 e. Whether a road is located in a fiscally constrained
1239 county, as defined in s. 218.67(1).
1240 ~~f.e.~~ Other criteria related to the impact of a project on
1241 the public road system or on the state or local economy as
1242 determined by the department.
1243 Section 20. Paragraph (c) of subsection (4) of section
1244 348.0003, Florida Statutes, is amended to read:
1245 348.0003 Expressway authority; formation; membership.--
1246 (4)
1247 (c) Members of each expressway an authority,
1248 transportation authority, bridge authority, or toll authority,
1249 created pursuant to this chapter, chapter 343, or chapter 349 or
1250 any other legislative enactment shall be required to comply with
1251 the applicable financial disclosure requirements of s. 8, Art.
1252 II of the State Constitution. This paragraph does not subject
1253 any statutorily created authority, other than an expressway
1254 authority created under this part, to any other requirement of
1255 this part except the requirement of this paragraph.
1256 Section 21. Subsection (1) of section 479.01, Florida
1257 Statutes, is amended to read:
1258 479.01 Definitions.--As used in this chapter, the term:
1259 (1) "Automatic changeable facing" means a facing that
1260 ~~which through a mechanical system~~ is capable of delivering two

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hb1021-03-er

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ENROLLED

HB 1021, Engrossed 2

2009 Legislature

1513 metropolitan planning organization by June 30, 2010.

1514 Section 27. (1) Part III of chapter 343, Florida

1515 Statutes, consisting of sections 343.71, 343.72, 343.73, 343.74,

1516 343.75, 343.76, and 343.77, is repealed.

1517 (2) Any assets or liabilities of the Tampa Bay Commuter

1518 Transit Authority are transferred to the Tampa Bay Area Regional

1519 Transportation Authority as created under s. 343.92, Florida

1520 Statutes.

1521 Section 28. Paragraph (c) of subsection (4) of section

1522 316.191, Florida Statutes, is amended to read:

1523 316.191 Racing on highways.--

1524 (4) Whenever a law enforcement officer determines that a

1525 person was engaged in a drag race or race, as described in

1526 subsection (1), the officer may immediately arrest and take such

1527 person into custody. The court may enter an order of impoundment

1528 or immobilization as a condition of incarceration or probation.

1529 Within 7 business days after the date the court issues the order

1530 of impoundment or immobilization, the clerk of the court must

1531 send notice by certified mail, return receipt requested, to the

1532 registered owner of the motor vehicle, if the registered owner

1533 is a person other than the defendant, and to each person of

1534 record claiming a lien against the motor vehicle.

1535 (c) Any motor vehicle used in violation of subsection (2)

1536 may be impounded for a period of 30 ~~40~~ business days if a law

1537 enforcement officer has arrested and taken a person into custody

1538 pursuant to this subsection and the person being arrested is the

1539 registered owner or coowner of the motor vehicle. If the

1540 arresting officer finds that the criteria of this paragraph are

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ENROLLED

CS/HB 1213, Engrossed 1

2009 Legislature

947 (6) The authority may exercise any of its powers,
948 including eminent domain, to facilitate the development and
949 construction of transportation projects pursuant to this
950 section. The authority may pay all or part of the cost of
951 operating and maintaining the facility or may provide services
952 to the private entity, for which services it shall receive full
953 or partial reimbursement.
954 (7) Except as provided in this section, this section is
955 not intended to amend existing law by granting additional powers
956 to or imposing further restrictions on the governmental entities
957 with regard to regulating and entering into cooperative
958 arrangements with the private sector for the planning,
959 construction, and operation of transportation facilities.
960 Section 18. Paragraph (b) of subsection (2) of section
961 20.23, Florida Statutes, is amended to read:
962 20.23 Department of Transportation.--There is created a
963 Department of Transportation which shall be a decentralized
964 agency.
965 (2)
966 (b) The commission shall have the primary functions to:
967 1. Recommend major transportation policies for the
968 Governor's approval, and assure that approved policies and any
969 revisions thereto are properly executed.
970 2. Periodically review the status of the state
971 transportation system including highway, transit, rail, seaport,
972 intermodal development, and aviation components of the system
973 and recommend improvements therein to the Governor and the
974 Legislature.

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CS/HB 1213, Engrossed 1

2009 Legislature

975 3. Perform an in-depth evaluation of the annual department
 976 budget request, the Florida Transportation Plan, and the
 977 tentative work program for compliance with all applicable laws
 978 and established departmental policies. Except as specifically
 979 provided in s. 339.135(4)(c)2., (d), and (f), the commission may
 980 not consider individual construction projects, but shall
 981 consider methods of accomplishing the goals of the department in
 982 the most effective, efficient, and businesslike manner.

983 4. Monitor the financial status of the department on a
 984 regular basis to assure that the department is managing revenue
 985 and bond proceeds responsibly and in accordance with law and
 986 established policy.

987 5. Monitor on at least a quarterly basis, the efficiency,
 988 productivity, and management of the department, using
 989 performance and production standards developed by the commission
 990 pursuant to s. 334.045.

991 6. Perform an in-depth evaluation of the factors causing
 992 disruption of project schedules in the adopted work program and
 993 recommend to the Legislature and the Governor methods to
 994 eliminate or reduce the disruptive effects of these factors.

995 7. Recommend to the Governor and the Legislature
 996 improvements to the department's organization in order to
 997 streamline and optimize the efficiency of the department. In
 998 reviewing the department's organization, the commission shall
 999 determine if the current district organizational structure is
 1000 responsive to Florida's changing economic and demographic
 1001 development patterns. The initial report by the commission must
 1002 be delivered to the Governor and Legislature by December 15,

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2009 Legislature

1003 2000, and each year thereafter, as appropriate. The commission
1004 may retain such experts as are reasonably necessary to
1005 effectuate this subparagraph, and the department shall pay the
1006 expenses of such experts.

1007 8. Monitor the efficiency, productivity, and management of
1008 the authorities created under chapters 343, ~~and~~ 348, and 349,
1009 including any authority formed using the provisions of part I of
1010 chapter 348. The commission shall also conduct periodic reviews
1011 of each authority's operations and budget, acquisition of
1012 property, management of revenue and bond proceeds, and
1013 compliance with applicable laws and generally accepted
1014 accounting principles.

1015 Section 19. Subsection (1) of section 334.30, Florida
1016 Statutes, is amended to read:

1017 334.30 Public-private transportation facilities.--The
1018 Legislature finds and declares that there is a public need for
1019 the rapid construction of safe and efficient transportation
1020 facilities for the purpose of traveling within the state, and
1021 that it is in the public's interest to provide for the
1022 construction of additional safe, convenient, and economical
1023 transportation facilities.

1024 (1) The department may receive or solicit proposals and,
1025 with legislative approval as evidenced by approval of the
1026 project in the department's work program, enter into agreements
1027 with private entities, or consortia thereof, for the building,
1028 operation, ownership, or financing of transportation facilities.
1029 The department may advance projects programmed in the adopted 5-
1030 year work program or projects increasing transportation capacity

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2009 Legislature

1031 and greater than \$500 million in the 10-year Strategic
 1032 Intermodal Plan using funds provided by public-private
 1033 partnerships or private entities to be reimbursed from
 1034 department funds for the project as programmed in the adopted
 1035 work program. The department shall by rule establish an
 1036 application fee for the submission of unsolicited proposals
 1037 under this section. The fee must be sufficient to pay the costs
 1038 of evaluating the proposals. The department may engage the
 1039 services of private consultants to assist in the evaluation.
 1040 Before approval, the department must determine that the proposed
 1041 project:

- 1042 (a) Is in the public's best interest;
- 1043 (b) Would not require state funds to be used unless the
 1044 project is on the State Highway System;
- 1045 (c) Would have adequate safeguards in place to ensure that
 1046 no additional costs or service disruptions would be realized by
 1047 the traveling public and residents of the state in the event of
 1048 default or cancellation of the agreement by the department;
- 1049 (d) Would have adequate safeguards in place to ensure that
 1050 the department or the private entity has the opportunity to add
 1051 capacity to the proposed project and other transportation
 1052 facilities serving similar origins and destinations; and
- 1053 (e) Would be owned by the department upon completion or
 1054 termination of the agreement.

1055
 1056 The department shall ensure that all reasonable costs to
 1057 the state, related to transportation facilities that are not
 1058 part of the State Highway System, are borne by the private

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CS/HB 1213, Engrossed 1

2009 Legislature

1059 entity. The department shall also ensure that all reasonable
1060 costs to the state and substantially affected local governments
1061 and utilities, related to the private transportation facility,
1062 are borne by the private entity for transportation facilities
1063 that are owned by private entities. For projects on the State
1064 Highway System, the department may use state resources to
1065 participate in funding and financing the project as provided for
1066 under the department's enabling legislation. Because the
1067 Legislature recognizes that private entities or consortia
1068 thereof would perform a governmental or public purpose or
1069 function when they enter into agreements with the department to
1070 design, build, operate, own, or finance transportation
1071 facilities, the transportation facilities, including leasehold
1072 interests thereof, are exempt from ad valorem taxes as provided
1073 in chapter 196 to the extent property is owned by the state or
1074 other government entity, and from intangible taxes as provided
1075 in chapter 199 and special assessments of the state, any city,
1076 town, county, special district, political subdivision of the
1077 state, or any other governmental entity. The private entities or
1078 consortia thereof are exempt from tax imposed by chapter 201 on
1079 all documents or obligations to pay money which arise out of the
1080 agreements to design, build, operate, own, lease, or finance
1081 transportation facilities. Any private entities or consortia
1082 thereof must pay any applicable corporate taxes as provided in
1083 chapters 220 and 221, and unemployment compensation taxes as
1084 provided in chapter 443, and sales and use tax as provided in
1085 chapter 212 shall be applicable. The private entities or
1086 consortia thereof must also register and collect the tax imposed

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CS/HB 1213, Engrossed 1

2009 Legislature

1087 by chapter 212 on all their direct sales and leases that are
 1088 subject to tax under chapter 212. The agreement between the
 1089 private entity or consortia thereof and the department
 1090 establishing a transportation facility under this chapter
 1091 constitute documentation sufficient to claim any exemption under
 1092 this section.

1093 Section 20. The Department of Transportation shall direct
 1094 a study to be conducted and funded by the authority created in
 1095 chapter 349, Florida Statutes, for the purpose of recommending
 1096 to the Legislature the framework for a regional transportation
 1097 authority for the northeast region of Florida, composed of the
 1098 following counties and each of the municipalities located
 1099 therein: Baker, Clay, Duval, Flagler, Nassau, Putnam, and St.
 1100 Johns. The study shall include, at a minimum, the existing
 1101 powers and duties of the authority, as well as the additional
 1102 powers and duties necessary for the agency to plan, design,
 1103 finance, construct, operate, and maintain transportation
 1104 facilities providing a safe, adequate, and efficient surface
 1105 transportation network for the region, consistent with the
 1106 statewide transportation network. In addition, the study shall
 1107 address agency revenue sources, governance, coordination of work
 1108 plans, and coordination with local comprehensive plans for all
 1109 transportation facilities of the agency. Recommendations shall
 1110 be delivered to the President of the Senate and Speaker of the
 1111 House of Representatives no later than February 1, 2010.

1112 Section 21. This act shall take effect July 1, 2009.

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F L O R I D A H O U S E O F R E P R E S E N T A T I V E S

ENROLLED

HB 1B, Engrossed 1

2009 Legislature

169 Section 1. Paragraph (b) of subsection (2) and present
170 subsection (4) of section 20.23, Florida Statutes, are amended,
171 present subsections (3) through (6) are renumbered as
172 subsections (4) through (7), respectively, and a new subsection
173 (3) is added to that section, to read:
174 20.23 Department of Transportation.—There is created a
175 Department of Transportation which shall be a decentralized
176 agency.
177 (2)
178 (b) The commission shall have the primary functions to:
179 1. Recommend major transportation policies for the
180 Governor's approval, and assure that approved policies and any
181 revisions thereto are properly executed.
182 2. Periodically review the status of the state
183 transportation system including highway, transit, rail, seaport,
184 intermodal development, and aviation components of the system
185 and recommend improvements therein to the Governor and the
186 Legislature.
187 3. Perform an in-depth evaluation of the annual department
188 budget request, the Florida Transportation Plan, and the
189 tentative work program for compliance with all applicable laws
190 and established departmental policies. Except as specifically
191 provided in s. 339.135(4)(c)2., (d), and (f), the commission may
192 not consider individual construction projects, but shall
193 consider methods of accomplishing the goals of the department in
194 the most effective, efficient, and businesslike manner.
195 4. Monitor the financial status of the department on a
196 regular basis to assure that the department is managing revenue

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hb0001b-02-er

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ENROLLED

HB 1B, Engrossed 1

2009 Legislature

197 and bond proceeds responsibly and in accordance with law and
 198 established policy.

199 5. Monitor on at least a quarterly basis, the efficiency,
 200 productivity, and management of the department, using
 201 performance and production standards developed by the commission
 202 pursuant to s. 334.045.

203 6. Perform an in-depth evaluation of the factors causing
 204 disruption of project schedules in the adopted work program and
 205 recommend to the Legislature and the Governor methods to
 206 eliminate or reduce the disruptive effects of these factors.

207 7. Recommend to the Governor and the Legislature
 208 improvements to the department's organization in order to
 209 streamline and optimize the efficiency of the department. In
 210 reviewing the department's organization, the commission shall
 211 determine if the current district organizational structure is
 212 responsive to Florida's changing economic and demographic
 213 development patterns. The initial report by the commission must
 214 be delivered to the Governor and Legislature by December 15,
 215 2000, and each year thereafter, as appropriate. The commission
 216 may retain such experts as are reasonably necessary to
 217 effectuate this subparagraph, and the department shall pay the
 218 expenses of such experts.

