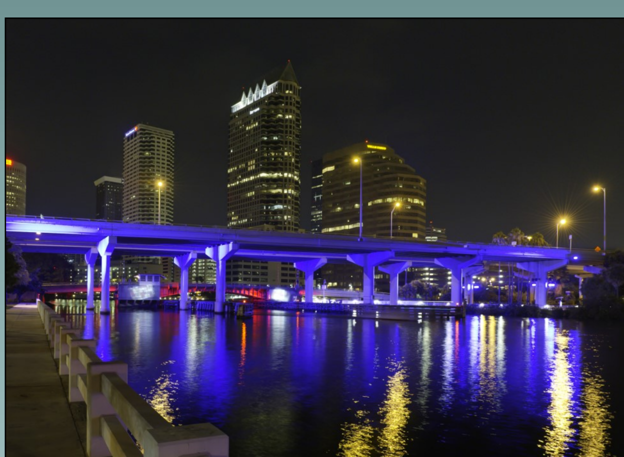
TRANSPORTATION AUTHORITY MONITORING AND OVERSIGHT

FISCAL YEAR 2016 REPORT

A Report by the Florida Transportation Commission



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FLORIDA TRANSPORTATION COMMISSION

Rick Scott
Governort

October 6, 2017

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

Dear Governor Scott:

I take pleasure in transmitting the Florida Transportation Commission's (FTC) annual *Transportation Authority Monitoring and Oversight, Fiscal Year 2016 Report*, which was adopted at our public meeting on September 20, 2017. This annual report is produced in fulfillment of the FTC's oversight role that encompasses the monitoring and evaluation of 11 transportation authorities created under Chapters 343, 348 and 349, Florida Statutes, as well as the Mid-Bay Bridge Authority. In addition, this is the fourth year that Florida's Turnpike System is included in this report as a result of implementing a recommendation contained in the *FTC Study of Cost Savings for Expressway Authorities Report* issued in December 2012.

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. 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 2016 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.

During the course of this review, the FTC found:

- Many of the authorities have instituted "best practices" and are operating in an efficient and effective manner.
- 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.
- Except for the Santa Rosa Bay Bridge Authority (SRBBA), authorities complied with the requirement to prepare audited financial statements and debt service requirements contained in bond covenants.
- Significant governance, compliance and financial issues continue to be noted for SRBBA. SRBBA is in default on its bonds by failing to meet toll covenants relating to debt service coverage and reserve account requirements and for failure to make required debt service payments. The Trustee retained legal counsel and a financial advisor to assist in developing restructuring alternatives for the SRBBA bonds. However, no specific restructuring proposals have yet been submitted for consideration. House Bill

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865, signed into law on May 31, 2017, requires the Department to undertake an economic feasibility study relating to the acquisition of the Garcon Point Bridge (owned by SRBBA) and to submit a report to the Governor and Legislature by January 1, 2018. The bonds are not backed by the Department or the State of Florida and no instances of Department noncompliance were noted during the review.

If you have any questions regarding this report, please do not hesitate to contact me or the FTC staff at (850) 414-4105. A digital copy of the report is available on our website at www.ftc.state.fl.us. Your comments are always welcomed.

With regards,

Jay Trumbull, Chairman
Florida Transportation Commission

cc: Honorable Joe Negron, President, Florida Senate
Honorable Richard Corcoran, Speaker, Florida House of Representatives
Honorable George Gainer, Chairman, Senate Transportation Committee
Honorable Rob Bradley, Chairman, Senate Transportation, Tourism and Economic Development Appropriations Subcommittee
Honorable Jack Latvala, Chairman, Senate Appropriations Committee
Honorable Brad Drake, Chairman, House Transportation and Infrastructure Subcommittee
Honorable Clay Ingram, Chairman, House Transportation and Tourism Appropriations Subcommittee
Honorable Carlos Trujillo, Chairman, House Appropriations Committee
Mr. Mike Dew, Secretary, Florida Department of Transportation
Ms. Cynthia Kelly, State Budget Director, Executive Office of the Governor
Mr. James Christian, Florida Division Administrator, Federal Highway Administration

Florida Transportation Commission

Transportation Authority Monitoring and Oversight

Fiscal Year 2016 Annual Report

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Established Toll Authorities

Miami-Dade Expressway Authority (MDX) oversees, operates and maintains five expressways constituting 34 centerline-miles and 228 lane-miles of roadway in Miami-Dade County. The five toll facilities include: Dolphin Expressway (SR 836); Airport Expressway (SR 112); Don Shula Expressway (SR 874); Gratigny Parkway (SR 924); and, Snapper Creek Expressway (SR 878).

Central Florida Expressway Authority (CFX) owns and operates 109 centerline-miles of roadway in Orange County. The toll facilities 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); 23 miles of the Western Beltway (SR 429); 6 miles of the John Land Apopka Expressway (SR 414); and, 2 miles of SR 451.

Santa Rosa Bay Bridge Authority (SRBBA) owns the Garcon Point Bridge (SR 281), a 3.5 mile bridge located in Santa Rosa County. The bridge spans Pensacola Bay between I-10 south of Milton and US 98 east of Gulf Breeze. Toll operations are provided by Florida's Turnpike Enterprise and maintenance functions are performed by the Florida Department of Transportation, District Three.

Tampa-Hillsborough County Expressway Authority (THEA) owns the Selmon Expressway, a 15-mile limited access toll road that crosses the City of Tampa from Gandy Boulevard and MacDill Air Force Base in the south, through downtown Tampa and east to Brandon. Elevated and at-grade reversible express lanes within the existing facility opened in 2006 and connect to the THEA-owned and maintained Brandon Parkway and Meridian Avenue.

Mid-Bay Bridge Authority (MBBA) owns the 3.6-mile Mid-Bay Bridge (SR 293), the 11-mile Walter Francis Spence Parkway, and the 0.8-mile Danny Wuerffel Way in southeast Okaloosa County. Toll operations are provided by Florida's Turnpike Enterprise and maintenance functions are provided by the Florida Department of Transportation, District Three.

Florida's Turnpike System (Turnpike) consists of 483 miles of limited-access toll facilities. The 320-mile Mainline extends from Florida City in Miami-Dade County northward to Wildwood in Sumter County and includes SR 821 (HEFT), Southern Coin System, Ticket System, Northern Coin System and the Beachline West Expressway. Expansion projects include the 23-mile Sawgrass Expressway, the 18-mile Seminole Expressway, the 15-mile Veterans Expressway, the 6-mile Southern Connector Extension, the 25-mile Polk Parkway, the 42-mile Suncoast Parkway, the 11-mile Western Beltway, Part C, the 1-mile I-4 Connector, and the 22-mile Beachline East Expressway.

Transit Authorities

Central Florida Regional Transportation Authority (CFRTA, dba LYNX) provides public 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, bus rapid transit, paratransit service, flex service and carpools/vanpools.

Jacksonville Transportation Authority (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, community shuttle, paratransit service, an automated people mover, trolleys, stadium shuttle service and St. Johns River Ferry operations. JTA also implements roadway projects under its own authority and work plans..

South Florida Regional Transportation Authority (SFRTA, Tri-Rail) 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 Transit through fixed route service.

Emerging Authorities

Northwest Florida Transportation Corridor Authority (NFTCA) is not currently operating any facilities but has updated a 2016 Corridor Master Plan. The primary purpose of NFTCA is to improve mobility on the US 98 corridor in northwest Florida, 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.

Osceola County Expressway Authority (OCX) has developed a 2040 Master Plan that includes construction of four proposed tolled expressways within Osceola County: Poinciana Parkway; Southport Connector Expressway; Northeast Connector Expressway; and Osceola Parkway Extension. Because the Poinciana Parkway was only partially open to traffic and tolled for only 30 days in FY 2016, OCX is still being considered an emerging authority in this FY 2016 report. OCX transferred the lead for the OCX 2040 Master Plan development to CFX who began conducting feasibility studies on the unbuilt OCX Master Plan projects in April 2017.

Tampa Bay Area Regional Transit Authority (TBARTA) is not currently operating any facilities. TBARTA was created for the purpose of improving mobility and expanding multimodal transportation options for passengers and freight throughout the seven-county Tampa Bay Region (Pasco, Citrus, Hernando, Hillsborough, Manatee, Pinellas and Sarasota counties). TBARTA has updated a 2015 Regional Transportation Master Plan. Effective July 1, 2017, legislation refocused TBARTA's purpose and designated service area, changed the composition of the Board, and requires TBARTA to develop a regional transit development plan.

Northeast Florida Regional Transportation Commission (NEFRTC) is not currently operating any facilities. NEFRTC was created for the purpose of improving mobility and expanding multimodal transportation options for passengers and freight throughout the six-county Northeast Region (Baker, Clay, Duval, Nassau, Putnam and St. Johns counties). NEFRTC developed a Regional Multimodal Transportation Plan and is currently seeking resolutions from the constituent counties to adopt the Plan.