219 8. Monitor the efficiency, productivity, and management of
 220 the authorities created under chapters ~~343~~, 348, and 349,
 221 including any authority formed using the provisions of part I of
 222 chapter 348 and any authority formed under chapter 343 which is
 223 not monitored under subsection (3). The commission shall also
 224 conduct periodic reviews of each authority's operations and

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hb0001b-02-er

F L O R I D A H O U S E O F R E P R E S E N T A T I V E S

ENROLLED

HB 1B, Engrossed 1

2009 Legislature

225 budget, acquisition of property, management of revenue and bond
226 proceeds, and compliance with applicable laws and generally
227 accepted accounting principles.

228 (3) There is created the Florida Statewide Passenger Rail
229 Commission.

230 (a)1. The commission shall consist of nine voting members
231 appointed as follows:

232 a. Three members shall be appointed by the Governor, one
233 of whom must have a background in the area of environmental
234 concerns, one of whom must have a legislative background, and
235 one of whom must have a general business background.

236 b. Three members shall be appointed by the President of
237 the Senate, one of whom must have a background in civil
238 engineering, one of whom must have a background in
239 transportation construction, and one of whom must have a general
240 business background.

241 c. Three members shall be appointed by the Speaker of the
242 House of Representatives, one of whom must have a legal
243 background, one of whom must have a background in financial
244 matters, and one of whom must have a general business
245 background.

246 2. The initial term of each member appointed by the
247 Governor shall be for 4 years. The initial term of each member
248 appointed by the President of the Senate shall be for 3 years.
249 The initial term of each member appointed by the Speaker of the
250 House of Representatives shall be for 2 years. Succeeding terms
251 for all members shall be for 4 years.

252 3. A vacancy occurring during a term shall be filled by

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F L O R I D A H O U S E O F R E P R E S E N T A T I V E S

ENROLLED

HB 1B, Engrossed 1

2009 Legislature

253 the respective appointing authority in the same manner as the
 254 original appointment and only for the balance of the unexpired
 255 term. An appointment to fill a vacancy shall be made within 60
 256 days after the occurrence of the vacancy.

257 4. The commission shall elect one of its members as chair
 258 of the commission. The chair shall hold office at the will of
 259 the commission. Five members of the commission shall constitute
 260 a quorum, and the vote of five members shall be necessary for
 261 any action taken by the commission. The commission may meet upon
 262 the constitution of a quorum. A vacancy in the commission does
 263 not impair the right of a quorum to exercise all rights and
 264 perform all duties of the commission.

265 5. The members of the commission are not entitled to
 266 compensation but are entitled to reimbursement for travel and
 267 other necessary expenses as provided in s. 112.061.

268 (b) The commission shall have the primary functions of:
 269 1. Monitoring the efficiency, productivity, and management
 270 of all publicly funded passenger rail systems in the state,
 271 including, but not limited to, any authority created under
 272 chapter 343, chapter 349, or chapter 163 if the authority
 273 receives public funds for the provision of passenger rail
 274 service. The commission shall advise each monitored authority of
 275 its findings and recommendations. The commission shall also
 276 conduct periodic reviews of each monitored authority's passenger
 277 rail and associated transit operations and budget, acquisition
 278 of property, management of revenue and bond proceeds, and
 279 compliance with applicable laws and generally accepted
 280 accounting principles. The commission may seek the assistance of

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ENROLLED

HB 1B, Engrossed 1

2009 Legislature

281 the Auditor General in conducting such reviews and shall report
282 the findings of such reviews to the Legislature. This paragraph
283 does not preclude the Florida Transportation Commission from
284 conducting its performance and work program monitoring
285 responsibilities.

286 2. Advising the department on policies and strategies used
287 in planning, designing, building, operating, financing, and
288 maintaining a coordinated statewide system of passenger rail
289 services.

290 3. Evaluating passenger rail policies and providing advice
291 and recommendations to the Legislature on passenger rail
292 operations in the state.

293 (c) The commission or a member of the commission may not
294 enter into the day-to-day operation of the department or a
295 monitored authority and is specifically prohibited from taking
296 part in:

297 1. The awarding of contracts.

298 2. The selection of a consultant or contractor or the
299 prequalification of any individual consultant or contractor.
300 However, the commission may recommend to the secretary standards
301 and policies governing the procedure for selection and
302 prequalification of consultants and contractors.

303 3. The selection of a route for a specific project.

304 4. The specific location of a transportation facility.

305 5. The acquisition of rights-of-way.

306 6. The employment, promotion, demotion, suspension,
307 transfer, or discharge of any department personnel.

308 7. The granting, denial, suspension, or revocation of any

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505 reductions shall not negatively impact safety or maintenance or
 506 project contingency percentage levels as of April 21, 2009. This
 507 subparagraph expires July 1, 2010.

508 5. Notwithstanding subparagraphs 1. and 2. and ss.
 509 206.46(3) and 334.044(26), and for fiscal years 2009-2010
 510 through 2013-2014 only, the department shall annually allocate
 511 up to \$15 million of the first proceeds of the increased
 512 revenues estimated by the November 2009 Revenue Estimating
 513 Conference to be deposited into the State Transportation Trust
 514 Fund to provide for the portion of the transfer of funds
 515 included in s. 343.58(4)(a)1.a. or s. 343.58(4)(a)2.a.,
 516 whichever is applicable. The transfer of funds included in s.
 517 343.58(4) shall not negatively impact projects included in
 518 fiscal years 2009-2010 through 2013-2014 of the work program as
 519 of July 1, 2009, as amended pursuant to subsection (7). This
 520 subparagraph expires July 1, 2014.

521 Section 4. Section 343.58, Florida Statutes, is amended to
 522 read:

523 343.58 County funding for the South Florida Regional
 524 Transportation Authority.—

525 (1) Each county served by the South Florida Regional
 526 Transportation Authority must dedicate and transfer not less
 527 than \$2.67 million to the authority annually. The recurring
 528 annual \$2.67 million must be dedicated by the governing body of
 529 each county before October 31 of each fiscal year. These funds
 530 may be used for capital, operations, and maintenance.

531 (2) At least \$45 million of a state-authorized, local
 532 option recurring funding source available to Broward, Miami-

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F L O R I D A H O U S E O F R E P R E S E N T A T I V E S

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533 Dade, and Palm Beach counties is directed to the authority to
534 fund its capital, operating, and maintenance expenses. The
535 funding source shall be dedicated to the authority only if
536 Broward, Miami-Dade, and Palm Beach counties impose the local
537 option funding source.

538 (3) In addition, each county shall continue to annually
539 fund the operations of the South Florida Regional Transportation
540 Authority in an amount not less than \$1.565 million. Revenue
541 raised pursuant to this subsection shall also be considered a
542 dedicated funding source.

543 (4) Notwithstanding any other provision of law to the
544 contrary and effective July 1, 2010, the department shall
545 transfer annually from the State Transportation Trust Fund to
546 the South Florida Regional Transportation Authority the amounts
547 specified in subparagraph (a)1. or subparagraph (a)2.

548 (a)1. If the authority becomes responsible for maintaining
549 and dispatching the South Florida Rail Corridor:

550 a. \$15 million from the State Transportation Trust Fund to
551 the South Florida Regional Transportation Authority for
552 operations, maintenance, and dispatch; and

553 b. An amount no less than the work program commitments
554 equal to \$27.1 million for fiscal year 2010-2011, as of July 1,
555 2009, for operating assistance to the authority and corridor
556 track maintenance and contract maintenance for the South Florida
557 Rail Corridor.

558 2. If the authority does not become responsible for
559 maintaining and dispatching the South Florida Rail Corridor:

560 a. \$13.3 million from the State Transportation Trust Fund

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561 to the South Florida Regional Transportation Authority for
 562 operations; and
 563 b. An amount no less than the work program commitments
 564 equal to \$17.3 million for fiscal year 2010-2011, as of July 1,
 565 2009, for operating assistance to the authority.
 566 (b) Funding required by this subsection may not be
 567 provided from the funds dedicated to the Florida Rail Enterprise
 568 under s. 201.15(1)(c)1.d.
 569 (5)(4) The current funding obligations under subsections
 570 (1), and (3), and (4) shall cease upon commencement of the
 571 collection of funding from the funding source under subsection
 572 (2). If the funding under subsection (2) is discontinued for any
 573 reason, the funding obligations under subsections (1) and (3)
 574 shall resume when collection from the funding source under
 575 subsection (2) ceases. Payment by the counties shall be on a pro
 576 rata basis the first year following cessation of the funding
 577 under subsection (2). The authority shall refund a pro rata
 578 share of the payments for the current fiscal year made pursuant
 579 to the current funding obligations under subsections (1) and (3)
 580 as soon as reasonably practicable after it begins to receive
 581 funds under subsection (2). If, by December 31, 2015, the South
 582 Florida Regional Transportation Authority has not received
 583 federal matching funds based upon the dedication of funds under
 584 subsection (1), subsection (1) shall be repealed.
 585 Section 5. Section 341.301, Florida Statutes, is amended
 586 to read:
 587 341.301 Definitions; ss. 341.302-341.303 ~~ss. 341.302 and~~
 588 ~~341.303.~~ As used in ss. 341.302-341.303 ~~ss. 341.302 and 341.303,~~

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APPENDIX B—AUTHORITY DATA

Transportation Authority Monitoring and Oversight

Performance Measures Florida Transportation Commission 2009

Five Year Trend for Toll Authority Performance Measures and Reportable Indicators

Toll Agency Name:

MIAMI-DADE EXPRESSWAY AUTHORITY (MDX)

Official Reporting Period: July 1 through June 30

Operations:

	Objective	2005	2006	2007	2008	2009
Growth in Value of Transportation Assets						
Land Acquisition		\$ 379,861,901	\$ 552,205,185	\$ 679,114,786	\$ 744,392,739	\$ 854,981,450
Infrastructure Assets		56,996,386	101,349,843	121,501,562	241,303,659	250,621,556
Construction in Progress		85,668,085	111,737,295	129,683,111	289,036,903	324,296,911
		237,197,430	339,118,047	427,930,113	214,052,177	280,062,983
Preservation of Transportation Assets						
Renewal & Replacement of Infrastructure		\$ 5,046,607	\$ 5,621,381	\$ 11,204,080	\$ 3,904,474	\$ 4,598,681
Routine Maintenance of Infrastructure		-	-	-	-	-
SHS Maintenance Condition Rating	90	5,046,607	5,621,381	11,204,080	3,904,474	4,598,681
		89.0	88.2	90.7	90.1	90.7
Pavement Condition Rating						
SHS Lane Miles rated "excellent or good"	> 85%	96.2%	96.7%	95.9%	93.7%	89.1%
Bridge Condition Rating						
Bridge Structures rated "excellent or good"	> 95%	96.5%	96.5%	97.5%	98.4%	98.4%
SHS Bridge Structures with posted weight restrictions	0%	0.0%	0.0%	0.0%	0.0%	0.0%
Toll Collection Transactions						
Electronic Transactions	> 75% by 6/30/12	52.4%	60.2%	64.2%	72.7%	74.8%
Revenue from Electronic Transactions		43.3%	53.1%	57.7%	62.8%	65.7%
Annual Revenue Growth						
Toll & Operating Revenue		19.0%	31.8%	6.9%	40.7%	-2.5%
Revenue Variance						
Actual Revenue with "recovery of fines"		97.7%	99.0%	98.4%	99.2%	100.0%
Actual Revenue without "recovery of fines"	< 4% (96%)	95.8%	96.8%	96.4%	96.1%	97.0%
Safety						
Fatalities per 100 million vehicle miles traveled	> 10% below 5 yr. avg. (.58)	0.936	1.163	0.786	0.614	N/A
Customer Service						
Customers satisfied with level of service	> 90%	95.7%	95.6%	95.8%	95.4%	94.6%

Operations & Budget:

	Objective	2005	2006	2007	2008	2009
Consultant Contracts						
Final Cost % increase above Original Award	< 5%	N/A	0.0%	-2.3%	2.2%	-20.2%
Construction Contracts						
Completed within 20% above original contract time	≥ 80%	85.7%	80.0%	75.0%	80.0%	100.0%
Completed within 10% above original contract amount	≥ 90%	100.0%	100.0%	50.0%	80.0%	100.0%
Cost to Collect a Toll Transaction						
Cost to Collect a Transaction (net of exclusions)	< \$0.16	\$0.09	\$0.11	\$0.12	\$0.13	\$0.14
Operating Efficiency						
Toll Collection Expense as a % of Operating Expense		28.9%	30.5%	28.8%	38.9%	40.5%
Routine Maintenance Expense as a % of Operating Expense		18.5%	16.6%	25.9%	7.6%	8.3%
Administrative Expense as a % of Operating Expense		16.2%	15.9%	13.5%	10.8%	13.4%
Operating Expense as a % of Operating Revenue		46.3%	43.7%	52.1%	44.2%	48.9%
Annual OM&A Forecast Variance						
Actual OM&A Expenses to Annual Budget	+/- 10% (90%)	76.1%	80.6%	98.8%	91.1%	91.4%
Rating Agency Performance						
Operations & Maintenance Expense as a % of Total Revenue		22.0%	20.6%	28.5%	20.5%	23.8%

Applicable Laws:

		2005	2006	2007	2008	2009
Minority Participation						
M/WBE & SBE Utilization as a % of Total Expenditures	> 90% of agency target:	24.7%	21.5%	24.0%	19.9%	14.2%

Performance Measures Florida Transportation Commission 2009

Five Year Trend for Toll Authority Performance Measures and Reportable Indicators						
Toll Agency Name:		MIAMI-DADE EXPRESSWAY AUTHORITY (MDX)				
Official Reporting Period:		July 1 through June 30				
Revenue Management & Bond Proceeds:						
		2005	2006	2007	2008	2009
Debit Service Coverage						
Bonded/Commercial Debt ((Rev-Interest)-(Toll+Maint))/Comm Debt	> 1.5	1.74	1.91	1.82	1.64	1.59
Comprehensive Debt ((Rev-Interest)-(Toll+Maint))/All Debt	> 1.2	1.74	1.91	1.82	1.36	1.37
Authority Compliance with Bond Covenants for Debt Service Coverage	Yes	Yes	Yes	Yes	Yes	Yes
Underlying Bond Ratings from Agencies						
S&P Bond Rating		A	A	A	A	A
Moody's Bond Rating		A3	A3	A3	A3	A3
Fitch Bond Rating		A-	A-	A-	A-	A-
Property Acquisition:						
		2005	2006	2007	2008	2009
Right-of-Way						
Agency Appraisals		\$ 7,946,324	\$ 2,492,500	\$ 5,095,300	\$ 1,420,000	\$ 392,000
Initial Offers		\$ 6,929,424	\$ 2,383,500	\$ 4,969,080	\$ 1,420,000	\$ 500,500
Owners Appraisals		\$ 3,722,520	\$ -	\$ 3,790,000	\$ 2,959,288	\$ 2,528,000
Final Settlements		\$ 8,373,503	\$ 3,087,000	\$ 6,418,000	\$ 2,250,000	\$ 1,305,980

Transportation Authority Monitoring and Oversight

Performance Measures Florida Transportation Commission 2009

Five Year Trend for Toll Authority Performance Measures and Reportable Indicators

Toll Agency Name:

ORLANDO-ORANGE COUNTY EXPRESSWAY AUTHORITY (OOCEA)

Official Reporting Period: July 1 through June 30

Operations:

	Objective	2005	2006	2007	2008	2009
Growth in Value of Transportation Assets		\$ 1,701,181,000	\$ 1,939,317,000	\$ 2,282,878,000	\$ 2,580,258,000	\$ 2,820,113,000
Land Acquisition		365,025,000	416,438,000	423,270,000	434,210,000	529,446,000
Infrastructure Assets		945,967,000	1,122,691,000	1,196,661,000	1,445,300,000	1,798,514,000
Construction in Progress		390,189,000	400,188,000	662,947,000	700,748,000	492,153,000
Preservation of Transportation Assets		\$ 20,588,000	\$ 24,431,000	\$ 37,216,000	\$ 25,000,000	\$ 15,002,000
Renewal & Replacement of Infrastructure		10,515,000	13,407,000	24,734,000	10,532,000	1,307,000
Routine Maintenance of Infrastructure		10,073,000	11,024,000	12,482,000	14,468,000	13,695,000
SHS Maintenance Condition Rating	90	93.0	90.0	89.0	92.0	94.0
Pavement Condition Rating						
SHS Lane Miles rated "excellent or good"	> 85%	100.0%	78.8%	84.9%	98.4%	100.0%
Bridge Condition Rating						
Bridge Structures rated "excellent or good"	> 95%	100.0%	100.0%	100.0%	99.2%	100.0%
SHS Bridge Structures with posted weight restrictions	0%	0.0%	0.0%	0.0%	0.0%	0.0%
Toll Collection Transactions						
Electronic Transactions	> 75% by 6/30/12	58.0%	61.7%	65.9%	68.6%	70.7%
Revenue from Electronic Transactions		56.2%	59.9%	64.2%	67.0%	69.0%
Annual Revenue Growth						
Toll & Operating Revenue		5.3%	8.9%	5.5%	1.1%	0.2%
Revenue Variance						
Actual Revenue with "recovery of fines"		97.9%	97.6%	97.6%	97.5%	97.3%
Actual Revenue without "recovery of fines"	< 4% (96%)	97.7%	97.3%	97.2%	97.3%	97.0%
Safety						
Fatalities per 100 million vehicle miles traveled	> 10% below 5 yr. avg. (.58)	0.593	0.643	0.223	0.651	N/A
Customer Service						
Customers satisfied with level of service	> 90%	N/A	98.8%	N/A	91.0%	N/A

Operations & Budget:

	Objective	2005	2006	2007	2008	2009
Consultant Contracts						
Final Cost % increase above Original Award	< 5%	25.5%	24.7%	25.2%	-2.5%	2.9%
Construction Contracts						
Completed within 20% above original contract time	≥ 80%	100.0%	100.0%	100.0%	100.0%	100.0%
Completed within 10% above original contract amount	≥ 90%	80.0%	90.0%	100.0%	100.0%	100.0%
Cost to Collect a Toll Transaction						
Cost to Collect a Transaction (net of exclusions)	< \$0.16	\$0.11	\$0.11	\$0.11	\$0.11	\$0.11
Operating Efficiency						
Toll Collection Expense as a % of Operating Expense		43.7%	43.6%	36.8%	40.6%	45.8%
Routine Maintenance Expense as a % of Operating Expense		14.6%	14.4%	13.6%	16.5%	19.5%
Administrative Expense as a % of Operating Expense		8.8%	9.3%	6.4%	6.4%	7.5%
Operating Expense as a % of Operating Revenue		38.4%	39.3%	44.7%	42.2%	33.8%
Annual OM&A Forecast Variance						
Actual OM&A Expenses to Annual Budget	+/- 10% (90%)	86.2%	89.2%	83.1%	89.7%	96.4%
Rating Agency Performance						
Operations & Maintenance Expense as a % of Total Revenue		22.4%	22.8%	22.5%	24.1%	22.1%

Applicable Laws:

		2005	2006	2007	2008	2009
Minority Participation						
M/WBE & SBE Utilization as a % of Total Expenditures	> 90% of agency target:	17.3%	15.9%	15.1%	16.5%	16.4%

Performance Measures Florida Transportation Commission 2009

Five Year Trend for Toll Authority Performance Measures and Reportable Indicators						
Toll Agency Name:		ORLANDO-ORANGE COUNTY EXPRESSWAY AUTHORITY (OOCEA)				
Official Reporting Period: July 1 through June 30						
Revenue Management & Bond Proceeds:						
	2005	2006	2007	2008	2009	
Debit Service Coverage						
Bonded/Commercial Debt ((Rev-Interest)-(Toll+Maint))/Comm Debt	> 1.5	1.50	1.52	1.59	1.30	1.47
Comprehensive Debt ((Rev-Interest)-(Toll+Maint))/All Debt	> 1.2	1.50	1.52	1.57	1.28	1.45
Authority Compliance with Bond Covenants for Debt Service Coverage	Yes	Yes	Yes	Yes	Yes	Yes
Underlying Bond Ratings from Agencies						
S&P Bond Rating	A	A	A	A	A	
Moody's Bond Rating	A1	A1	A1	A1	A1	
Fitch Bond Rating	A	A	A	A	A	
Property Acquisition:						
	2005	2006	2007	2008	2009	
Right-of-Way						
Agency Appraisals	\$ 25,761,675	\$ 32,240,654	\$ 38,379,665	\$ 22,096,248	\$ 14,972,300	
Initial Offers	\$ -	\$ -	\$ 14,423,493	\$ 22,096,248	\$ 7,587,422	
Owners Appraisals	\$ -	\$ -	\$ 18,176,809	\$ -	\$ 13,551,210	
Final Settlements	\$ 26,920,824	\$ 33,681,121	\$ 45,707,728	\$ 30,577,263	\$ 20,594,598	

Transportation Authority Monitoring and Oversight

Performance Measures Florida Transportation Commission 2009

Five Year Trend for Toll Authority Performance Measures and Reportable Indicators

Toll Agency Name:

SANTA ROSA BAY BRIDGE AUTHORITY (SRBBA)

Official Reporting Period: July 1 through June 30

Operations:

	Objective	2005	2006	2007	2008	2009
Growth in Value of Transportation Assets¹		\$ 107,910,407	\$ 107,841,427	\$ 107,772,448	\$ 107,703,469	\$ -
Land Acquisition ¹		-	-	-	-	-
Infrastructure Assets ¹		107,910,407	107,841,427	107,772,448	107,703,469	-
Construction in Progress ¹		-	-	-	-	-
Preservation of Transportation Assets		\$ 99,322	\$ 89,734	\$ 118,224	\$ 123,611	\$ 98,387
Renewal & Replacement of Infrastructure		-	-	-	-	-
Routine Maintenance of Infrastructure		99,322	89,734	118,224	123,611	98,387
SHS Maintenance Condition Rating	90	N/A	N/A	N/A	N/A	N/A
Pavement Condition Rating						
SHS Lane Miles rated "excellent or good"	> 85%	100.0%	100.0%	100.0%	100.0%	100.0%
Bridge Condition Rating						
Bridge Structures rated "excellent or good"	> 95%	100.0%	100.0%	100.0%	100.0%	100.0%
SHS Bridge Structures with posted weight restrictions	0%	0.0%	0.0%	0.0%	0.0%	0.0%
Toll Collection Transactions						
Electronic Transactions	> 75% by 6/30/12	26.7%	30.1%	32.4%	35.4%	35.1%
Revenue from Electronic Transactions		24.1%	27.6%	29.2%	32.2%	32.5%
Annual Revenue Growth						
Toll & Operating Revenue		28.3%	8.6%	-4.1%	-0.5%	-8.4%
Revenue Variance						
Actual Revenue with "recovery of fines"		95.4%	95.7%	96.9%	95.9%	96.0%
Actual Revenue without "recovery of fines"	< 4% (96%)	95.4%	95.7%	96.9%	95.9%	96.0%
Safety						
Fatalities per 100 million vehicle miles traveled	> 10% below 5 yr. avg. (.58)	0.0	0.0	0.0	0.0	N/A
Customer Service						
Customers satisfied with level of service	> 90%	95.7%	95.6%	95.8%	95.4%	94.6%

Operations & Budget:

	Objective	2005	2006	2007	2008	2009
Consultant Contracts						
Final Cost % increase above Original Award	< 5%	N/A	N/A	N/A	N/A	N/A
Construction Contracts						
Completed within 20% above original contract time	≥ 80%	N/A	N/A	N/A	N/A	N/A
Completed within 10% above original contract amount	≥ 90%	N/A	N/A	N/A	N/A	N/A
Cost to Collect a Toll Transaction						
Cost to Collect a Transaction (net of exclusions)	< \$0.16	\$0.56	\$0.49	\$0.61	\$0.71	\$0.63
Operating Efficiency						
Toll Collection Expense as a % of Operating Expense		89.4%	88.4%	86.2%	80.6%	84.3%
Routine Maintenance Expense as a % of Operating Expense		9.0%	9.2%	10.0%	9.5%	8.3%
Administrative Expense as a % of Operating Expense		0.0%	0.0%	0.0%	0.0%	0.0%
Operating Expense as a % of Operating Revenue		23.9%	19.6%	24.7%	27.3%	27.0%
Annual OM&A Forecast Variance						
Actual OM&A Expenses to Annual Budget	+/- 10% (90%)	109.0%	88.2%	106.3%	96.7%	82.4%
Rating Agency Performance						
Operations & Maintenance Expense as a % of Total Revenue		23.5%	19.1%	23.8%	24.6%	25.1%

Applicable Laws:

	2005	2006	2007	2008	2009
Minority Participation					
MWBE & SBE Utilization as a % of Total Expenditures	> 90% of agency target:	N/A	N/A	N/A	N/A

Performance Measures Florida Transportation Commission 2009						
Five Year Trend for Toll Authority Performance Measures and Reportable Indicators						
Toll Agency Name:		SANTA ROSA BAY BRIDGE AUTHORITY (SRBBA)				
Official Reporting Period:		July 1 through June 30				
Revenue Management & Bond Proceeds:						
		2005	2006	2007	2008	2009
Debit Service Coverage						
Bonded/Commercial Debt ((Rev-Interest)- (Toll+Maint))/Comm Debt	> 1.5	0.72	0.78	0.68	0.59	0.52
Comprehensive Debt ((Rev-Interest)- (Toll+Maint))/All Debt	> 1.2	0.72	0.78	0.68	0.59	0.52
Authority Compliance with Bond Covenants for Debt Service Coverage	Yes	No	No	No	No	No
Underlying Bond Ratings from Agencies						
S&P Bond Rating		B-	B-	B-	B-	CC
Moody's Bond Rating		B1	B1	B1	B2	B3
Fitch Bond Rating		BB-	BB-	BB-	BB-	CCC
Property Acquisition:						
		2005	2006	2007	2008	2009
Right-of-Way						
Agency Appraisals	\$	-	\$	-	\$	-
Initial Offers	\$	-	\$	-	\$	-
Owners Appraisals	\$	-	\$	-	\$	-
Final Settlements	\$	-	\$	-	\$	-
Land Acquisition, Infrastructure Assets, and Construction in Progress amounts based on the Authority's Federal FY (October 1 through September 30). All other data based on the State FY (July 1 through June 30).						