Figure 1: 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, expanded Commission oversight responsibilities to include the Jacksonville Transportation Authority (JTA), established in Chapter 349, Florida Statutes. HB 1271, passed by the 2010 legislature, created the Osceola County Expressway Authority (OCX) under a new Part of Chapter 348, Florida Statutes. Florida's Turnpike System (Turnpike) falls under Commission oversight being part of the Florida Department of Transportation (Department). A significant recommendation contained in the Commission's legislatively mandated report, *FTC Study of Cost Savings for Expressway Authorities* (December 2012), was to add the Turnpike reporting to the Commission reporting for authorities. As such, Turnpike has been included in this authority report since fiscal year (FY) 2013. Senate Bill (SB) 606, passed by the 2013 legislature, created the Northeast Florida Regional Transportation Commission as a new part of Chapter 343, Florida Statutes. In addition, HB 7175, passed by the 2014 legislature, further amended Section 20.23, Florida Statutes, requiring the Commission to monitor the Mid-Bay Bridge Authority (MBBA), re-created pursuant to Chapter 2000-411, Laws of Florida, effective July 1, 2014.

The organization of each of the 13 transportation authorities subject to Commission monitoring and oversight, as presented in this FY 2016 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. Numerous changes to performance measures and operating indicators were incorporated into this FY 2016 report. A detailed description of the changes is provided in the Introduction chapter of this report.

In addition to gathering, analyzing and reporting performance and operating data, Commission staff reviewed agendas, public meeting notices, conflict of interest disclosures, bond documents, and audits. Commission staff also attended public board meetings 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 2016, 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" 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, conflicts of interest, open meetings, and public records. With only one exception, authorities complied with the requirement to prepare audited financial statements and debt service coverage requirements contained in bond covenants. Detailed results for applicable performance measures, operating indicators and governance criteria for each of the 13 transportation authorities are presented as individual chapters in this report. Figure 2 provides a summary of FY 2016 performance results for Established Toll Authorities and Transit Authorities. Emerging

Authority Performance Measures Results - FY 2016

Established Toll Authorities

Miami-Dade Expressway Authority (MDX) met or exceeded 16 of the 19 performance measure objectives. The measures not met were:

- Revenue Variance
- Maintenance Rating Program (MRP) Safety Characteristic - Pavement Striping
- MRP Safety Characteristic - Lighting

Central Florida Expressway Authority (CFX) met or exceeded 16 of the 19 performance measure objectives. The measures not met were:

- MRP Overall Rating
- Average Customer Call Wait Time
- Consultant Contract Management

Santa Rosa Bay Bridge Authority (SRBBA) met or exceeded 5 of the 8 applicable performance measure objectives. The measures not met were:

- Toll Collection Expense as a Percentage of Toll Revenue
- Debt Service Coverage - Compliance with Bond Covenants
- Bond Ratings

Tampa-Hillsborough County Expressway Authority (THEA) met or exceeded 17 of the 18 applicable performance measure objectives. The measure not met was:

- MRP Safety Characteristic - Striping

Florida's Turnpike System (Turnpike) met or exceeded 11 of the 17 applicable performance measure objectives. The measures not met were:

- MRP Overall Rating
- Revenue Variance
- MRP Safety Characteristic - Striping
- MRP Safety Characteristic - Guardrail
- MRP Safety Characteristic - Lighting
- Consultant Contract Management

Mid-Bay Bridge Authority (MBBA) met or exceeded 9 of the 13 applicable performance measure objectives. The measures not met were:

- MRP Overall Rating
- MRP Safety Characteristic - Signing
- MRP Safety Characteristic - Striping
- MRP Safety Characteristic - Lighting

Transit Authorities

Central Florida Regional Transportation Authority (CFRTA, dba LYNX) met or exceeded 5 of the 12 performance measure objectives. The measures not met were:

- Passenger Trips per Revenue Hour
- Operating Expense per Revenue Mile
- Operating Expense per Passenger Trip
- Operating Expense per Passenger Mile
- Farebox Recovery Ratio
- The Ratio of Revenue Miles to Vehicle Miles
- On-Time Performance

South Florida Regional Transportation Authority (SFRTA, Tri-Rail) met or exceeded 6 of the 11 performance measure objectives. The measures not met were:

- Passenger Trips per Revenue Hour
- Operating Expense per Revenue Mile
- Operating Expense per Passenger Trip
- Operating Expense per Passenger Mile
- Farebox Recovery Ratio

Jacksonville Transportation Authority (JTA) met or exceeded 6 of the 12 performance measure objectives established for Bus, 5 of the 11 applicable performance measure objectives established for Skyway, and all four of the applicable performance measure objectives for Highways. The measures not met for Bus and Skyway were:

Bus

- Passenger Trips per Revenue Hour
- Operating Expense per Revenue Mile
- Operating Expense per Revenue Hour
- Farebox Recovery Ratio
- Revenue Miles Between Safety Incidents
- On-Time Performance

Skyway

- Operating Expense per Revenue Mile
- Operating Expense per Revenue Hour
- Operating Expense per Passenger Trip
- Operating Expense per Passenger Mile
- Revenue Miles Between Safety Incidents
- Customer Complaint Response Time

Figure 2: Authority Performance Measures Results - FY 2016.

Authorities are not included because they did not operate any facilities in FY 2016.

During and subsequent to FY 2016, several authorities engaged in bonding activity. In September 2016 (FY 2017), Miami-Dade Expressway Authority (MDX) issued $95.8 million in Series 2016A Bonds to refund its series 2006 Bonds. The bond issue resulted in net present value savings of $29.9 million. In FY 2016, two of the three rating agencies upgraded their underlying ratings of MDX Bonds. Turnpike issued four series of bonds (Department of Transportation Turnpike Revenue Refunding Bonds): Series 2015B issued in October 2015 for $195.9 million; Series 2016A issued in January 2016 for $173.4 million; Series 2016B issued in March 2016 for $113.3 million; and Series 2016C issued in February 2017 (FY 2017) for $142.6 million. Bond proceeds were used to refund outstanding bonds to achieve interest cost savings. Approximately $94.9 million in net present value savings was achieved from the four bond issues. In FY 2016, two of the three rating agencies upgraded their underlying ratings of Turnpike Bonds. In addition, Central Florida Expressway Authority (CFX) issued two series of bonds: Series 2016A issued in April 2016 for $151.7 million and Series 2016B issued in November 2016 (FY 2017) for $631.3 million. Bond proceeds were used to refund a portion of outstanding Series 2007A, 2010A, 2010B, and 2010C bonds to achieve interest cost savings of $65.2 million.

In February 2012, a Memorandum of Understanding (MOU) delineated the plan to fund, design, construct, own operate and maintain the Wekiva Parkway. The Wekiva Parkway Interlocal Agreement, approved in May 2014, contains specific terms and provisions governing the project that are consistent with the MOU. CFX will independently finance, build, own and manage certain sections of the Wekiva Parkway in Orange County and a small section of Lake County, while the Department is responsible for the remaining portions in Lake and Seminole Counties. As part of the agreement, CFX will repay long-term debt owed to the Department by paying $10 million in July 2012 and $20 million each year thereafter until the long-term advances are eliminated. In July 2015, CFX issued $194 million in Senior Lien Revenue Bond Anticipation Notes (BANs) to advance construction of its respective sections of the Wekiva Parkway. CFX plans to use $194 million from a low interest federal loan (TIFIA), secured by CFX in March 2015, to pay for the BANs after CFX's portion of the Wekiva Parkway is constructed. CFX's first section of the Wekiva Parkway is scheduled to open to traffic in summer 2017, with all remaining sections scheduled to open in early 2018.

Concurrent with the fare increase and implementation of the STAR Card electronic fare payment system on January 30, 2012, JTA suspended fares on the Skyway system. A Skyway Modernization Program is currently underway to examine capital, operating and financial plans for the continued operation of the Skyway. JTA is considering the replacement of existing outdated Skyway vehicles with next generation autonomous shuttles.

Several other authorities made changes to their tolling plans. In 2012, Tampa-Hillsborough County Expressway Authority (THEA) adopted a toll indexing policy that incorporates an annual base adjustment of 2.5 percent for inflation. Rates have been adjusted by 2.5 percent annually since 2013, with the FY 2016 system-wide toll increase being implemented at all THEA tolling locations on July 1, 2015. The current MDX Toll Rate Policy requires that all toll rates on all MDX facilities be indexed to the Consumer Price Index (CPI), effective July 1, 2019 (FY 2020). The CPI adjustment may be deferred to no later than July 1, 2022 (FY 2023) with a two-thirds vote of the MDX Board. Toll rate adjustments for inflation shall be made no less frequently than once every three years. The policy also establishes the base Toll-by-Plate rate as twice the base SunPass rate. In addition, MDX implemented a Cash Back Toll Dividend Program during FY 2015 for certain qualified SunPass customers which resulted in dividend checks totaling $5.3 million being issued during FY 2016. Pursuant to Section 338.165, Florida Statues, Turnpike has indexed SunPass and Toll-by-Plate rates for inflation annually since FY 2013. For FY 2016, SunPass and Toll-by-Plate rates were increased system-wide by 1.6 percent, rounded to the nearest penny, on July 1, 2015. Cash toll rates, last indexed on June 24, 2012, will be indexed every five years to accommodate quarter increments. Lastly, on October 1, 2015, MBBA implemented a toll rate increase on the Mid-Bay Bridge and Spence Parkway for all cash, SunPass and Toll-by-Plate customers. However, the SunPass frequent customer rebate left the effective toll rate for frequent users unchanged. In November 2016 (FY 2017), MBBA approved reducing the threshold to qualify for its frequent customer rebate from 41 transactions to 32 transactions per month.

Significant governance, compliance and financial issues continue to be noted for Santa Rosa Bay Bridge Authority (SRBBA). SRBBA is in default on its bonds by failing to meet toll covenants relating to debt service coverage and reserve account requirements and for failure to make required debt service payments. In November 2011, the Trustee retained legal counsel and a financial advisor to assist in developing restructuring alternatives for the SRBBA bonds. Currently, no specific proposals for refinancing/restructuring have been submitted for consideration. On January 1, 2013, the Trustee declared that the principal of all outstanding SRBBA bonds, in the amount of $131.2 million, was immediately due and payable. There had been three vacancies on the seven member SRBBA Board since January 2013 making it difficult to consistently achieve the four member quorum required to conduct official business. Subsequent to the June 2014 Board meeting, the Chair, Vice Chair, and Secretary resigned from the Board. As such, no future Board meetings are currently scheduled until necessary appointments are made. In May 2014, the Trustee's Financial Advisor prepared a report recommending that tolls be increased on the Garcon Point Bridge to maximize revenues. In March 2015, the Trustee's Legal Counsel requested that the Department increase tolls on the Garcon Point Bridge pursuant to the provisions of the Lease-Purchase Agreement between SRBBA and the Department. In its response, the Department indicated that it is not clear that it has the authority to comply with the request to increase tolls. Currently, the proposed toll rate increase has not been implemented. The SRBBA bonds are not backed by the Department or the State of Florida. HB 865, passed by the 2017 Legislature, requires the Department to undertake an economic feasibility study relating to the acquisition of the Garcon Point Bridge. The Department is currently conducting the study and will present a report to the Governor and Legislature by January 1, 2018, as statutorily required.

South Florida Regional Transportation Authority (SFRTA) assumed responsibility for dispatch and maintenance of the South Florida Rail Corridor on March 29, 2015. In addition to the $30.6 million the Department has annually transferred to SFRTA for operations, the Department will cover 100 percent of annual maintenance costs up to $14.4 million and will also provide an additional $11.5 million in dedicated funding. Section 343.58, Florida Statutes, requires SFRTA and the

Department to identify and implement an alternate funding source before July 1, 2019. Upon commencement of the alternate funding source, the Department will cease funding SFRTA operations and will convey to SFRTA a perpetual commuter rail easement and all rights, title and interest in assets owned and used by the Department for the operation and maintenance of commuter rail operations in the South Florida Rail Corridor. In addition, HB 695 amended SFRTA enabling legislation, effective July 1, 2017 (FY 2018). HB 695 prohibits SFRTA from entering into, extending, or renewing any contract that is funded with Department funds without the Department's prior review and written approval. The bill further specifies that those Department funds constitute state financial assistance. SFRTA also completed the relocation of its offices to the new Tri-Rail Operations Center (Headquarters) at the east parking lot area of the Pompano Beach Station in February 2017 (FY 2017). In addition, SFRTA plans to provide new Tri-Rail train service over an 8.5-mile extension directly into downtown Miami at the new All Aboard Florida Miami Central Station. The Tri-Rail Downtown Miami Link is planned for revenue service in early 2018.

In November 2015, Florida's Turnpike Enterprise (Enterprise) executed a contract to develop and implement a Centralized Customer Service System (CCSS). The CCSS will provide electronic toll collection customer support which includes invoicing, account management and violation enforcement under a single operation, while delivering operational cost efficiencies and value to SunPass customers. In February 2016, the MDX Board approved a Master Agreement to be the first participating agency member of the CCSS, followed by THEA in March 2016. In September 2016 (FY 2017), Turnpike held a grand opening of its new Orlando SunPass Service Center, a 70 thousand square foot state-of-the-art call center that represents a major milestone of the CCSS project. It is anticipated that the new CCSS facility will be fully operational by the end of 2017 and is expected to process over two billion transactions a year and manage nearly six million SunPass accounts.

In September 2012, an Agreement for Development of Poinciana Parkway was reached between Osceola County, Polk County, Avatar Properties and OCX that formally outlines the duties and responsibilities of each party. In April 2014, Osceola County issued $70 million in Bonds to pay for Poinciana Parkway project costs incurred by OCX. OCX entered into a Lease-Purchase Agreement with the County, whereby OCX will design, construct, operate and maintain the Poinciana Parkway. The bonds are secured by a pledge upon the net revenues of the expressway system. The first segment of the Poinciana Parkway opened to traffic on April 30, 2016 and the remaining segment opened to traffic on November 19, 2016 (FY 2017). The OCX Board approved a contract whereby CFX will provide for all toll collection activities for the Poinciana Parkway. Because the Poinciana Parkway was only partially open to traffic and tolled for only 30 days in FY 2016, OCX is still being considered an "emerging" authority in this FY 2016 report. Per Statute, governance and control of OCX will transfer to CFX sometime after December 31, 2018. In September 2016 (FY 2017), an Interlocal Agreement was entered into between OCX, CFX and Osceola County transferring the lead for the OCX 2040 Master Plan development to CFX. CFX began conducting concept, feasibility and mobility studies on the unbuilt OCX 2040 Master Plan projects (Osceola Parkway Extension, Northeast Connector Expressway, Southport Connector Expressway, and I-4 Connector to Poinciana Parkway) in April 2017.

Other noteworthy capacity improvement projects were identified during the Commission review. Construction continues on a Turnpike toll facility expansion project, the First Coast Expressway, which is planned to open to traffic in FY 2018. Another Turnpike expansion project, the Suncoast Parkway 2, is planned to be let for construction in 2017. MDX has substantially completed a Project Development and Environment Study for a new 2.3-mile expressway extension of SR 924 west to the HEFT. Right of way activities are ongoing and final design is scheduled to start in FY 2017. Construction is not yet funded. Approximately $164 million is programmed in the THEA Five-Year Work Program for development and construction of the Selmon West Extension. The project is a two-lane, two-way elevated express lane structure in the median of existing Gandy Boulevard from just east of the Gandy Bridge to the Selmon Expressway. JTA opened an 11.1-mile Bus Rapid Transit (BRT) Southeast Corridor in December 2016 as part of its First Coast Flyer BRT program; has taken over operations of the St. Johns River Ferry; and is continuing construction of the Jacksonville Regional Transportation Center.

Central Florida Regional Transportation Authority (LYNX) entered into a Fuel Purchase Agreement for Compressed Natural Gas (CNG) fuel whereby a company will design, build, operate and maintain a fast-fill CNG fueling station; will train LYNX employees on CNG fueling and maintenance procedures; and will provide LYNX with royalty payments on all third party sales made at the station. While a CNG bus is more expensive than a normal diesel bus, CNG burns cleaner and may be consistently lower than diesel by approximately $1.50 per diesel gallon equivalent. LYNX ordered and placed into revenue service 35 CNG buses and anticipates purchasing a total of 150 CNG buses over the first five years of the contract. This is the nation's largest public-private CNG fueling facility and held its grand opening in April 2016. JTA is transitioning its fleet to include 100 new CNG buses and has implemented the CNG program through a public private partnership. Construction of the CNG fueling facilities are complete and operational. Currently, JTA has 46 CNG buses in service, including 24 BRT buses and 22 Fixed Route buses.

THEA has joined the United States Department of Transportation (USDOT) Affiliated Test Bed Program for Autonomous Vehicle Technology. The reversible express lanes are the only test bed in the United States that have the ability to do testing in both real-time traffic and a closed course environment on the same roadway. In September 2015, USDOT awarded a contract to THEA to fund a pilot demonstration of connected vehicle technology deployments. Connected vehicle applications will be operated using the City of Tampa Traffic Management Center located in the THEA building on Twiggs Street. THEA's partnership with the University of South Florida's Center for Urban Transportation Research positions Tampa Bay to become a leading center of research and deployment of automated and connected vehicle technology.

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 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

Background

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 and was further expanded in 2014 to include the Mid-Bay Bridge Authority re-created pursuant to Chapter 2000-411, Laws of Florida. Florida's Turnpike System (Turnpike) is part of the Florida Department of Transportation (Department) and has been included in this report since FY 2013 pursuant to a recommendation contained in the Commission's legislatively mandated report, *FTC Study of Cost Savings for Expressway Authorities*.

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 operations of 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 standards and policies governing the procedure for selection and prequalification of consultants and contractors.