Transportation Authority Monitoring and Oversight

Performance Measures Florida Transportation Commission 2009

Five Year Trend for Toll Authority Performance Measures and Reportable Indicators

Toll Agency Name:

TAMPA-HILLSBOROUGH EXPRESSWAY AUTHORITY (THEA)

Official Reporting Period: July 1 through June 30

Operations:

	Objective	2005	2006	2007	2008	2009
Growth in Value of Transportation Assets		\$ 557,662,917	\$ 665,128,334	\$ 670,744,462	\$ 674,797,333	\$ 609,065,708
Land Acquisition		90,828,320	91,036,618	91,037,064	91,037,064	91,037,064
Infrastructure Assets		137,596,721	137,388,423	571,918,661	576,018,569	509,038,603
Construction in Progress		329,237,876	436,703,293	7,788,737	7,741,700	8,990,041
Preservation of Transportation Assets		\$ 1,370,388	\$ 1,534,702	\$ 2,346,663	\$ 3,530,188	\$ 4,022,050
Renewal & Replacement of Infrastructure		12,280	185,719	261,733	-	-
Routine Maintenance of Infrastructure		1,358,108	1,348,983	2,084,930	3,530,188	4,022,050
SHS Maintenance Condition Rating	90	95.0	89.0	86.0	87.7	90.0
Pavement Condition Rating						
SHS Lane Miles rated "excellent or good"	> 85%	100.0%	100.0%	100.0%	100.0%	98.1%
Bridge Condition Rating						
Bridge Structures rated "excellent or good"	> 95%	85.9%	86.2%	86.2%	86.2%	86.2%
SHS Bridge Structures with posted weight restrictions	0%	0.0%	0.0%	0.0%	0.0%	0.0%
Toll Collection Transactions						
Electronic Transactions	> 75% by 6/30/12	52.0%	57.4%	64.0%	68.8%	72.0%
Revenue from Electronic Transactions		49.7%	55.5%	64.7%	70.1%	73.3%
Annual Revenue Growth						
Toll & Operating Revenue		7.7%	5.5%	27.2%	11.1%	-2.7%
Revenue Variance						
Actual Revenue with "recovery of fines"		97.9%	95.8%	96.0%	95.6%	96.5%
Actual Revenue without "recovery of fines"	< 4% (96%)	97.5%	95.6%	95.9%	95.2%	96.2%
Safety						
Fatalities per 100 million vehicle miles traveled	> 10% below 5 yr. avg. (.58)	0.000	0.514	0.000	1.699	N/A
Customer Service						
Customers satisfied with level of service	> 90%	95.7%	95.6%	95.8%	95.4%	94.6%

Operations & Budget:

	Objective	2005	2006	2007	2008	2009
Consultant Contracts						
Final Cost % increase above Original Award	< 5%	17.9%	19.9%	8.4%	N/A	-17.6%
Construction Contracts						
Completed within 20% above original contract time	≥ 80%	50.0%	0.0%	N/A	N/A	100.0%
Completed within 10% above original contract amount	≥ 90%	50.0%	50.0%	N/A	N/A	100.0%
Cost to Collect a Toll Transaction						
Cost to Collect a Transaction (net of exclusions)	< \$0.16	\$0.14	\$0.15	\$0.16	\$0.17	\$0.18
Operating Efficiency						
Toll Collection Expense as a % of Operating Expense		56.5%	56.8%	46.2%	38.2%	39.3%
Routine Maintenance Expense as a % of Operating Expense		14.5%	14.2%	15.1%	20.6%	23.2%
Administrative Expense as a % of Operating Expense		16.6%	13.0%	14.1%	16.0%	12.1%
Operating Expense as a % of Operating Revenue		33.7%	32.4%	37.0%	41.3%	43.1%
Annual OM&A Forecast Variance						
Actual OM&A Expenses to Annual Budget	+/- 10% (90%)	107.4%	90.1%	97.7%	92.5%	94.7%
Rating Agency Performance						
Operations & Maintenance Expense as a % of Total Revenue		23.9%	23.0%	22.7%	24.3%	26.9%

Applicable Laws:

		2005	2006	2007	2008	2009
Minority Participation						
M/WBE & SBE Utilization as a % of Total Expenditures	> 90% of agency target:	8.0%	5.5%	4.7%	13.9%	28.0%

Performance Measures Florida Transportation Commission 2009

Five Year Trend for Toll Authority Performance Measures and Reportable Indicators					
Toll Agency Name:	TAMPA-HILLSBOROUGH EXPRESSWAY AUTHORITY (THEA)				
Official Reporting Period:	July 1 through June 30				
Revenue Management & Bond Proceeds:					
	2005	2006	2007	2008	2009
Debit Service Coverage					
Bonded/Commercial Debt ((Rev-Interest)-(Toll+Maint))/Comm Debt	> 1.5	1.54	1.30	1.16	1.13
Comprehensive Debt ((Rev-Interest)-(Toll+Maint))/All Debt	> 1.2	1.31	1.24	1.15	1.07
Authority Compliance with Bond Covenants for Debt Service Coverage	Yes	Yes	Yes	Yes	Yes
Underlying Bond Ratings from Agencies					
S&P Bond Rating	A-	A-	A-	A-	A-
Moody's Bond Rating	A3	A3	A3	A3	A3
Fitch Bond Rating	A-	A-	A-	A-	A-
Property Acquisition:					
	2005	2006	2007	2008	2009
Right-of-Way					
Agency Appraisals	\$ -	\$ -	\$ -	\$ -	\$ -
Initial Offers	\$ -	\$ -	\$ -	\$ -	\$ -
Owners Appraisals	\$ -	\$ -	\$ -	\$ -	\$ -
Final Settlements	\$ -	\$ -	\$ -	\$ -	\$ -

Transportation Authority Monitoring and Oversight

Performance Measures Florida Transportation Commission 2009

Five Year Trend for Transit Authority Performance Measures and Reportable Indicators

Transit Agency Name:

CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY (LYNX)

Official Reporting Period: October 1 through September 30

Performance Measures

Objective	2005	2006	2007	2008	2009
Average Headway (minutes)					
Average headway of all routes	<60 Minutes	60	60	60	60
Operating Expense Per Revenue Mile					
Operating expense divided by revenue miles	<\$5.30	\$ 5.11	\$ 5.22	\$ 5.45	\$ 7.23
Operating Expense Per Revenue Hour					
Operating expense divided by revenue hours	<\$75	\$72.06	\$73.52	\$76.52	\$80.81
Operating Revenue Per Operating Expense					
Revenue generated through operation of the transit agency divided by operating expense	>30%	27.4%	32.0%	52.3%	41.0%
Operating Expense Per Passenger Trip					
Operating expenses divided by annual ridership	<\$3	\$ 2.84	\$ 2.88	\$ 3.03	\$ 4.33
Operating Expense Per Passenger Mile					
Operating expenses divided by passenger miles	<\$0.47	\$ 0.46	\$ 0.47	\$ 0.53	\$ 0.72
Revenue Miles Between Safety Incidents					
Revenue miles divided by safety incidents	> 10% above 5 yr. avg. 114,469	93,694	95,058	129,103	118,001
Revenue Miles Between Failures					
Revenue miles divided by revenue vehicle system failures. A failure is classified as the breakdown of either a major or minor element of the revenue vehicle's mechanical system	>10,500	10,500	10,306	8,041	11,396
Revenue Miles versus Vehicle Miles					
Revenue miles divided by vehicle miles	>.90	0.92	0.92	0.91	0.90
Customer Service					
Average time from complaint to response	14 days	N/A	N/A	14	7
Customer complaints divided by boardings	<1 per 5,000 boardings	1.0	0.9	0.7	0.6
On-time Performance					
% trips end to end on time < 5 minutes late	>80%	N/A	N/A	83%	85%

Reportable Indicators

	2005	2006	2007	2008	2009
Operating Expense Per Capita (Potential Customer)					
Annual operating budget divided by the service area population	\$ 44.51	\$ 46.20	\$ 49.89	\$ 56.71	\$ 66.94
Farebox Recovery Ratio					
Passenger fares divided by operating expenses	24.0%	25.4%	24.9%	24.9%	20.8%
Service Area Population					
Approximation of overall market size	1,536,900	1,536,900	1,536,900	1,536,900	1,536,900
Service Area Population Density					
Persons per square mile based on the service area population and size	605.6	605.6	605.6	605.6	605.6
Operating Expense					
Spending on operations, including administration, maintenance, and operation of service vehicles	\$ 68,402,819	\$ 71,006,590	\$ 76,671,049	\$ 87,150,449	\$ 102,882,269
Operating Revenue					
Revenue generated through the operation of the transit agency	\$ 18,759,732	\$ 22,716,943	\$ 40,130,058	\$ 41,247,382	\$ 42,216,981
Total Annual Revenue Miles					
Vehicle miles operated in active service (available to pick up revenue passengers)	13,398,280	13,593,266	14,072,186	14,986,072	14,230,128
Total Annual Revenue Hours					
Vehicle hours operated in active service	949,292	965,844	1,001,947	1,078,484	1,029,713
Total Revenue Vehicles					
Vehicles available to meet annual maximum service requirements	237	249	285	288	288
Peak Vehicles					
Vehicles operated to meet annual maximum (peak) service requirements	197	199	240	238	234

Performance Measures Florida Transportation Commission 2009						
Five Year Trend for Transit Authority Performance Measures and Reportable Indicators						
Transit Agency Name:		CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY (LYNX)				
Official Reporting Period:		October 1 through September 30				
Reportable Indicators						
		2005	2006	2007	2008	2009
Ratio of Revenue Vehicles to Peak Vehicles (spare ratio)						
Revenue vehicles, including spares, out-of-service vehicles, and vehicles in/awaiting maintenance, divided by the number of vehicles operated in maximum service		16.9%	20.1%	15.8%	17.4%	18.8%
Annual Passenger Trips						
Passenger boardings on transit vehicles		24,059,369	24,624,906	25,322,312	26,427,067	23,747,795
Average Trip Length						
Average length of passenger trip, generally derived through sampling		6.2	6.1	5.8	6.0	6.0
Annual Passenger Miles						
Passenger trips multiplied by average trip length		149,168,088	150,211,927	145,856,517	158,562,402	142,486,770
Weekday Span of Service (hours)						
Hours of transit service on a representative weekday from first service to last service for all modes		22.3	23.5	23.3	23.3	23.3
Average Fare						
Passenger fare revenues divided by passenger trips		\$ 0.68	\$ 0.73	\$ 0.76	\$ 0.82	\$ 0.90
Passenger Trips Per Revenue Mile						
Passenger trips divided by revenue miles		1.80	1.81	1.80	1.76	1.67
Passenger Trips Per Revenue Hour						
Passenger trips divided by revenue hours		25.3	25.5	25.3	24.5	23.1
Passenger Trips Per Capita						
Passenger trips divided by service area population		15.7	16.0	16.5	17.2	15.5
Average Age of Fleet in Years						
Average age of fleet in years		6.3	5.7	5.7	3.8	3.6
Unrestricted Cash Balance - Financial Indicator						
End of year cash balance from financial statement		N/A	\$ 5,620,701	\$ 19,693,978	\$ 15,227,585	\$ 26,009,761
Weekday Ridership						
Average ridership on weekdays		77,194	78,779	81,445	82,825	75,810
Capital Commitment to System Preservation and System Expansion						
% of capital spent on system preservation		N/A	N/A	95%	100%	100%
% of capital spent on system expansion		N/A	N/A	5%	0%	0%
Intermodal Connectivity						
Number of intermodal transfer points available		N/A	5	5	5	6

Transportation Authority Monitoring and Oversight

Performance Measures Florida Transportation Commission 2009

Five Year Trend for Transit Agency Performance Measures and Reportable Indicators

Transit Agency Name:

JACKSONVILLE TRANSPORTATION AUTHORITY (JTA) Bus

Official Reporting Period: October 1 through September 30 (Federal Fiscal Year)

Performance Measures

	Objective	2005	2006	2007	2008	2009
Average Headway (minutes)						
Average headway of all routes	<60 Minutes	45	45	45	45	45
Operating Expense Per Revenue Mile						
Operating expense divided by revenue miles	<\$6.50	\$ 5.14	\$ 5.44	\$ 6.33	\$ 6.92	\$ 6.03
Operating Expense Per Revenue Hour						
Operating expense divided by revenue hours	<\$91.00	\$ 84.19	\$ 88.39	\$ 96.26	\$ 104.77	\$ 90.91
Operating Revenue Per Operating Expense						
All revenue generated through operation of the transit agency divided by operating expense	>20%	15.6%	16.5%	13.2%	14.1%	18.3%
Operating Expense Per Passenger Trip						
Operating expenses divided by annual ridership	<\$5.30	\$ 5.28	\$ 5.14	\$ 6.00	\$ 6.42	\$ 5.24
Operating Expense Per Passenger Mile						
Operating expense divided by passenger miles	<\$1.00	\$ 0.86	\$ 0.87	\$ 1.02	\$ 1.21	\$ 1.01
Revenue Miles Between Safety Incidents						
Revenue miles divided by safety incidents for bus	>10% above 5 yr. avg. (1,367,757)	1,001,430	824,800	1,927,760	477,345	217,119
Revenue Miles Between Failures						
Revenue miles divided by revenue vehicle system failures. A failure is classified as the breakdown of either a major or minor element of the revenue vehicle's mechanical system	>10,500	19,752	16,524	13,849	8,302	8,327
Revenue Miles versus Vehicle Miles						
Revenue miles divided by vehicle miles	>.90	0.96	0.99	0.96	0.96	0.97
Customer Service						
Average time from complaint to response	14 Days	12	11	10	8	7
Customer complaints divided by boardings	<1 per 5,000 boardings	0.6	0.5	0.5	0.5	0.8
On-time Performance						
% trips end to end on time < 5 minutes late	>80%	N/A	75.0%	77.0%	80.0%	80.0%

Reportable Indicators

	2005	2006	2007	2008	2009
Operating Expense Per Capita (Potential Customer)					
Annual operating budget divided by the service area population	\$ 63.02	\$ 65.13	\$ 73.70	\$ 77.61	\$ 63.10
Farebox Recovery Ratio					
Passenger fares divided by operating expenses	14.3%	13.6%	12.0%	12.7%	15.4%
Service Area Population					
Approximation of overall market size	817,480	827,453	827,453	850,962	850,962
Service Area Population Density					
Persons per square mile based on the service area population and size	3,378.0	3,419.2	3,419.2	3,516.4	3,516.4
Operating Expense					
Spending on operations, including administration, maintenance, and operation of service vehicles	\$ 51,514,793	\$ 53,889,759	\$ 60,981,288	\$ 66,045,992	\$ 53,695,432
Operating Revenue					
Revenues generated through the operation of the transit agency.	\$ 8,056,293	\$ 8,907,076	\$ 8,031,294	\$ 9,281,644	\$ 9,837,889
Total Annual Revenue Miles					
Vehicle miles operated in active service (available to pick up revenue passengers)	10,014,300	9,897,600	9,638,800	9,546,900	8,901,889
Total Annual Revenue Hours					
Vehicle hours operated in active service	611,900	609,700	633,500	630,400	590,626
Total Revenue Vehicles					
Vehicles available to meet annual maximum service requirements	217	217	183	184	182
Peak Vehicles					
Vehicles operated to meet annual maximum (peak) service requirements	174	179	179	147	135

Performance Measures Florida Transportation Commission 2009						
Five Year Trend for Transit Agency Performance Measures and Reportable Indicators						
Transit Agency Name:		JACKSONVILLE TRANSPORTATION AUTHORITY (JTA) Bus				
Official Reporting Period:		October 1 through September 30 (Federal Fiscal Year)				
Reportable Indicators						
		2005	2006	2007	2008	2009
Ratio of Revenue Vehicles to Peak Vehicles (spare ratio)						
Revenue vehicles, including spares, out-of-service vehicles, and vehicles in/awaiting maintenance, divided by the number of vehicles operated in maximum service		19.8%	17.5%	2.2%	20.1%	25.8%
Annual Passenger Trips						
Passenger boardings on transit vehicles		9,765,763	10,489,396	10,171,201	10,290,987	10,253,890
Average Trip Length						
Average length of passenger trip, generally derived through sampling		6.2	5.9	5.9	5.3	5.2
Annual Passenger Miles						
Passenger trips multiplied by average trip length		60,218,972	61,663,176	59,798,506	54,542,231	53,320,228
Weekday Span of Service (hours)						
Hours of transit service on a representative weekday from first service to last service for all modes		21.5	21.4	21.2	21.3	21.9
Average Fare						
Passenger fare revenues divided by passenger trips		\$ 0.76	\$ 0.70	\$ 0.72	\$ 0.82	\$ 0.81
Passenger Trips Per Revenue Mile						
Passenger trips divided by revenue miles		0.98	1.06	1.06	1.08	1.15
Passenger Trips Per Revenue Hour						
Passenger trips divided by revenue hours		16.0	17.2	16.1	16.3	17.4
Passenger Trips Per Capita						
Passenger trips divided by service area population		11.9	12.7	12.3	12.1	12.0
Average Age of Fleet in Years						
Average age of fleet in years		8.2	7.6	7.0	7.9	6.8
Unrestricted Cash Balance - Financial Indicator						
End of year cash balance from financial statement		\$ 5,038,631	\$ 9,519,346	\$ 6,317,816	\$ 6,536,357	\$ 11,005,843
Weekday Ridership						
Average ridership on weekdays		33,414	36,051	34,948	34,927	34,872
Capital Commitment to System Preservation and System Expansion						
% of capital spent on system preservation		27%	70%	21%	34%	100%
% of capital spent on system expansion		73%	30%	79%	66%	0%
Intermodal Connectivity						
Number of intermodal transfer points available		3	3	3	3	3

Transportation Authority Monitoring and Oversight

Performance Measures Florida Transportation Commission 2009

Five Year Trend for Transit Agency Performance Measures and Reportable Indicators

Transit Agency Name:

JACKSONVILLE TRANSPORTATION AUTHORITY (JTA) Skyway

Official Reporting Period: October 1 through September 30 (Federal Fiscal Year)

Performance Measures

	Objective	2005	2006	2007	2008	2009
Average Headway (minutes)						
Average headway of all routes	<10 Minutes	6	6	6	6	6
Operating Expense Per Revenue Mile						
Operating expense divided by revenue miles	<\$23.00	\$ 23.32	\$ 22.30	\$ 18.14	\$ 27.32	\$ 30.49
Operating Expense per Revenue Hour						
Operating expense divided by revenue hours	<\$310.00	\$ 309.02	\$ 295.31	\$ 242.65	\$ 366.36	\$ 407.34
Operating Revenue Per Operating Expense						
All revenue generated through operation of the transit agency divided by operating expense	>15%	10.1%	9.1%	11.5%	8.3%	7.2%
Operating Expense Per Passenger Trip						
Operating expenses divided by annual ridership	<\$11.00	\$ 8.27	\$ 9.10	\$ 7.44	\$ 12.69	\$ 13.35
Operating Expense Per Passenger Mile						
Operating expense divided by passenger miles	<\$27.50	\$ 20.04	\$ 23.86	\$ 18.02	\$ 31.72	\$ 33.38
Revenue Miles Between Safety Incidents						
Revenue miles divided by safety incidents for bus	>10% above 5 yr. avg. (156,994)	261,000	64,900	63,550	46,660	39,379
Revenue Miles Between Failures						
Revenue miles divided by revenue vehicle system failures. A failure is classified as the breakdown of either a major or minor element of the revenue vehicle's mechanical system	>10,500	9,667	8,374	25,420	33,329	8,950
Revenue Miles versus Vehicle Miles						
Revenue miles divided by vehicle miles	>.90	0.99	1.00	0.99	0.99	0.99
Customer Service						
Average time from complaint to response	14 Days	1	1	1	1	1
Customer complaints divided by boardings	<1 per 5,000 boardings	0.0	0.0	0.1	0.0	0.1
On-time Performance						
Successful cycles divided by scheduled cycles	>80%	98.0%	98.0%	98.0%	98.0%	98.0%

Reportable Indicators

	2005	2006	2007	2008	2009
Operating Expense Per Capita (Potential Customer)					
Annual operating budget divided by the service area population	\$ 7.45	\$ 7.00	\$ 5.57	\$ 7.49	\$ 7.06
Farebox Recovery Ratio					
Passenger fares divided by operating expenses	5.0%	5.6%	7.3%	5.6%	5.1%
Service Area Population					
Approximation of overall market size	817,480	827,453	827,453	850,962	850,962
Service Area Population Density					
Persons per square mile based on the service area population and size	3,378.0	3,419.2	3,419.2	3,516.4	3,516.4
Operating Expense					
Spending on operations, including administration, maintenance, and operation of service vehicles	\$ 6,087,704	\$ 5,788,146	\$ 4,610,441	\$ 6,374,693	\$ 6,004,260
Operating Revenue					
Revenues generated through the operation of the transit agency.	\$ 612,383	\$ 525,654	\$ 530,015	\$ 529,465	\$ 431,327
Total Annual Revenue Miles					
Vehicle miles operated in active service (available to pick up revenue passengers)	261,000	259,600	254,200	233,300	196,896
Total Annual Revenue Hours					
Vehicle hours operated in active service	19,700	19,600	19,000	17,400	14,740
Total Revenue Vehicles					
Vehicles available to meet annual maximum service requirements	10	10	10	10	10
Peak Vehicles					
Vehicles operated to meet annual maximum (peak) service requirements	7	7	7	7	7

Performance Measures Florida Transportation Commission 2009					
Five Year Trend for Transit Agency Performance Measures and Reportable Indicators					
Transit Agency Name:		JACKSONVILLE TRANSPORTATION AUTHORITY (JTA) Skyway			
Official Reporting Period: October 1 through September 30 (Federal Fiscal Year)					
Reportable Indicators					
	2005	2006	2007	2008	2009
Ratio of Revenue Vehicles to Peak Vehicles (spare ratio)					
Revenue vehicles, including spares, out-of-service vehicles, and vehicles in/awaiting maintenance, divided by the number of vehicles operated in maximum service	30.0%	30.0%	30.0%	30.0%	30.0%
Annual Passenger Trips					
Passenger boardings on transit vehicles	736,510	635,732	619,414	502,364	449,730
Average Trip Length					
Average length of passenger trip, generally derived through sampling	0.4	0.4	0.4	0.4	0.4
Annual Passenger Miles					
Passenger trips multiplied by average trip length	303,704	242,612	255,906	200,946	179,892
Weekday Span of Service (hours)					
Hours of transit service on a representative weekday from first service to last service for all modes	17.0	17.0	17.0	17.0	16.0
Average Fare					
Passenger fare revenues divided by passenger trips	\$ 0.41	\$ 0.51	\$ 0.54	\$ 0.71	\$ 0.68
Passenger Trips Per Revenue Mile					
Passenger trips divided by revenue miles	2.82	2.45	2.44	2.15	2.28
Passenger Trips Per Revenue Hour					
Passenger trips divided by revenue hours	37.4	32.4	32.6	28.9	30.5
Passenger Trips Per Capita					
Passenger trips divided by service area population	0.9	0.8	0.7	0.6	0.5
Average Age of Fleet in Years					
Average age of fleet in years	6.6	7.6	8.6	9.6	10.6
Unrestricted Cash Balance - Financial Indicator					
End of year cash balance from financial statement	\$ 5,842,207	\$ 4,593,354	\$ 1,550,690	\$ 4,893,359	\$ 4,629,892
Weekday Ridership					
Average ridership on weekdays	2,300	2,000	1,800	1,736	1,559
Capital Commitment to System Preservation and System Expansion					
% of capital spent on system preservation	70%	64%	95%	34%	100%
% of capital spent on system expansion	30%	36%	5%	66%	0%
Intermodal Connectivity					
Number of intermodal transfer points available	3	3	3	3	3

Transportation Authority Monitoring and Oversight

Performance Measures Florida Transportation Commission 2009

Five Year Trend for Transit Agency Performance Measures and Reportable Indicators

Transit Agency Name:

JACKSONVILLE TRANSPORTATION AUTHORITY (JTA) Highways

Official Reporting Period: October 1 through September 30 (Federal Fiscal Year)

Operations & Budget:

Consultant Contracts

Final Cost % increase above Original Award

Objective	2005	2006	2007	2008	2009
< 5%	-9.5%	-9.6%	-0.9%	-7.1%	-1.3%

Construction Contracts

Completed within 20% above original contract time

Objective	2005	2006	2007	2008	2009
≥ 80%	100.0%	100.0%	100.0%	100.0%	100.0%

Completed within 10% above original contract amount

Objective	2005	2006	2007	2008	2009
≥ 90%	100.0%	100.0%	100.0%	100.0%	100.0%

Applicable Laws:

Minority Participation

M/WBE & SBE Utilization as a % of Total Expenditures

Objective	2005	2006	2007	2008	2009
> 90% of agency target:	14.0%	16.7%	18.4%	14.0%	14.3%

Property Acquisition:

Right-of-Way

Agency Appraisals

Initial Offers

Owners Appraisals

Final Settlements

Objective	2005	2006	2007	2008	2009
	\$ 2,454,525	\$ 2,160,600	\$ 5,811,230	\$ 2,911,494	\$ 2,087,600
	\$ 1,922,725	\$ 1,561,160	\$ 4,308,815	\$ 2,677,544	\$ 1,566,300
	\$ 2,818,299	\$ 1,298,100	\$ 9,204,156	\$ 2,295,700	\$ 5,670,376
	\$ 3,255,860	\$ 2,920,653	\$ 6,783,850	\$ 4,355,659	\$ 3,842,275

Performance Measures Florida Transportation Commission 2009						
Five Year Trend for Transit Authority Performance Measures and Reportable Indicators						
Transit Agency Name:		SOUTH FLORIDA REGIONAL TRANSPORTATION AUTHORITY (SFRTA/Tri-Rail)				
Official Reporting Period: July 1 through June 30						
Performance Measures						
	Objective	2005	2006	2007	2008	2009
Average Headway (minutes)						
Average headway of all routes	<50 Minutes	68.5	50.9	45.6	40.4	40.0
Operating Expense Per Revenue Mile						
Operating expense divided by revenue miles	<\$18	\$ 13.21	\$ 15.53	\$ 16.15	\$ 17.06	\$ 15.12
Operating Revenue Per Operating Expense						
Revenue generated through operation of the transit agency divided by operating expenses	>25%	19.6%	17.4%	17.7%	18.8%	22.3%
Operating Expense Per Passenger Trip						
Operating expenses divided by annual ridership	<\$15	\$ 10.64	\$ 12.16	\$ 12.26	\$ 12.61	\$ 10.67
Operating Expense Per Passenger Mile						
Operating expenses divided by passenger miles	<\$0.45	\$ 0.38	\$ 0.41	\$ 0.43	\$ 0.40	\$ 0.37
Revenue Miles Between Major Incidents						
Revenue miles divided by FRA reportable incidents for rail	Zero	N/A	0	0	0	0
Revenue Miles Between Failures						
Revenue miles divided by revenue vehicle system failures. A failure is classified as the breakdown of either a major or minor element of the revenue vehicle's mechanical system	>41,863	N/A	N/A	38,057	17,742	64,826
Revenue Miles versus Vehicle Miles						
Revenue miles divided by vehicle miles	>.93	0.91	0.89	0.94	0.97	0.98
Customer Service						
Average time from complaint to response	14 days	N/A	N/A	14	11	32
Customer complaints divided by boardings	<1 per 5,000 boardings	N/A	N/A	1.1	0.3	0.6
On-time Performance						
% trips end to end on time < 6 minutes late	>80%	51.8%	77.6%	70.0%	78.4%	73.4%
Reportable Indicators						
	2005	2006	2007	2008	2009	
Operating Expense Per Capita (Potential Customer)						
Annual operating budget divided by the service area population	\$ 5.98	\$ 6.45	\$ 7.54	\$ 8.94	\$ 8.20	
Farebox Recovery Ratio						
Passenger fares divided by operating expenses	18.7%	16.7%	17.4%	17.9%	21.6%	
Service Area Population						
Approximation of overall market size	5,448,962	5,477,831	5,541,080	5,448,962	5,497,997	
Service Area Population Density						
Persons per square mile based on the service area population and size	1,063	1,068	1,081	1,063	1,072	
Operating Expense						
Spending on operations, including administration, maintenance, and operation of service vehicles	\$ 32,603,818	\$ 35,358,863	\$ 41,794,730	\$ 48,726,979	\$ 45,075,706	
Operating Revenue						
Revenue generated through the operation of the transit agency	\$ 6,379,422	\$ 6,147,108	\$ 7,412,341	\$ 9,155,673	\$ 10,045,435	
Total Annual Revenue Miles						
Vehicle miles operated in active service (available to pick up revenue passengers)	2,467,897	2,277,313	2,587,883	2,856,470	2,981,997	
Total Annual Revenue Hours						
Vehicle hours operated in active service	96,205	88,467	100,481	76,620	76,890	
Total Revenue Vehicles						
Vehicles available to meet annual maximum service requirements	43	48	63	47	47	
Operating Expense Per Revenue Hour						
Cost of operating an hour of revenue service	\$ 338.90	\$ 399.68	\$ 415.95	\$ 635.96	\$ 586.24	
Peak Vehicles						
Vehicles operated to meet annual maximum (peak) service requirements	37	43	52	34	34	