Since July 2007, when Commission oversight commenced, a number of workshops and teleconferences have been held with the designated authorities to establish and fine tune measures of performance, clarify objectives for the measures, and evaluate governance criteria. The 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 fiscal year (FY) 2007 report on transportation authority oversight in March 2008. Annual reports have subsequently been issued by the Commission. For this FY 2016 report, significant changes were made to performance measures and operating indicators as described later in this chapter.

Table 1
Authorities under Commission Oversight

Miami-Dade Expressway Authority (MDX)
Central Florida Expressway Authority (CFX)
Santa Rosa Bay Bridge Authority (SRBBA)
Tampa-Hillsborough County Expressway Authority (THEA)
Florida's Turnpike System[1] (Turnpike)
Mid-Bay Bridge Authority (MBBA)
Central Florida Regional Transportation Authority (CFRTA)
Jacksonville Transportation Authority (JTA)
South Florida Regional Transportation Authority (SFRTA)
Northwest Florida Transportation Corridor Authority (NFTCA)
Osceola County Expressway Authority (OCX)
Tampa Bay Area Regional Transit Authority[2] (TBARTA)
Northeast Florida Regional Transportation Commission (NEFRTC)

[1] The Turnpike is part of the Florida Department of Transportation and is being reported in this authority report as a result of a recommendation contained in the Commission's legislatively mandated report, *FTC Study of Cost Savings for Expressway Authorities,* published December 2012.

[2] Senate Bill 1672, passed by the 2017 legislature, significantly amended the Tampa Bay Area Regional Transportation Authority enabling legislation, effective July 1, 2017 (FY 2017). The legislation changed TBARTA into the Tampa Bay Area Regional *Transit* Authority, refocused its purpose and its designated service area, and changed the composition of the Board.

Authorities under Commission Oversight

Table 1 shows the eleven authorities created under Chapters 343, 348 and 349, Florida Statutes, the Mid-Bay Bridge Authority re-created pursuant to Chapter 2000-411, Laws of Florida, and Florida's Turnpike System that are subject to Commission monitoring and oversight and are included in this FY 2016 report.

Legislative Update

2015 Legislature

No legislation was passed by the 2015 Legislature that significantly impacted any of the transportation authorities contained in this report.

2016 Legislature

During the 2016 legislative session, House Bill (HB) 7061 was signed into law by Governor Scott, effective July 1, 2016. HB 7061 effectively merged the West Central Florida Metropolitan Planning Organizations Chairs Coordinating Committee (CCC) within TBARTA as a subcommittee with TBARTA to provide administrative support and direction to the TBARTA CCC; added Citrus County as a member of the CCC; changed the requirement for updating the TBARTA Master Plan from every two years to every five years; changed the governing board composition from 16 to 15 members, with the Department's District 7 Secretary being changed to a non-voting advisor, and the Department's District 1 Secretary being added as a non-voting advisor. HB 7061 also amended Section 348.565, Florida Statutes, permitting THEA to issue revenue bonds for the widening and extensions of the Selmon Crosstown Expressway System and capital projects that the authority is authorized to acquire, construct, equip, operate and maintain.

Senate Bill (SB) 1110 was signed into law by Governor Scott, effective July 1, 2016. SB 1110 clarifies that members of CFX's governing body from Seminole, Lake and Osceola Counties must be a county commission member or chair, or a county mayor from the respective counties. Governor appointed citizen members, who must be residents of either Orange, Seminole, Lake, or Osceola County, are made subject to Senate confirmation, and refusal or failure to confirm creates a vacancy. The bill provides that the 4-year term of Governor-appointed members ends on December 31, of the last year of service and removes the requirement that the CFX Board elect a governing body member as secretary. SB 1110 also clarifies that CFX is party to a 1985 lease-purchase agreement between the former Orlando-Orange County Expressway Authority (OOCEA) and the Department, and repeals superseded language requiring that title to the former OOCEA System be transferred to the state under certain conditions.

HB 479 is an act relating to special districts that was signed into law by Governor Scott, effective October 1, 2016. HB 479 amended Chapter 189, Florida Statutes (Uniform Special District Accountability Act) and specifies the Legislature's authority to create dependent special districts by special act; provides for the special district to identify in its charter as either a dependent or independent special district; authorizes the Legislative Auditing Committee (for districts created by special acts) or local general purpose governments (for districts created by local ordinance or resolution), to convene public hearings for special districts that fail to file specified required reports and specifies information the special district is required to provide before the public hearing; revises procedures for the Department of Economic Opportunity for maintaining and classifying special districts in its official list of special districts; and, revises the list of items and timelines required to be included on the websites of special districts.

HB 299 was signed into law by Governor Scott, effective July 1, 2016. HB 299 amends Chapter 348, Part 1, Florida Statutes (the Florida Expressway Authority Act) regarding certain expressway authorities, which currently includes only MDX. HB 299 reduces board membership from 13 to 9; provides procedures when there is a vacancy or conclusion of a term; revises qualifications for board membership; and provides for termination from the authority board upon a finding of a violation of specified ethical conduct provisions or failure to comply with financial disclosure requirements.

2017 Legislature

HB 865 was passed by the 2017 Legislature and signed into law by Governor Scott, effective July 1, 2017. HB 865 requires the Department of Transportation to undertake an economic feasibility study relating to the acquisition of the Garcon Point Bridge (owned by the Santa Rosa Bay Bridge Authority). The Department must submit the completed study to the Governor, the President of the Senate, and the Speaker of the House of Representatives by January 1, 2018.

HB 299 was signed into law by Governor Scott, effective July 1, 2017. HB 299 incorporates Brevard County into the CFX; increases the number of members of CFX's board by one person to include a member appointed by the Brevard County Board of County Commissioners; allows the Governor to appoint a citizen member of the CFX board from Brevard County; revises the quorum and vote requirements to conform to the increase in the number of board members; and, provides that the area served by CFX includes Brevard County.

HB 1049 was signed into law by Governor Scott, effective July 1, 2017. HB 1049 amends Chapter 348, Part 1, Florida Statutes (the Florida Expressway Authority Act) regarding certain expressway authorities, which currently includes only MDX. HB 1049 places restrictions on the toll-setting process, including requiring an independent traffic and revenue study for toll increases (except for increases tied to inflation), and a two-thirds majority vote of the authority board to approve a toll increase; limits the amount of toll revenue that can be used for administrative expenses (requires the Commission to determine the annual state average of administration costs); requires a distance of at least five miles between main through-lane tolling points on transportation facilities constructed after July 1, 2017; requires a reduction in SunPass toll rates of between 5 and 10 percent; dedicates at least 20 percent, but not more than 50 percent, of annual surplus revenues to transportation and transit related expenses for projects in the area served by the authority; and, requires certain measures relating to accountability, including a financial audit requirement and required website posting of meeting agendas, financial audit, bond covenants, budget, contracts, expenditures and other information. The legislation includes clauses that make the amendments related to the operation, maintenance and finances of the System subject to the requirements contained in outstanding debt obligations.

HB 695 was passed by the 2017 Legislature and signed into law by Governor Scott, effective July 1, 2017. HB 695 amended SFRTA's enabling legislation (Chapter 343, Part II, Florida Statutes) and requires SFRTA to obtain the Department's prior review and written approval of SFRTA's proposed expenditures before SFRTA enters into, extends, or renews any contract or other agreement that may be funded, in whole or in part, with funds provided by the Department. HB 695 further specifies that funds provided to SFRTA by the Department constitute state financial assistance for the purpose of carrying out certain state projects. The Department must provide the funds in accordance with a written agreement that will allow the Department to review, approve, and audit SFRTA's expenditure of the funds. The Department is authorized to advance SFRTA 25 percent of the total funding provided in Section 343.58(4), Florida Statutes, at the beginning of each state fiscal year, with monthly payments over the fiscal year on a reimbursement basis and a reconciliation of the advance against remaining invoices in the last quarter of the fiscal year.

SB 1672 was signed into law by Governor Scott, effective July 1, 2017. SB 1672 significantly amended TBARTA's enabling legislation (Chapter 343, Part V, Florida Statutes) and renames the Tampa Bay Area Regional Transportation Authority to the Tampa Bay Area Regional *Transit* Authority; amends the composition of the TBARTA Board and membership; requires the Board to evaluate and submit its recommendations to the Legislature, before the start of the 2018 Regular Session, regarding the abolishment, continuance, modification, or establishment of various committees; requires TBARTA to develop and adopt a regional transit development plan, rather than a transportation master plan, that integrates the transit development plans of participant counties and prioritizes regionally significant transit projects and facilities; and requires TBARTA to conduct a feasibility study before development of any rail project and submit the study to the Governor, Legislature and the various Boards of County Commissioners.

Performance Measures and Operating Indicators

In 2016 the Commission formed an Authority Oversight Committee (Committee) to gain input from the authorities and to consider any enhancements or changes to FY 2016 performance measures, management objectives, and operating indicators. The Committee consisted of Commissioner Donnie Ellington as Chair, Commissioner Ron Howse and Commissioner Teresa Sarnoff. The Commission solicited any proposed changes from each authority and synthesized the proposed changes into a master document that also contained actual performance results for each of the authorities for the prior 10 years. The master document was then shared with all authorities for any further comments.

The Commission retained senior staff from the Center for Urban Transportation Research (CUTR) at the University of South Florida to review the master document and to provide their recommendations for any changes. CUTR played an integral role in establishing the original measures that were adopted for the inaugural oversight report. The Commission convened a Charrette on Transportation Authority Performance Measures in October 2016 to discuss CUTR recommendations and any concerns expressed by the authorities. The Committee, CUTR and the authorities reached a general consensus on most of the issues and the Committee agreed to specific changes that were presented to the full Commission for a formal vote at its November 2016 meeting.

The Commission adopted the following revisions to FY 2016 performance measures and operating indicators. Specific performance measures, objectives and operating indicators for the various transportation authorities are presented in individual chapters of this report.

FY 2016 Changes to Performance Measures and Operating Indicators – “Established” Toll Authorities

- Reclassified ETC Transactions as operating indicator
- Report Revenue Variance using 3-year moving average
- Reclassified Safety (Fatalities per 100 Million VMT) as operating indicator
- Added four new safety measures using elements of the Maintenance Rating Program (MRP):
  - ◊ MRP Safety Characteristic - Signing (>90)
  - ◊ MRP Safety Characteristic - Striping (>95)
  - ◊ MRP Safety Characteristic - Guardrail (>80)
  - ◊ MRP Safety Characteristic - Lighting (>85)
- Eliminated customer service performance measure (% Customers Satisfied with Level of Service) and replaced with two new customer service measures:
  - ◊ Average Customer Call Wait Time (>80% answered within 1 minute)
  - ◊ Image Review Processing Time (>90% license plate images reviewed in < 2 weeks)
- Reclassified Cost to Collect a Toll Transaction as operating indicator
- Added new performance measure - Toll Collection Expense as % of Toll Revenue (<12%)
- Reclassified Debt Service Coverage - Bonded/ Commercial Debt and Comprehensive Debt as operating indicators
- Added new performance measure - Bond Ratings $\geq$ BBB (S&P), Baa (Moody’s), BBB (Fitch) and No Downgrade from Previous Year
- Replaced previous dollar based Right-of-Way operating indicators with indicators based on parcels:

◊ Number Projects Requiring ROW Acquisition

◊ Number Parcels Needed to be Acquired for Projects

◊ Number Parcels Acquired via Negotiations

◊ Number Parcels Acquired via Condemnation

◊ Number Parcels Acquired with Final Judgments ≤ one-half the Range of Contention

FY 2016 Changes to Performance Measures and Operating Indicators – Transit Authorities

- Reclassified Average Headway as operating indicator

- CPI adjustment applied to Operating Expense per Revenue Mile objectives: <$7.64 JTA Bus, <$6.23 LYNX, <$21.16 SFRTA, <$27.04 JTA Skyway

- CPI adjustment applied to Operating Expense per Revenue Hour objectives: <$106.99 JTA Bus, <$88.18 LYNX, NA for SFRTA, <$364.46 JTA Skyway

- Eliminated Operating Revenue per Operating Expense performance measure

- CPI adjustment applied to Operating Expense per Passenger Trip objectives: <$6.23 JTA Bus, <$3.53 LYNX, <$17.64 SFRTA, <$4.30 JTA Skyway

- CPI adjustment applied to Operating Expense per Passenger Mile objectives: <$1.18 JTA Bus, <$0.55 LYNX, <$0.53 SFRTA, <$6.00 JTA Skyway

- Changed objective for Customer Complaints per Boardings to <2 per 5,000 boardings for all

- Redefined On-Time performance measure to incorporate each authority's definition:

  ◊ LYNX - Departures <5 minutes late and 1 minute early

  ◊ JTA Bus - Departures <6 minutes late and 1 minute early

  ◊ SFRTA - < 6 minutes late

  ◊ JTA Skyway - Successful cycles divided by scheduled cycles (objective also increased to >98%)

- Reclassified Unlinked Passenger Trips per Revenue Hour from an operating indicator to a performance measure and established objectives: >19.1 JTA Bus, >26.9 LYNX, >39.3 SFRTA, >70.7 JTA Skyway

- Reclassified Farebox Recovery Ratio from an operating indicator to a performance measure and established objectives: >17.6% JTA Bus, >27.6% LYNX, >22.5% SFRTA, NA for JTA Skyway

- Added Vehicle Miles between Failures as new operating indicator for all

Governance

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, 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 V authorize specific authorities and designate the powers, duties and requirements applicable to each individual authority. The Mid-Bay Bridge Authority was re-created pursuant to Chapter 2000-411, Laws of Florida, and was placed under Florida Transportation Commission (Commission) oversight by the 2014 Legislature.

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

Florida's Turnpike System is part of the Department and has been included in this report since FY 2013 pursuant to a recommendation contained in the Commission's legislatively mandated report, *FTC Study of Cost Savings for Expressway Authorities*.

Of the thirteen transportation authorities that fall under Commission oversight, the Commission has designated six as "Established Toll Authorities," three as "Transit Authorities" and four as "Emerging Authorities." This section of the report pertains to Established Toll Authorities that include:

- Miami-Dade Expressway Authority (MDX)
- Central Florida Expressway Authority (CFX)
- Santa Rosa Bay Bridge Authority (SRBBA)
- Tampa-Hillsborough County Expressway Authority (THEA)
- Florida's Turnpike System (Turnpike)
- Mid-Bay Bridge Authority (MBBA)

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 six Established Toll Authorities, all 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 six authorities is presented in the following format that includes:

- Background of the authority
- Performance measures results for fiscal year (FY) 2016
- Operating indicators for FY 2014 through FY 2016
- Governance assessment
- Summary

The 19 performance measures and objectives adopted by the Commission for toll authorities are included in Table 2. These measures attempt to set standards for the efficient and effective operation, maintenance, and management of the toll facilities and the respective organizations.

Table 2
Florida Transportation Commission
Toll Authority Performance Measures
FY 2016

Performance Measure	*Detail*	*Objective*
Operations		
SHS Maintenance Rating Program (MRP) Overall 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%
Revenue Variance	Variance from indicated revenue (without fines - 3 year moving avg.)	< 4%
MRP Safety Characteristic - Signing	Condition rating of at least 90	> 90
MRP Safety Characteristic - Striping	Condition rating of at least 95	> 95
MRP Safety Characteristic - Guardrail	Condition rating of at least 80	> 80
MRP Safety Characteristic - Lighting	Condition rating of at least 85	> 85
Average Customer Call Wait Time	> 80% of calls answered within 1 minute	> 80%
Image Review Processing Time	> 90% of license plate images reviewed in < 2 weeks	> 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%
Toll Collection Expense as a Percentage of Toll Revenue	Toll collection expense (net of exclusions) / toll revenue	< 12%
Annual Operating, Maintenance and Administrative (OM&A) Forecast Variance	Actual OM&A to annual budget	< 110%
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 - Compliance with Bond Covenants	Debt service coverage meets or exceeds minimum Bond Covenant requirements	Yes
Bond Ratings	Bond ratings ≥ BBB (S&P), Baa (Moody's), BBB (Fitch) and no downgrade from previous year	Yes

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 A. The 29 operating indicators adopted by the Commission are presented in Table 3. The indicators are grouped by the various areas for which the statute

Table 3
Florida Transportation Commission
Toll Authority Operating Indicators
FY 2016

Indicator	*Detail*
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	Electronic Transactions
	Revenue from Electronic Transactions
Annual Revenue Growth	Toll and Operating Revenue
Revenue Variance	Actual Revenue with "Recovery of Fines"
	Actual Revenue without "Recovery of Fines"
Safety	Fatalities per 100 Million Vehicle Miles Traveled
Operations and Budget	
Cost to Collect a Toll Transaction	Total Toll Collection Costs (Net of Exclusions) / Number of Transactions
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	# Projects Requiring ROW Acquisition
	# Parcels Needed to be Acquired for Projects
	# Parcels Acquired via Negotiations
	# Parcels Acquired via Condemnation
	# Parcels Acquired with Final Judgements $\leq$ one half the Range of Contention
Revenue Management and Bond Proceeds	
Debt Service Coverage - Bonded/Commercial Debt	[(Rev - interest) - (toll operating & maintenance expense)] / commercial debt service expense
Debt Service Coverage - Comprehensive Debt	[(Rev - interest) - (toll operating & maintenance expense)] / all scheduled debt service expense
Underlying Bond Ratings (Uninsured)	Standard & Poor's Bond Rating
	Moody's Bond Rating
	Fitch Bond Rating

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 authorities 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 six Established Toll Authorities are presented in the following pages, beginning with the Miami-Dade Expressway Authority (MDX).