Transportation Authority Monitoring and Oversight

Performance Measures Florida Transportation Commission 2009						
Five Year Trend for Transit Authority Performance Measures and Reportable Indicators						
Transit Agency Name:		SOUTH FLORIDA REGIONAL TRANSPORTATION AUTHORITY (SFRTA/Tri-Rail)				
Official Reporting Period: July 1 through June 30						
Reportable Indicators						
		2005	2006	2007	2008	2009
Ratio of Revenue Vehicles to Peak Vehicles (spare ratio)						
Revenue vehicles, including spares, out-of-service vehicles, and vehicles in/awaiting maintenance, divided by the number of vehicles operated in maximum service		14.0%	10.4%	17.5%	27.7%	27.7%
Annual Passenger Trips						
Passenger boardings on transit vehicles		3,064,074	2,908,420	3,408,486	3,863,684	4,223,350
Average Trip Length						
Average length of passenger trip, generally derived through sampling		27.8	29.4	28.5	31.7	29.0
Annual Passenger Miles						
Passenger trips multiplied by average trip length		85,181,257	85,507,548	97,141,851	122,478,783	122,477,150
Weekday Span of Service (hours)						
Hours of transit service on a representative weekday from first service to last service for all modes		17.7	18.0	19.0	19.0	19.0
Average Fare						
Passenger fare revenues divided by passenger trips		\$ 1.99	\$ 2.03	\$ 2.13	\$ 2.25	\$ 2.31
Passenger Trips Per Revenue Mile						
Passenger trips divided by revenue miles		1.24	1.28	1.32	1.35	1.42
Passenger Trips Per Revenue Hour						
Passenger trips divided by revenue hours		31.8	32.9	33.9	50.4	54.9
Passenger Trips Per Capita						
Passenger trips divided by service area population		0.56	0.53	0.62	0.71	0.77
Average Years Since Last Rebuild						
Locomotives (9)		10.0	2.9	5.2	6.2	7.2
Coaches (12)		10.0	8.0	6.2	7.2	8.2
Unrestricted Cash Balance - Financial Indicator						
End of year cash balance from financial statement		\$ 7,267,824	\$ 413,212	\$ 7,400,122	\$ 9,043,899	\$ 13,346,864
Weekday Ridership						
Average ridership on weekdays		10,429	10,281	11,545	13,228	14,430
Capital Commitment to System Preservation and System Expansion						
% of capital spent on system preservation		0%	0%	0%	0%	0%
% of capital spent on system expansion		100%	100%	100%	100%	100%
Intermodal Connectivity						
Intermodal transfer points available through Tri-Rail		18	18	18	18	18

APPENDIX C—OOCEA AUDIT FINDINGS

2	Executive Summary
3	Recommendations Summary
4	2005 Orange County
5	2007 Orange County
7	2008 Building Audit
8	2009 Vehicles Issues Review
9	2009 Toll Revenue Audit
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Prior Audit Recommendations Mid-Year Review March 2, 2010

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Internal Audit.

Executive Summary

As part of the Fiscal Year 2010 Internal Audit plan, Internal Audit (IA) performed a review of open audit recommendations from prior audit reports to verify the implementation status reported by management. The recommendations from the following audits were evaluated:

- 2005 Orange County Audit
- 2007 Orange County Audit
- 2008 Building Audit
- 2009 Vehicle Issues Audit
- 2009 Toll Revenue Audit
- 2009 External Auditor Management Letter Comments
- 2009 Governance Audit
- 2009 Citizen's Advisory Committee Recommendations

This is the second review of open audit recommendations performed by IA. The first review was completed in June 2009 on all audit reports and recommendations prior to the 2009 Toll Revenue Audit. Results were reported to the Audit Committee.

This review consisted of meeting with management to determine the status of open audit recommendations, and performing testing of management's response, status, and explanation for all recommendations deemed "Completed or In Process". If a recommendation was noted "Not Done", no testing was performed by IA. In addition, only those recommendations that remained open at the time of the last review have been included in this report. If a recommendation was completed or management did not concur as of July 2009, no further work was performed and the recommendation was not included for review in this report.

Testing performed included inquiry with the employees responsible for completing the recommendations and obtaining documentation evidence to confirm management's reported status and explanation. In instances where the evidence obtained did not agree with management's status, discussions with management were held and the differences were resolved. There were no instances where management and Protiviti did not come to an agreement on the status of a recommendation.

Recommendations Summary

Audit	Open Recs. as of June 30, 2009	New Recommendations	Completed Since June 30, 2009	In Process / Not Completed as of March 2, 2010*
2005 Orange County Audit	1	0	1	0
2007 Orange County Audit	8	0	5	3
2008 Building Audit	1	0	1	0
2009 Vehicle Issues Audit	1	0	1	0
2009 Toll Revenue Audit	0	27	14	13
2009 External Auditor Management Letter Comments	0	2	2	0
2009 Governance Audit	0	13	8	5
2009 Citizen's Advisory Committee Recommendations	0	24	11	13
Total	11	66	43	34

* 29 recommendations are classified as "In Process" and 5 recommendations are "Not Completed"

Orange County Comptroller
2005 Limited Review of the Orlando - Orange County Expressway Authority
Status of Recommendations

Internal Auditor Recommendation	Management Response	Management Status at March 2, 2010	Management Verification / Explanation	IA Evaluation
<p>g. We recommend the Authority enhance controls over the procurement card program by implementing the following:</p> <p>A) Segregate the incompatible duties of ordering and receiving cards between two or more individuals. In addition, monthly account statements should be mailed directly to the cardholders, for the cardholders' review and approval before submission for payment;</p>	Concur	Completed	<p>A) Duties were segregated and individual cardholder limits are routinely reviewed. The Procurement Department positions were redefined to ensure that the P-Card Administrator does not possess a P-Card.</p>	Concur

**Orange County Comptroller
2007 Review of the Orlando - Orange County Expressway Authority
Status of Recommendations**

Internal Auditor Recommendation	Management Response	Management Status at March 2, 2010	Management Verification / Explanation	IA Evaluation
3. We recommend the Authority considers structural changes and cost savings measures as addressed above to include a review of duties currently performed by the consultants and determine which items could be done more effectively, efficiently and economically by in-house staff.	Concur	Partially Done - Moved 6 contract positions in-house. Mgt continues to evaluate. (In Process)	A staffing evaluation was performed by Rise Wall and presented to Board in February, 2008. The Board approved bringing 14 contract positions in-house. Six contract positions have been in-sourced so far. An organizational structure review is currently being conducted by Rise Wall and is expected to be complete by the end of the fiscal year. An analysis to determine the most effective staffing/contract structure for camera and equipment maintenance is being conducted by MGT and is expected to be complete by June 2010.	Concur
9. We recommend the Authority develops and implements a formal written policy for utilizing the direct purchase method of procurement. This policy should be presented to the Board for approval.	Concur	Completed	The Authority has an Owner Direct Purchase (ODP) process and procedure. It is Legal Counsel's opinion that no additional policy is required. Liability issues have periodically become a challenge with the ODP process on Authority projects, so the Owner Direct Purchase process is evolving as issues are identified, evaluated and mitigated.	Concur
13. We recommend the Authority performs the following: A) Develops written criteria or guidelines for the evaluation of consultants and other contractors for renewal of contracts for the option years; and,	Concur	Completed	The Procurement Department has developed procedures for renewal review.	Concur

Orange County Comptroller
2007 Review of the Orlando - Orange County Expressway Authority
Status of Recommendations

Internal Auditor Recommendation	Management Response	Management Status at March 2, 2010	Management Verification / Explanation	IA Evaluation
14. We recommend the Authority ensures the following: F) Contractors and consultants use appropriate language that protects the interests of the Authority in their contacts with subcontractors.	Concur	Completed	General Counsel and the Procurement Director have developed standard language for inclusion in contracts when applicable.	Concur
21. We recommend the Authority performs the following: A) Consistently applies contracting procedures for micro contracts in accordance with generally accepted purchasing procedures. In addition, Contract MCP No. 093 should be terminated and re-bid in accordance with Authority Policy.	Concur	Completed	The MCP No. 093 contract has expired and has been replaced with Contract MCP-155.	Concur
29. We recommend the Authority performs the following: A) Establishes and adopt a pay plan with ranges of pay that reflects the actual positions filled at the agency; and, B) Develops standardized job descriptions for all positions employed within the organization in standard format that accurately reflect the duties to be performed.	Concur Concur	In Process Completed	A salary survey in in process and will be completed in March 2010. The Human Resources Manager has developed standardized job descriptions for all positions employed within the organization.	Concur Concur
31. We recommend the Authority revises the current policy and ensures travel reimbursement forms are submitted for payment in a timely manner.	Concur	In Process - The Travel Policy is drafted and will be sent to the Board	The Authority has drafted an updated travel policy. The policy will be sent to the Board at a later date.	Concur

**Internal Audit
November 2008 Building Audit
Status of Recommendations**

Internal Auditor Recommendation	Management Response	Management Status at March 2, 2010	Management Verification / Explanation	IA Evaluation
<p>4. The Audit Committee should consider obtaining a governance professional to review Board governance processes and make recommendations to improve accountability and transparency. Items to address should include:</p> <ul style="list-style-type: none"> o Board Rules and Regulations (or similar set of rules) which clarify responsibility for information that goes to the Board; o The process by which items are placed on the Board Agenda and Consent Agenda; o The process by which information is vetted prior to Board meetings; and, the functioning of Board committees. 	Concur	Completed	A governance review was completed October 2009 by Vantage Consulting. Vantage provided management with a list of recommendations which management is in the process of completing	Concur

Internal Audit
January 2009 Vehicle Issues Review
Status of Recommendations

Internal Auditor Recommendation	Management Response	Management Status at March 2, 2010	Management Verification / Explanation	IA Evaluation
2. Contract closeout procedures should ensure all available credits are obtained.	Concur	Completed	Amendments to the Procurement Policy have been made to include contract closeout requirements.	Concur

**Audit of the Orlando - Orange County Expressway Authority
2009 Toll Revenue Audit
Status of Recommendations**

Internal Auditor Recommendation	Management Response	Management Status at March 2, 2010	Management Verification / Explanation	IA Evaluation
<p>A. The \$10 variance threshold for cash collections. The following is recommended:</p> <p>1. Analyze the variance threshold for a period to determine whether the allowable threshold should be adjusted</p> <p>2. Revise these thresholds and other performance standards on a regular basis to promote and improve relevance to the Authority's business and economic environment and strategic objectives.</p> <p>3. Obtain and/or develop key performance indicators over the variances and analyze trends and impacts. Use this information to continuously improve the process.</p> <p>4. Task a member of Authority staff with the responsibility of maintaining a thorough understanding of all contractor terms and procedures and re-evaluating performance standards at regular intervals to determine whether performance standards are reasonable and align with interests of the Authority</p>	Concur	In Process	1) The Authority will analyze the "Cash Variance Threshold" and consideration will be given to utilizing a % amount rather than a fixed dollar threshold. A new policy is drafted and will go to the Board soon. Will be completed no later than July 2010.	Concur
	Concur	In Process	2) KPMG has been engaged to review performance standards on a regular basis and work to develop a recurring time frame to do so. Will be completed by July 2010.	Concur
	Concur	In Process	3) KPMG has been engaged to develop key performance indicators over the variances. Will be completed by July 2010.	
	Concur	Completed	4) The Manager of Toll Operations has a thorough understanding of all contract terms and procedures. Staff has worked with the contractor (FTS) to change or modify many aspects of the contract when they are no longer reasonable or do not align with the interest of the Authority. Authority staff has worked directly with the contractor to reduce staff and positions that have allowed the Authority to gain tremendous savings in its costs directly related to cash handling. However the Authority agrees that the understanding of contract terms and procedures can be improved and will work to make that improvement.	Concur

Audit of the Orlando - Orange County Expressway Authority
2009 Toll Revenue Audit
Status of Recommendations

Internal Auditor Recommendation	Management Response	Management Status at March 2, 2010	Management Verification / Explanation	IA Evaluation
B. Insufficient funds procedures. The following is recommended: 1. Consider automating the insufficient fund process that will eliminate the need for handling the notification and audit procedures. Also, consider including insufficient fund transactions with the violations process. Well-meaning customers would not be punished since current violations business rules allow the customer three violations before any action is taken. 2. Obtain and/or develop key performance indicators over insufficient fund transactions to analyze trends and impact related to volume and dollar amount of these transactions. Use this information to continuously improve the process.	Concur	Completed	1) The Authority presented the Board in April 2009, a process which will convert violations, including "Insufficient Funds" transactions to an Unpaid Toll Notice (UTN) process. Toll collection service audit procedures were adjusted to accommodate this new process. The Authority modified the language of the note to request payment from the customer. Under this process, customers would be mailed an UPN, and asked to pay the toll along with an administrative fee. Management agrees that key performance indicators should be developed and implemented for the UTN process. Will be completed by July 1, 2009.	Concur
	Concur	Completed	2) Due to the adoption of the new policy, there is no longer a need to develop key performance indicators over insufficient fund transactions.	Concur

Audit of the Orlando - Orange County Expressway Authority
2009 Toll Revenue Audit
Status of Recommendations

Internal Auditor Recommendation	Management Response	Management Status at March 2, 2010	Management Verification / Explanation	IA Evaluation
C. Reviews over accuracy of treadles / loops. The following is recommended: 1. Implement the tests of hardware accuracy as a continuous monitoring process that targets different parts of the system during east test and require that hardware accuracy tests be conducted at set intervals, including when there is ongoing construction.	Concur	Not Completed	Due to budgetary constraints, we have not performed routine in-lane testing since July 2008. However the lanes are constantly monitored by plaza staff to assure proper operation. The treadles and loops automatically generate system alarms when problems are detected and repair technicians from the hardware maintenance contractor are notified. The hardware maintenance contractor's technicians provide 24 hour per day coverage to make sure problems are addressed as soon as possible. We agree that regularly scheduled in-lane testing is a good complement to the ongoing monitoring and when resources are available, we plan to resume when funds become available.	Concur

**Audit of the Orlando - Orange County Expressway Authority
2009 Toll Revenue Audit
Status of Recommendations**

Internal Auditor Recommendation	Management Response	Management Status at March 2, 2010	Management Verification / Explanation	IA Evaluation
D. Interoperability agreement with Sun Pass. The following is recommended: 1. Consider a joint approach with Florida's Turnpike to work on a solution or a strategy to eliminate the write failures. 2. Consider modifying the stipulations regarding write-failures when the contract is available for re-negotiation.	Concur Concur	Completed Completed	Florida's Turnpike has Sun Pass customers that use older versions of the transponders for which the balance was hosted on the transponder. Transactions associated with these transponders require a longer cycle of system communications to complete the transaction. Write-failures occur when the full cycle of system communications is not completed; however, there was still enough system communication to clearly indicate that a transaction has occurred. The Authority was losing revenue as a result of stipulations regarding write-failures in the interoperability agreement with Florida's Turnpike. The agreement dictates that Florida's Turnpike will only reimburse the Authority for up to \$100,000 worth of write failures; however, for each of the past four fiscal years, total write failures have exceeded the \$100,000 threshold. On Sunday, May 17, 2009 at 7:00 a.m., the Florida's Turnpike Enterprise went live with their host based balance. With the implementation of this project, no balances were stored on the transponder anymore; therefore, the write-back failures were no longer relevant.	Concur

Transportation Authority Monitoring and Oversight

Audit of the Orlando - Orange County Expressway Authority 2009 Toll Revenue Audit Status of Recommendations

Internal Auditor Recommendation	Management Response	Management Status at March 2, 2010	Management Verification / Explanation	IA Evaluation
E. Violations business rules. The following is recommended: 1. Consider redefining the Authority's strategic objectives over violations. OOCEA is a mature tolling organization in which the expected growth of roadways and toll plazas is reduced and the overall system is stable; thus, the Authority should consider revising the business rules to reflect the Authority's more mature customer base. 2. Consider engaging a peer analysis evaluation to compare OOCEA with other leading tolling organizations. This will allow the Authority to address the observation noted in this report, identify additional leading practices and implement them into their processes, and support the process to implement change. 3. Evaluate and stratify the violation and violators and develop business rules customized for each type of offender.	Concur	Completed	1) The Authority has revised the strategic objectives over violations and the Authority's business rules to enable the Authority to implement the UPN process. The new policy was presented to the Board and approved on June 26, 2009. 2) The Authority will engage in a peer analysis evaluation to compare OOCEA with other leading tolling organizations. However, this may be problematic in that very few organizations release or publish their violation information on their systems. Expected to be completed by September 30, 2010. 3) The Authority is currently evaluating and stratifying the violation business rules and customizing when needed, the resolution of various issues associated with in-state, out-of-state and chronic offenders. Expected to be completed by July 1, 2009	Concur

Audit of the Orlando - Orange County Expressway Authority
2009 Toll Revenue Audit
Status of Recommendations

Internal Auditor Recommendation	Management Response	Management Status at March 2, 2010	Management Verification / Explanation	IA Evaluation
4. Reevaluate the violation process to help ensure that the Authority strategic goals are met.	Concur	In Process	4) The current business rules are antiquated in the current environment in which we operate. The court system has proven in the past that they are incapable of handling large volumes of toll citations based on the multi year case backlog discovered in 2008. In addition, E-PASS and Sun Pass customers often find themselves caught in the violation enforcement process for various reasons, some of their own doing, and some due to deficiencies in the current system. The proposed UTN process will allow the Authority to enforce updated business rules. Expected to be completed by December 31, 2010.	Concur

**Audit of the Orlando - Orange County Expressway Authority
2009 Toll Revenue Audit
Status of Recommendations**

Internal Auditor Recommendation	Management Response	Management Status at March 2, 2010	Management Verification / Explanation	IA Evaluation
<p>F. Additional observations pertaining to violations business rules. The following is recommended:</p> <p>1. Explore technology and changes to business processes that would allow pursuit of all-numeric Florida license plates or out of state offenders or would provide more reliable information. For these violators consider creating different violation rules for enforcement.</p> <p>2. Re-visit the business rules and verify that they are consistent with management's decisions.</p>	Concur	In Process	1. The Authority has and will continue to explore technology and business process changes that would allow the Authority to pursue violators with all numeric plates as well as out-of-state violators. The Authority is currently developing the ability to pursue violators with all numeric license plates and is planning to implement a process that will allow it to identify out-of-state violators. In addition the Authority is planning to implement Optical Character Recognition (OCR) software once the Authority financial conditions can handle the additional procurement expense for a camera system upgrade and the OCR software. This will be completed when funds become available.	Concur
	Concur	In Process	2. The Authority has been and will continue to revisit the business rules and verify that they are consistent with management's decisions. The Authority currently plans to present to the Board recommended changes to the Violation Business Rules prior to June 2010.	

**Audit of the Orlando - Orange County Expressway Authority
2009 Toll Revenue Audit
Status of Recommendations**

Internal Auditor Recommendation	Management Response	Management Status at March 2, 2010	Management Verification / Explanation	IA Evaluation
<p>G. Monitoring over printing subcontractors for warning and citations. The following is recommended:</p> <p>1. Consider formalizing this control. Currently, the control is assigned to one person who receives email communications from the printing subcontractors. Management should reinforce the importance of this control and require ACS to designate a backup to perform the reconciliation when the primary control owner is not available.</p>	Concur	Completed	<p>1. Toll Ops has two contracts with two different vendors for printing and mailing services which are being consolidated into one and being advertised next month. Currently there is a formal process administered by ACS pertaining to E-PASS letters. However, there is no formal written process with the vendor that administers the printing and mailing of Unpaid Toll Notices. The vendor (AXIS) that prints the UTNs accompanies the monthly invoice with a copy of the USPS Postage Statement which ties in with the with amount the amount of letters invoiced for.</p>	Concur
<p>H. System access review. The following is recommended:</p> <p>1. Review and document the ARCS and TRIMS system access reviews on a regular basis. This review should include a validation of individuals with access to the systems, including a validation that access is still required based on responsibilities associated with their positions</p>	Concur	Completed	<p>We have formalized the ARCS review process and retain documentation of the reviews.</p>	Concur

Audit of the Orlando - Orange County Expressway Authority
2009 Toll Revenue Audit
Status of Recommendations

Internal Auditor Recommendation	Management Response	Management Status at March 2, 2010	Management Verification / Explanation	IA Evaluation
I. Standard software development lifecycles. The following is recommended: 1. Develop and document a SLDC that includes procedures over the software development and production changes 2. Formalize the monitoring process over production changes	Concur Concur	Completed Completed	ARCS is a proprietary system that was developed by TransCore. We have since received a copy of their SDLC from when the project was originally implemented. At the time of the audit, ARCS approval documentation was retained in emails. The Authority has since developed an approval form and formalized the process. TransCore must submit a request form in order to make a delivery. The delivery must be pre-approved. All completed forms are stored in SharePoint on OCEA's server. In addition, OCEA runs a job daily on the production host system to monitor if any ARCS files have been modified.	Concur Concur

**Audit of the Orlando - Orange County Expressway Authority
2009 Toll Revenue Audit
Status of Recommendations**

Internal Auditor Recommendation	Management Response	Management Status at March 2, 2010	Management Verification / Explanation	IA Evaluation
J. Third party policies and procedures governance. The following is recommended: 1. Review third party contracts and perform a gap analysis between existing indicators and the Authority's expectations and leading industry practice.	Concur	In Process	1) The Authority will review third party contracts and perform a gap analysis between the Authority's expectations and leading industry practices. Expected to be completed by September 30, 2010.	Concur
2. Develop a performance matrix for those agreed upon indicators and rate contractor performance; if an indicator is not identified, consider renegotiating the contract to include them.	Concur	In Process	2) The Authority will develop a performance matrix and then rate the contractor's performance. Expected to be completed by September 30, 2010.	Concur
3. Identify key business processes and practices and create formal documentation including policies and procedures. For policies and procedures that are already in place, assign an OOCEA staff member with the responsibility of understanding every component of the policy or procedure and with keeping the documentation current and updated.	Concur	In Process	3) The Authority will develop a plan, process and a person responsible for creating formal documentation of policies and procedures, based on resources and financial condition of the Authority. Expected to be completed by September 30, 2010.	Concur
4. Consider converting the Authority's contracts to a more performance based model including high use of key indicators that will be reported to the Authority on a regular basis	Concur	In Process	4) The Authority will evaluate converting contracts to a more performance based model, where practical, with indicators that could be reported to the Authority on a regular basis. The Authority will do this in the future as contracts need to be renewed or re-bid. Expected to be completed by September 30, 2010.	Concur

**Audit of the Orlando - Orange County Expressway Authority
2009 Toll Revenue Audit
Status of Recommendations**

Internal Auditor Recommendation	Management Response	Management Status at March 2, 2010	Management Verification / Explanation	IA Evaluation
K. Data analysis and business intelligence. The following is recommended: 1. Documentation that key decisions are supported by proper analysis such as cost-benefit analysis or ROI; supplement analysis with qualitative data.	Concur	In Process	1) The Authority agrees that key decisions with regards to toll operations should be supported with analysis such as cost-benefit, ROI and supplemented with qualitative data. Expected to be completed by June 30, 2010.	Concur
2. Consider revisiting those decisions that are not fully documented and determine whether the intended goal has been met.	Concur	Evaluated - Not Cost Effective (Completed)	2) The Authority has revisited the decisions that are not fully documented to determine if the intended goal is being met when these opportunities arise. It has been determined that the cost is not worth the benefit. No further action will be taken.	Concur
3. Consider assigning business intelligence responsibilities to someone within the Authority. This person could perform data analysis to measure, monitor and support changes.	Concur	On Going (Completed)	3) The Authority will assign someone in the Authority to perform data analysis, measure, monitor, and support changes at such point that the Authority's financial resources are available for these purposes. This will be completed when financial resources become available. This action is impacted by current workloads of operational staff and financial constraints the Authority is currently facing.	Concur
4. In addition to improving the cost-effectiveness of toll collection processes, technologies, and their administration, develop business intelligence as a means to increase operating revenues through the application of non-toll revenue enhancement strategies.	Concur	On Going (Completed)	4) Any strategy to increase revenues through the application of non-toll revenue enhancement strategies, must be permitted under our enabling act and our Master Bond Resolution.	Concur

Internal Audit
2009 Management Letter Comments
Status of Recommendations

Internal Auditor Recommendation	Management Response	Management Status at March 2, 2010	Management Verification / Explanation	IA Evaluation
09-01: The Authority does not have a formal process in place to identify the disposal of toll equipment and software. We recommend establishment of formal processes and a written policy to identify and record the disposal of capital assets	Concur	Completed	There should be a formal process in place to identify and record the disposal of capital assets. There is already a documented process to identify and record the disposal of toll equipment. The Authority will document a process for disposal of software.	Concur
09-02: The Authority's purchasing policy provides that approving officials shall not exceed \$999 without proper approval of the Procurement Director or his designee. We recommend the Authority regularly communicate its purchasing policy to employees who are eligible to make purchases so that the purchasing limits and other policy requirements are understood. Department heads responsible for the review of purchasing card activity should similarly be reminded of such requirements, in order to properly fulfill their review function	Concur	Completed	After the finding an e-mail went out to all employees reminding them of the \$999 limit. Additionally, this will be addressed in the ongoing employee training program for Procurement. With regard to the employee that did not have proper supervisory approval, this employee had become a direct report to the Board. Its has been decided that the Executive Director will sign off on all of his purchases going forward.	Concur

**Audit of the Orlando - Orange County Expressway Authority
2009 Governance Audit
Status of Recommendations**

Internal Auditor Recommendation	Management Response	Management Status at March 2, 2010	Management Verification / Explanation	IA Evaluation
R1. Reevaluate OOCEA board size after the Wekiva Parkway extension is approved and the involvement of other counties needs to be addressed.	Concur	Considered - No change in board size. (Completed)	A workshop was conducted by the Board of directors to facilitate discussion on the recommendations presented during the Governance Audit. The workshop was held on December 18, 2009. This recommendation was discussed during the meeting. The meeting minutes were approved during the January 27, 2010 board meeting.	Concur
R2. Revise Section 1-1.008 of Procedures for Board meetings to clarify exactly how Board agenda items are set.	Concur	Completed	New Rules of Procedures were discussed at the Board Workshop on December 18, 2009, and approved by the Board on January 27, 2010.	Concur
R3. Reassess the four board committees in order to assure that they have clear objectives, responsibilities and reporting requirements and are sized appropriately.	Concur	In Process	A workshop was conducted by the Board of Directors to facilitate discussion on the recommendations presented during the Governance Audit. The workshop was held on December 18, 2009. The updated committee charters were approved during the January board meeting. A new member was added to the Finance Committee in February and in March, a new member will be added to both the Right of Way and Operations Committees.	Concur
R4. Develop or identify a set of meeting procedures for use at Board and Committee meetings.	Concur	Completed	New Rules of Procedures were discussed at the Board Workshop on December 18, 2009, and approved by the Board on January 27, 2010.	Concur
R5. Continue with the review of all policies and procedures, identify areas where there are deficiencies and propose changes for the Board to consider.	Concur	Ongoing (Completed)	Policies and procedures are reviewed on a regular basis. When a new policy is drafted, it is sent to the board for final approval.	Concur