Miami-Dade Expressway Authority (MDX)

Background

Miami-Dade 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) and other applicable Florida Statutes.

Effective July 1, 2016 (FY 2017), the composition of the governing body of MDX consists of nine voting members. Five members are appointed by the Miami-Dade County Commission, three members are appointed by the Governor, and the ninth member is the District Six Secretary of the Florida Department of Transportation (Department) who is an ex-officio voting 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 or a remaining part of an

Table 4
Miami-Dade Expressway Authority
Current Board Members

Name	*Affiliation*	*Position*
Shelly Smith Fano	Miami-Dade College	Chair
Audrey M. Edmonson	Commissioner, Miami-Dade County	Vice Chair
Leonard Boord	Slon Capital	Treasurer
James A. Wolfe, P.E.	District Six Secretary	Ex-Officio
Carlos A. Gimenez	Mayor, Miami-Dade County	Board Member
Maritza Gutierrez	Creative Ideas Advertising, Inc.	Board Member
Louis V. Martinez, Esq.	Of Counsel, Diaz Reus, LLP	Board Member
Arthur J. Meyer	ANF Group	Board Member
Cliff Walters	Cliff Walters Consulting, LLC	Board Member

Highlights

- MDX met 16 of the 19 performance measure objectives. The measures not met were Revenue Variance and two Maintenance Rating Program Safety Characteristics: Striping and Lighting.
- FY 2016 total operating revenue increased $52.0 million, or 28.3 percent, over FY 2015 while total operating expenses increased $8.4 million, or 11.2 percent. The significant increase in operating revenue is primarily due to the first full year of toll revenue attributed to converting the last two MDX expressways to ORT.
- The current Toll Rate Policy requires that all toll rates on all MDX facilities be indexed to the Consumer Price Index (CPI), effective July 1, 2019. The CPI adjustment may be deferred to no later than July 1, 2022 with a two-thirds vote of the MDX Board. Toll rate adjustments for inflation shall be made no less frequently than once every three years. The policy also establishes the base Toll-by-Plate rate as twice the base SunPass rate.
- Turnpike Enterprise awarded a contract to Conduent State and Local Solutions to develop and implement a Centralized Customer Service System (CCSS) to provide statewide back office operation for non-cash toll collection activities. In February 2016, MDX approved a Master Agreement to be the first participating agency member of the CCSS.
- In September 2016 (FY 2017), MDX issued $95.8 million in Series 2016A Bonds to refund its Series 2006 Bonds. The bond issue resulted in net present value savings of $29.9 million. In FY 2016, two of the three rating agencies upgraded their underlying ratings of MDX bonds.
- MDX has substantially completed a PD&E Study for a new 2.3 mile expressway extension of SR 924 west to the HEFT. Right of way activities are ongoing and final design is scheduled to start in FY 2017. Construction is not yet funded.

appointed term. A person may not be appointed to or serve as a member of the MDX Board if that person currently represents, or has in the previous four years represented, any client for compensation before the Authority or has represented any person or entity that is doing business with, or in the previous four years has done business with the Authority.

Pursuant to an MDX/Florida Department of Transportation Transfer Agreement, in December 1996 the Department transferred operational and financial control of five roadways and certain physical assets to MDX. MDX currently oversees, operates and maintains five tolled expressways constituting approximately 34 centerline-miles and 228 lane-miles of roadway: Dolphin Expressway (SR 836); Airport Expressway (SR 112); Don Shula Expressway (SR 874); Gratigny Parkway (SR 924) and Snapper Creek Expressway (SR 878).

In 2007, MDX opened its first cashless Open Road Tolling (ORT) segment, a three-mile extension of its SR 836 corridor. Continuing its resolve to provide mobility solutions that are safer, faster and more equitable, while maintaining efficiencies, MDX awarded two competitively bid contracts for the ORT deployment on three of its expressways. These contracts included the tolling lane system and the back-office, Account Management Toll Enforcement System (AMTES). In addition, MDX contracted for infrastructure modifications

SR 836 Wing ORT Gantry.

required for the Toll System conversion to ORT for three of its five corridors. As a result, ORT was implemented on the Gratigny Parkway on June 7, 2010 (FY 2010) and on the Don Shula Expressway and the Snapper Creek Expressway on July 17, 2010 (FY 2011). Prior to ORT implementation, the Snapper Creek Expressway was not tolled. On November 15, 2014, MDX's total transition to all electronic tolling was realized with the implementation of cashless ORT on its remaining two facilities, the Dolphin Expressway (SR 836) and Airport Expressway (SR 112). ORT enables MDX to equitably fund the System by ensuring that users pay only their fair share for the portion of the expressway that they use. In Fiscal Year (FY) 2016, MDX reported toll and fee revenues of $234.8 million (net of $12.4 million allowance for doubtful accounts) based on 472 million transactions.

In September 2012, MDX entered into a Memorandum of Understanding (MOU) with Florida's Turnpike Enterprise (Enterprise), Central Florida Expressway Authority (CFX), and Tampa-Hillsborough County Expressway Authority (THEA) to develop and implement a Centralized Customer Service System (CCSS). This system is expected to provide a single point of contact for all non-cash toll collection customers, improve and simplify customer service, reduce the cost of non-cash toll collection, and provide a single centralized customer service center with regional satellite offices. An Interlocal Agreement (ILA) will address specific issues including the establishment and maintenance of customer accounts, distribution of transponders, violations processing and enforcement, common business rules, and interoperability with non-participants. The ILA is subject to approval by the Board of Directors of each participating agency.

In November 2015 the Enterprise executed the contract to develop and implement the CCSS and in February 2016 the MDX Board voted to approve a Master Agreement (formerly ILA) to be the first participating agency member of the CCSS. The Customer Service Center will provide all electronic tolling customer support functions which includes billing, invoicing, customer account management and violation enforcement under a single operation. Regional customer facilities will be located in Miami, Orlando and Tampa and will operate under the SunPass brand. The new Customer Service Center is expected to be fully operational by late 2017/early 2018. Per the agreement, MDX will participate with the CCSS for all SunPass transactions at go-live but has up to six months before transitioning to the CCSS for the Toll-by-Plate billings phase.

Prior to 2015, MDX competitively competed for loans from the Department's Toll Facility Revolving Trust Fund (TFRTF) and State Infrastructure Bank (SIB) to fund various projects. On June 30, 2015 (FY 2015), approximately $15.7 million in outstanding debt ($3.7 million in TFRTF loans and $12.0 million in SIB loans) was due to the Department. As indicated in Table 5, in FY 2016 MDX paid off all $15.7 million in outstanding debt due to the Department.

Table 5
Miami-Dade Expressway Authority
Long-Term Debt Payable to the Department
Year Ended June 30, 2016

Transaction	*(millions)*
Loans from Toll Facilities Revolving Trust Fund[1]	$0.0
Loans from State Infrastructure Bank[1]	$0.0
Total Due Department	$0.0

Source: MDX Notes to Audited Financial Statements.
[1] MDX paid off all outstanding loan amounts in FY 2016.

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.

In 2016, the Commission convened a Charrette on Transportation Authority Performance Measures to gain input from the authorities and to consider any enhancements or changes to FY 2016 performance measures, management objectives and operating indicators. As a result, numerous changes were approved by the Commission and are incorporated in this report. A summary of specific changes is provided in the Introduction section of this report.

FY 2016 results, as reported by MDX, are provided in Table 6. Results for the last five fiscal years are included in Appendix A. MDX met or exceeded 16 of the 19 performance measure objectives established by the Commission. The three performance measure objectives MDX did not met (Revenue Variance and two of the Maintenance Rating Program (MRP) Safety Characteristics: Striping and Lighting) are described below. Explanations are based on input from MDX management.

Revenue Variance

The three year average of actual MDX toll revenue for FY 2014 through FY 2016, without recovery of fines, represents a 10.1 percent variance from indicated revenue thereby not meeting the objective of less than 4.0 percent. Revenue variance operating indicators for FY 2014, FY 2015, and FY 2016 are 11.7 percent, 9.4 percent and 9.7 percent, respectively.

MDX indicated that the high revenue variance is primarily attributable to the calculation of indicated revenue. The indicated revenue calculation recognizes all transactions as revenue at the lane

Table 6
Miami-Dade Expressway Authority
Summary of Performance Measures
FY 2016

Performance Measure	*Detail*	*Objective*	*Actual Results*	*Meets Objective*
Operations				
SHS Maintenance Rating Program (MRP) Overall Rating	Condition rating of at least 90	> 90	92.3	✓
Pavement Condition Rating	% SHS lane miles rated "excellent or good"	> 85%	95.2%	✓
Bridge Condition - Rating	% bridge structures rated "excellent or good"	> 95%	99.1%	✓
Bridge Condition - Weight Restrictions	% SHS bridge structures with posted limit	0%	0.0%	✓
Revenue Variance	Variance from indicated revenue (without fines - 3 year moving avg.)	< 4%	10.1%	X
MRP Safety Characteristic - Signing	Condition rating of at least 90	> 90	92	✓
MRP Safety Characteristic - Striping	Condition rating of at least 95	> 95	90	X
MRP Safety Characteristic - Guardrail	Condition rating of at least 80	> 80	84	✓
MRP Safety Characteristic - Lighting	Condition rating of at least 85	> 85	81	X
Average Customer Call Wait Time	> 80% of calls answered within 1 minute	> 80%	81.0%	✓
Image Review Processing Time	> 90% of license plate images reviewed in < 2 weeks	> 90%	99.3%	✓
Operations and Budget				
Consultant Contract Management	Final cost % increase above original award	< 5%	0.0%	✓
Construction Contract Adjustments - Time	% contracts completed within 20% above original contract time	≥ 80%	80.0%	✓
Construction Contract Adjustments - Cost	% projects completed within 10% above original contract amount	≥ 90%	100.0%	✓
Toll Collection Expense as a Percentage of Toll Revenue	Toll collection expense (net of exclusions) / toll revenue	< 12%	10.5%	✓
Annual Operating, Maintenance and Administrative (OM&A) Forecast Variance	Actual OM&A to annual budget	< 110%	96.6%	✓
Applicable Laws				
Minority Participation[1]	M/WBE and SBE utilization as % of total expenditures (each agency establishes goal/target)	> 90%	146.0%	✓
Revenue Management and Bond Proceeds				
Debt Service Coverage - Compliance with Bond Covenants	Debt service coverage meets or exceeds minimum Bond Covenant requirements	Yes	Yes	✓
Bond Ratings	Bond ratings ≥ BBB (S&P), Baa (Moody's), BBB (Fitch) and no downgrade from previous year	Yes	Yes	✓

[1] MDX has a Small Business participation goal of 10 percent and reported achieving 14.6 percent (146 percent of the goal).

exit date. Conversely, MDX recognizes Toll-by-Plate (TBP) revenue when the invoice is generated rather than at lane exit as is the case with Cash and SunPass transactions. MDX considers the timing difference between the revenue recognition calculations to be a more conservative approach and in accordance with generally accepted accounting principles. MDX indicated that it also takes a cautious approach in establishing an allowance for doubtful accounts on its receivables.

Maintenance Rating Program (MRP) Safety Characteristics - Striping and Lighting

MDX monitors the quality and effectiveness of its routine maintenance program by periodic surveys using the Department's MRP. MDX uses MRP results to evaluate routine maintenance in five broad categories: roadway, roadside, vegetation and aesthetics, traffic services and drainage. The MRP results in a maintenance rating of 1 to 100 for each category, as well as an overall rating for MDX's routine maintenance performance. Four safety characteristics within the traffic services category (signing, striping, guardrail and lighting) were identified as new performance measures in FY 2016. MDX met the overall MRP objective of greater than 90, as well as 2 of the 4 MRP safety characteristics (signing and guardrail) in FY 2016 but did not meet the objectives established for pavement striping or lighting.

Pavement striping is examined to determine if the length and width of each line is reflective and functions as intended according to specifications. During FY 2016, MDX had 225 points inspected for striping of which 23 points, or 10.2 percent, failed. The Department's MRP handbook defines failure "if more than 10 percent of the length of any line is missing or if more than 10 percent of the length of any line is covered by soil, grass or debris." MDX has already implemented an action plan to improve striping that includes resurfacing as part of capacity improvement projects on SR 836 and a new MDX specification for thermoplastic striping to utilize all weather ceramic beads which provide better visibility in wet weather. The action plan also includes installing fixed bridge specified 3M all weather high performance tape with black contrast on all bridges.

During FY 2016, MDX had 214 points inspected for lighting of which 40 points, or 18.7 percent, failed. The Department's MRP handbook defines failure: if any electrical inspection plate, access panel cover, or pull box cover are not properly secured in place; any exposed electrical wire; if more than 10 percent of the total luminaries are missing, damaged or not functioning; and if more than 10 percent of the poles are damaged or missing. MDX indicated that more that 90 percent of the lights on its roadways were functioning and that the failures consisted primarily of missing pull box cover bolts and unsecured inspection plates. MDX has already taken action to improve lighting with the MDX Asset Maintenance contractor inspecting and correcting all of these unsecured inspection plates and pull boxes. Additional initiatives undertaken include changing the MDX specification to include standard roadway and underdeck lighting to LED lighting on all new projects, all new single/double arm light pole luminaires to be equipped with a module receptacle for future intelligent lighting communications, and the installation of an Intelligent Lighting System (ILS) on SR 878 as a pilot program to determine the benefits achieved from such a system.

Presented below are examples of some of the notable performance measures where MDX met the objective or where the performance measure was not applicable. Explanations are provided to clarify the methodology utilized by the Authority or to provide a historical perspective.

Average Customer Call Wait Time

MDX operates a customer call center to handle all Toll-by-Plate noticing through its vendor Credit Protection Association (CPA). The objective is to ensure customer calls are handled expeditiously. CPA handled 750,915 customer calls during FY 2016, answering 608,209 within one minute (81 percent), thereby meeting the performance objective of 80 percent or greater. Through service fees paid by MDX, Florida's Turnpike Enterprise maintains all SunPass accounts and customer call centers related to SunPass transactions on MDX's system.

Image Review Processing Time

Image review processing time was established as a new performance measure in FY 2016. The objective is to review 90 percent of video images (license plates) in less than 2 weeks. Timely review of video images provides for expeditious billing of toll customers, improved revenue recognition, and better customer service. MDX reviewed 126.2 million license plate images in FY 2016, with 99.3 percent being reviewed within 2 weeks.

Small Business and Local Business Participation

MDX has adopted a Small Business (SB) Participation Policy (certification based on a firm's annual revenues), which requires that not less than 10 percent of the dollar value of contracts exceeding $25 thousand awarded for services be committed to SB's. In order to meet this requirement, MDX evaluates individual projects and identifies those projects most applicable for SB participation based on available qualified and certified small businesses and determines a required percentile of the contract amount to be dedicated to SB's. These contracts are then competitively procured through various methods (such as request for proposal (RFP), invitation to bid (ITB), etc.), as may be applicable. Out of approximately $128 million awarded in applicable service contracts during FY 2016, MDX reported achieving 14.6 percent SB participation commitment (or $18.6 million), thereby exceeding the 10 percent SB participation commitment requirement. In addition, out of the $112.4 million paid in applicable service contracts during FY 2016, a total of $16.4 million (or 14.6 percent) was paid to Small Businesses

MDX has also adopted a Local Business (LB) Participation Policy (certification based on geographical location of office and owner(s)' and employees' residence) that requires participation of LB's in all contracts valued at more than $25 thousand. No specific percentile or dollar threshold of participation is established in the Policy, but similar to the SB requirement, MDX evaluates individual projects and identifies those projects most applicable for LB participation based on available qualified and certified LB's and determines a required percentile of the contract amount to be dedicated to LB's. These contracts are then competitively procured through various methods (such as request for proposal (RFP), invitation to bid (ITB), etc.), as may be applicable. Out of approximately $128 million awarded in applicable service contracts during FY 2016, $18.5 million (or 14.5 percent), was committed to LB participation. In addition, out of the $112.4 million paid in applicable service contracts during FY 2016, a total of $24.4 million (or 21.7 percent) was paid to Local Businesses.

While MDX cannot legally support a Minority and Disadvantaged Business Enterprise (MBE/DBE) program as it has not performed a disparate study, it has always encouraged participation in its contracts.

Debt Service Coverage - (Compliance with Bond Covenants and Bond Ratings)

MDX debt service coverage was in compliance with its bond covenants. There were no downgrades to MDX bond ratings in FY 2016 and bond ratings met or exceeded the established objectives of greater than or equal to BBB (Standard & Poor's), Baa (Moody's), and BBB (Fitch). In FY 2016,

SR 836/SR 826 Interchange.

Standard & Poor's upgraded its rating on MDX bonds to A with a Stable Outlook and Moody's Investors Service upgraded its rating to A2 with a Stable Outlook.

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. As previously noted, numerous changes to operating indicators were approved by the Commission in 2016 and are summarized in the Introduction section of this report. FY 2016 operating indicators, as reported by MDX, are provided in Table 7. Also, to assist in trend analysis, FY 2014 and FY 2015 operating results are provided. Results for the last five fiscal years are included in Appendix A.

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.). Major capital projects completed or placed in service during FY 2016 include SR 112 and SR 836 infrastructure modifications for ORT, SR 112 toll system conversion and resurfacing, systemwide safety improvements, and SR 874/ Killian interchange (landscaping and extension of the 4th lane on Killian Parkway). Numerous on-going major capital projects during FY 2016 included: system-wide implementation of dynamic message signs, SR 826/SR 836 and SR 836/I-95 interchange improvements, SR 836 operational, capacity and interchange improvements, SR 836 interchange modifications at 87th Avenue, a new SR 874 ramp connector to and from SW 128th Street, and a new partial interchange at SR 874 and SW 72nd Street.