**Audit of the Orlando - Orange County Expressway Authority
2009 Governance Audit
Status of Recommendations**

Internal Auditor Recommendation	Management Response	Management Status at March 2, 2010	Management Verification / Explanation	IA Evaluation
R6. Formalize a process for analyzing agenda items to include all key departments within the authority.	Concur	Ongoing (Completed)	On a monthly basis, a meeting is held with management in key departments to review and discuss the upcoming board meeting agenda.	Concur
R7. Improve the current "Action Plan" for providing feedback on management responses and status on all internal and external audits.	Concur	Ongoing (Completed)	As the status of a recommendation changes, Action Plans are updated to reflect the changes. In addition, additional detail has been added to the Action Plans and estimated completion dates when available.	Concur
R8. Consider balancing audit plans and audit schedules to include both selection and conduct of major engineering, construction, operations and maintenance activities.	Concur	In Process	The Audit Committee reviews and approves the current audit plan on an annual basis. The FY 2010 audit plan includes several audits focusing on IT, operations and ethics. The FY 2011 audit plan will be go to the board for approval in the summer of 2010.	Concur
R9. Develop a consistent policy for disseminating the minutes of Board Committee meetings to Board members in advance of scheduled Board meetings.	Concur	Completed	A workshop was conducted by the Board of directors to facilitate discussion on the recommendations presented during the Governance Audit. The workshop was held on December 18, 2009. This recommendation was discussed during the meeting. The meeting minutes were approved during the January 27, 2010 board meeting.	Concur
R10. Ensure that all details are provided to Board members on key issues prior to Board meetings.	Concur	Completed	On a monthly basis, the Executive Director invites each board member to a meeting to discuss key issues, prior to the board meeting.	Concur
R11. Perform a comprehensive review of the EA organization with the goal of reducing the number of layers, increasing spans of control and determining whether all positions are necessary given today's cost control emphasis, and the upcoming implementation of the five-year plan.	Concur	In Process	A transportation expert with FDOT District 5 has begun a comprehensive review of the organization. The report is expected to be completed in March 2010.	Concur

**Audit of the Orlando - Orange County Expressway Authority
2009 Governance Audit
Status of Recommendations**

Internal Auditor Recommendation	Management Response	Management Status at March 2, 2010	Management Verification / Explanation	IA Evaluation
R12. Assess all positions before hiring to determine if a modified organization would provide for reduced cost while achieving an appropriate level of service.	Concur	In Process	At the present time no hiring is taking place, but in the event hiring begins an analysis will be performed to determine if a modified organization would provide for reduced cost while achieving an appropriate level of service.	Concur
R13. Implement a structured, annual evaluation of the Executive Director, with input from all members of the Board in a manner that permits both positive and negative feedback in a transparent manner.	Concur	In Process	The plan to perform an annual evaluation of the Executive Director was presented to the Operations Committee on December 11, 2009 and approved by the board on February 24, 2010.	Concur

Citizen's Advisory Committee
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Status of Recommendations

Committee Recommendation	Management Response	Management Status at March 2, 2010	Management Verification / Explanation	IA Evaluation
ADDITIONAL COST CONTROLS/SOURCES OF REVENUE				
1. Lease Current Building – Analyze the cost and potential return of redesigning current space requirements to consolidate and free up at least 20,000 square feet of office space that could be subleased.	Agree	Will budget in FY 2010/2011 (Not Completed)	N/A	Concur
2. Sell the Old Building - Continue to market the old building for sale and also analyze the potential for leasing it until the market improves.	Agree	In Process	The old building has been up for sale or lease since February 12, 2008. The building continues to be aggressively marketed by First Capital, Inc. Regular updates on activity are reported to the Right of Way Committee. Staff is evaluating the cost/benefit of placing the SR 408/I-4 expansion pier structures in place to mitigate significant future impacts to a lessee or buyer. If the evaluation is favorable, staff will bring the recommendation to the Right of Way Committee for consideration. The stagnant commercial building market must continue to be taken into consideration.	Concur
3. Consolidate Back Office Operations - Management should work with the Turnpike to analyze the potential costs and benefits of consolidating back office operations. Even if the Miami and Tampa expressway authorities do not join this effort, the potential savings for the Turnpike and OOCEA on a combined basis would be in the millions of dollars.	Agree	In Process	Florida toll agencies began discussions about consolidating back office operations a few months ago. All agencies agree that there are many difficult issues to work through to achieve a successful consolidation. If a consolidation plan is developed that reduces costs and improves service to our toll customers, management is committed to work toward merging back offices.	Concur

**Citizen's Advisory Committee
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Committee Recommendation	Management Response	Management Status at March 2, 2010	Management Verification / Explanation	IA Evaluation
4. Curb Current Lobbying Activity - Consider amending the contract with state lobbying firm to provide coverage for a four month period when the legislature is in session rather than engaging them for a full year (or, on an as needed basis).	Agree	Completed	Since the Board reduced this contract less than a year ago, the quality and value of services sacrificed by further reductions should be considered. The Executive Director has had discussions on the cost/benefit of other legislative service contract structures for the Board's consideration. The contract will be renegotiated before the next renewal period.	Concur
5. Save Revenues from Toll Increase - For the next six months, save the toll increase revenue, then reassess overall financial condition.	Agree	Completed	This plan has been implemented and followed since February, 2009. The financial condition of the Agency is continually monitored and evaluated.	Concur
6. Reassess Debt Swap Agreements - Analyze the current options related to maintaining or buying out the current swap agreements that are in place on some OCEEA bonds. Fully articulate the current risk levels of these swap agreements to the finance committee and Board, and adopt a policy on how (or whether) complex derivative financial instruments should be analyzed and approved, in general, given the current economic conditions, these types of instruments should be viewed as high risk.	Agree	Ongoing (Completed)	The Authority continues to assess its financing options and reports the results and recommendations to the Finance Committee and the Board. The Authority will continue to fully articulate the risks of the Agency's debt structure. The Finance Committee regularly reviews the debt policy and interest rate exchange policies.	Concur
7. Piggyback on Other Purchasing Agreements - Based on cost savings, use existing competitively bid purchasing agreements of other government agencies.	Agree	Completed	This method of procurement is a part of the Authority's Centralized Procurement Policy. The Authority Procurement Director prudently utilizes the piggy-back method of procurement when it benefits our toll customers. The Authority has several such agreements in place.	Concur

Citizen's Advisory Committee
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Committee Recommendation	Management Response	Management Status at March 2, 2010	Management Verification / Explanation	IA Evaluation
8. In-source Camera and Signage Maintenance - Perform the maintenance of cameras and signage.	Agree	In Process	Staff is evaluating the costs and benefits of starting the camera and signage maintenance effort within the Authority. Technology which monitors the system and cameras to notify technicians instantaneously when problems are detected is being researched. The results of the evaluation will be presented to the Board for their consideration when complete.	Concur
9. Investigate Energy Management - Analyze total energy costs and explore creative ways to reduce and manage them.	Agree	In Process	Staff is currently evaluating ways to conserve energy through lighting alternatives and will continue to evaluate ways to reduce and manage energy consumption.	Concur
10. Refine Board Agenda Presentation - Add dollar amounts to the contracts on the consent agenda to facilitate easy identification of contracts to bring forward for further discussion by the Board.	Agree	Completed	The Authority currently includes dollar amounts on all consent agenda items. The dollar amounts are added to the Consent Agenda summary sheet.	Concur
11. Eliminate High Volume User Discounts - Consider removing the discount for high volume E-Pass users (totaling approximately \$7 million). Adopt Discounts for all Electronic Customers - Use all or part of the money saved through elimination of high volume H-Pass discounts and other cost savings ("new money") initiatives to provide free transponders and a discount for all E-Pass customers. This will encourage cash customers to switch to electronic tolling, as per OOCEA customer survey.	Agree	Completed	At the direction of the Board, management is prepared to evaluate other discount alternatives for E-PASS customers. The Board recently authorized providing free mini-transponders to area residents.	Concur

**Citizen's Advisory Committee
July 2009 Recommendations
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Committee Recommendation	Management Response	Management Status at March 2, 2010	Management Verification / Explanation	IA Evaluation
STAFFING MATTERS				
1. Freeze Salaries - Compared with other state and local entities, whose employees have similar job descriptions, the salaries at OCEA tend to run high. Review current salary levels and job responsibilities and compare them to similar positions within state and local government. Develop a new salary administration process that considers these changes in view of any adjusted salary ranges and the level of experience and performance of each employee.	Agree	Partially Implemented (In Process)	The budget adopted by the Board in June, 2009 froze salaries. A qualified firm has been selected to conduct a comprehensive salary survey. The survey will be utilized to guide salary ranges based on experience and performance. The Authority Human Resources Director will develop an administrative process that evaluates salary ranges bi-annually once the initial survey is completed.	Concur
2. Absorb positions for retiring employees.	Partially Agree	Not Completed	The positions will be evaluated to determine the feasibility of absorbing the position upon the employee's retirement. Key functions of affected positions may require further analysis to determine an alternative cost effective solution.	Concur
3. Amend current Ethics Policy: - Develop mandatory ethics training - Revise penalties for ethics violations - Establish an Ethics Officer - Establish clear guidelines to address personal usage of Authority assets	Agree	In Process	The Authority has named General Counsel as the Authority Ethics Officer, who will establish an annual mandatory training program. The Ethics Officer will also review and update the Authority's policy on Authority asset use to ensure that the policy clearly addresses all issues. The Ethics Officer will also review and revise ethics violation penalties as needed.	Concur
ADDITIONAL AUDITS				
1. Audit by Auditor General - Audit to be performed by Auditor General, similar to audit of the Tampa-Hillsborough Expressway Authority.	Agree	Completed.	The State Auditor General has not determined that an audit is needed.	Concur
2. Evaluate Internal Ethics Compliance -The audit committee should consider conducting an internal audit of compliance with current ethics policy.	Agree	In Process	The Audit Committee has included this audit in its FY 2009/2010 audit plan. The audit should be complete this fall.	Concur

**Citizen's Advisory Committee
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Committee Recommendation	Management Response	Management Status at March 2, 2010	Management Verification / Explanation	IA Evaluation
3. Fulfill Outstanding Audit Recommendations - The committee obtained an update from management and internal audit on the status of all outstanding audit recommendations. This type of update should be completed and reviewed quarterly.	Agree	Completed	Protiviti, our internal audit firm, verifies the status of all outstanding audit recommendations on a semi-annual basis. The Audit Status Reports are verified by Protiviti and submitted to the Board. The Audit Status Reports are closely monitored by the Authority and can be provided to the Board on a more frequent basis, if desired.	Concur

OTHER MATTERS

1. Continue Customer Satisfaction Survey and Compare Them Against a Current Benchmark - The benchmark format should become the standard for future surveys.	Agree	In Process	The Authority is scheduled to conduct the next customer satisfaction survey in 2010. The survey conducted in 2008 will serve as the benchmark.	Concur
2. Create Customer Advisory Council - Such a council would give a face to the customer and perhaps provide greater transparency for the organization.	Agree	Completed	A Customer Advisory Council has been established to provide feedback on numerous issues facing the Authority. The Council is made up of seven Authority customers selected randomly to serve for one year period. The Council will meet on a quarterly basis.	Concur
3. Hone Marketing and Communications Goals - Communicate with residents (not just customers) about the benefits of using the Expressway system.	Agree	In Process	The Authority Communications Office will continue to find ways to reach out to educate the community on the benefits of the expressway system.	Concur
4. Assess Committee Composition - Consider increasing the membership of current committees with citizens and eliminate the dependence of management representatives as voting members.	Agree	In Process	Board which establishes outside representation to replace staff appointments.	Concur

Transportation Authority Monitoring and Oversight

Citizen's Advisory Committee July 2009 Recommendations Status of Recommendations

Committee Recommendation	Management Response	Management Status at March 2, 2010	Management Verification / Explanation	IA Evaluation
5. Safeguard Investment and Financing Matters - Consider whether an additional committee should be formed to address complex investment and financing decisions.	Agree	Considered - No Action Taken (Completed)	The primary reason the Finance Committee was formed was to address complex investment and financing decisions. If complex decisions plan to be contemplated in the future, additional outside membership will be considered by the Finance Committee.	Concur
6. Add to Existing Financial Disclosure – Current quarterly filing requirements of the Orange County Commission.	Agree	Considered - No Action Taken (Completed)	It is recognized and understood that elected officials serving on the Board are required to file quarterly financial reports. The current law requires annual reporting for appointed members. Since the burden of more frequent financial disclosure may diminish the ability to find qualified members to serve, it is recommended that members file in accordance with existing law.	Concur
7. Create a Performance Reporting System - Develop specific performance reporting for OCEA and provide periodic reporting (at least semiannually) to the Board of actual results against goals, historical performance and benchmarks. Performance reporting can be developed around how OCEA competes for its share of: o Customers and revenue o Financing dollars o Public trust	Agree	Not Completed	The Authority reports to the Board annually on specific performance measures developed by the Florida Transportation Commission that cover agency performance in operating efficiency, maintenance, customer service, minority participation, ethics, debt management, bond covenant compliance, financial soundness, public records, open meetings, procurement, contract performance and governance. The Authority will also independently develop more performance indicators specifically designed to serve the governing Board.	Concur



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