On an annual basis as priorities are re-evaluated, projects are completed, new projects are identified and the financial capabilities of MDX evolve, the Authority adopts its Five-Year Work Program, which reflects and prioritizes the needs of MDX. The Five-Year Work Program is an important tool used by MDX to effectively manage its program of System safety, preservation, expansion and improvements. It identifies projects, or phases of projects, that MDX anticipates funding during the next five years.

The current approved FY 2017-2021 Work Program ($634 million) continues capacity and operational improvements for ongoing construction in progress projects described above. MDX's planning efforts continue with its ongoing Project Development and Environment (PD&E) Study to evaluate the possibility of a new 15 mile expressway extension of SR 836 to the southwest. This expressway is envisioned as a multimodal facility that would also include express transit buses. Final design and construction for this project are not yet funded. In addition, MDX has substantially completed a PD&E Study for a new 2.3 mile expressway extension of SR 924 west to

Table 7
Miami-Dade Expressway Authority
Summary of Operating Indicators (in millions)
FY 2014 through FY 2016

Indicator	*Detail*	*Actual 14 Results (millions)*	*Actual 15 Results (millions)*	*Actual 16 Results (millions)*
Operations				
Growth in Value of Transportation Assets	Land Acquisition	$324.1	$484.2	$495.9
	Infrastructure Assets	$496.3	$588.3	$615.4
	Construction in Progress	$562.5	$418.4	$468.2
	Total Value of Transportation Assets	$1,383.0	$1,490.9	$1,579.5
Preservation of Transportation Assets	Renewal & Replacement of Infrastructure	$0.0	$0.0	$0.0
	Routine Maintenance of Infrastructure	$6.4	$6.8	$7.0
	Total Preservation Costs	$6.4	$6.8	$7.0
Toll Collection Transactions	Electronic Transactions	97.9%	99.6%	100.0%
	Revenue from Electronic Transactions	92.9%	90.1%	100.0%
Annual Revenue Growth	Toll and Operating Revenue	-4.0%	41.2%	28.3%
Revenue Variance	Actual Revenue with "Recovery of Fines"	11.5%	7.3%	4.7%
	Actual Revenue without "Recovery of Fines"	11.7%	9.4%	9.7%
Safety	Fatalities per 100 Million Vehicle Miles Traveled	0.82	0.27	0.78
Operations and Budget				
Cost to Collect a Toll Transaction	Total Toll Collection Costs (Net of Exclusions) / Number of Transactions	$0.06	$0.06	$0.05
Operating Efficiency	Toll Collection Expense as % of Operating Expense	35.6%	43.7%	46.8%
	Routine Maintenance Expense as % of Operating Expense	9.7%	9.2%	8.4%
	Administrative Expense as % of Operating Expense	10.2%	8.0%	9.2%
	Operating Expense as % of Operating Revenue	50.9%	40.7%	35.2%
Rating Agency Performance	Toll Operations and Maintenance Expense as % of Operating Revenue	23.0%	21.5%	19.4%
Property Acquisition				
Right-of-Way	# Projects Requiring ROW Acquisition	N/A	N/A	3
	# Parcels Needed to be Acquired for Projects	N/A	N/A	20
	# Parcels Acquired via Negotiations	N/A	N/A	19
	# Parcels Acquired via Condemnation	N/A	N/A	1
	# Parcels Acquired with Final Judgments ≤ one half the Range of Contention	N/A	N/A	0
Revenue Management and Bond Proceeds				
Debt Service Coverage - Bonded/Commercial Debt	[(Rev - interest) - (toll operating & maintenance expense)] / commercial debt service expense	1.59	2.27	2.20
Debt Service Coverage - Comprehensive Debt	[(Rev - interest) - (toll operating & maintenance expense)] / all scheduled debt service expense	1.42	2.10	1.86
Underlying Bond Ratings (Uninsured)	Standard & Poor's Bond Rating	A-	A-	A
	Moody's Bond Rating	A3	A3	A2
	Fitch Bond Rating	A-	A	A

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

the Homestead Extension of Florida's Turnpike (HEFT). Right of way activities are ongoing and final design is scheduled to start in FY 2017. Construction is not yet funded. In addition, a PD&E study is funded to evaluate a potential new expressway connecting SR 836, SR 112, SR 924 and SR 826 which is anticipated to begin in FY 2017. Final design and construction for this project are not yet funded.

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)

FY 2016 routine maintenance expenses increased $0.2 million, or 2.3 percent, over FY 2015.

Toll Collection Transactions (Electronic Toll Transactions and Revenue)

Electronic toll collection transactions and toll revenue comprised 100 percent of total transactions and toll revenue on the MDX System. Cash collections at the SR 836 and SR 112 Mainline toll plazas ceased for the most part on November 14, 2014 (FY 2015). These cash collection locations were the final locations closed as part of MDX's conversion to All Electronic Tolling (AET) via ORT. All tolls on the MDX System are now collected through electronic tolling.

Annual Revenue Growth (Toll and Operating Revenue)

Total operating revenue for FY 2016 increased $52.0 million, or 28.3 percent, over FY 2015 primarily due to the first full fiscal year of revenue related to the conversion to ORT of MDX's remaining two facilities (SR 836 and SR 112). FY 2016 cash revenue decreased $1.8 million over FY 2015, while SunPass, Toll-by-Plate (net of allowance for doubtful accounts), and fee revenue increased $33.0 million, $14.3 million, and $6.5 million, respectively. Approximately $5.3 million was also rebated under the MDX Cash Back Toll Dividend Program to MDX SunPass customers for FY 2016.

Total operating revenue for FY 2015 increased $53.5 million, or 41.2 percent, over FY 2014 primarily due to an increase in toll revenues attributed to converting the last two MDX expressways (Dolphin Expressway/SR 836 and Airport Expressway/SR 112) to ORT. As previously noted, the final cash toll collection locations ceased at the SR 836 97th Avenue and SR 112 Mainline toll plazas on November 14, 2014. All tolls on the MDX System are now collected through electronic tolling. FY 2015 cash revenue decreased $4.0 million over FY 2014, while SunPass, Toll-by-Plate (net of allowance for doubtful accounts), and fee revenue increased $40.1 million, $18.1 million, and $1.5 million, respectively. Approximately $2.2 million was also refunded to MDX SunPass customers during FY 2015 under the new MDX Cash Back Toll Dividend Program.

Total operating revenue for FY 2014 decreased $5.4 million, or 4.0 percent, over FY 2013. Cash toll collection ceased at the SR 836 East Mainline and 17th Avenue toll plazas on July 22, 2013. As part of MDX's initial conversion of SR 836 to AET, tolls at these locations are now collected through ORT. FY 2014 cash and fee revenue decreased $4.7 million and $3.9 million, respectively, while

SunPass and Toll-by-Plate (TBP) revenue increased $2.9 million and $0.5 million, respectively. The significant decrease in FY 2014 revenue is primarily attributable to lower than expected TBP revenue as a result of delays in generating and mailing invoices during the transition to a new billing service provider. TBP revenues are recognized when invoiced rather than at lane exit as is the case with Cash and SunPass transactions.

The Board adopted a Toll Rate Policy in March 2013 that establishes the framework pursuant to which the MDX Board shall consider and establish toll rates for the MDX System. Effective July 1, 2019 (FY 2020), all toll rates on all MDX facilities will be indexed to the Consumer Price Index (CPI). The CPI adjustment may be deferred to no later than July 1, 2022 (FY 2023) with a two-thirds vote of the MDX Board. Toll rate adjustments for inflation shall be made effective no less frequently than once every three years and when implemented, shall reflect the cumulative annual changes resulting from the annual application of the CPI, rounded up to the nearest penny. The base Toll-by-Plate rate for each tolling point on the System shall be two times that of the base SunPass electronic toll rate established for the same tolling point. These actions will have a positive impact on the debt service coverage ratios moving forward.

In addition, MDX implemented a Cash Back Toll Dividend Program during FY 2015. Once MDX meets its established financial and operational performance goals, a “cash back” will be returned to its toll customers. The program requires that a customer must use SunPass, pay at least $100 in tolls during the fiscal year on any of MDX’s expressways (FY 2015 was a half year with a $50 threshold), and register with MDX. Cash back checks are mailed to those qualifying customers by December. During FY 2015 and FY 2016, a Cash Back Toll Dividend was approved for $2.2 million and $5.3 million, respectively.

Safety (Fatalities per 100 Million Vehicle Miles Traveled)

The Florida Department of Highway Safety and Motor Vehicles reports official fatalities based on a Calendar Year (CY). Results for fatalities per 100 million vehicle miles traveled are based on nine accident fatalities reported on MDX facilities in CY 2013 and CY 2015 and three accident fatalities reported in CY 2014.

MDX’s safety program aims at reducing the rate of accidents, injury, and death associated with traveling its system of expressways, through physical improvement projects and community awareness programs. In FY 2016, MDX completed the installation of guardrail and other safety barriers to shield errant vehicles from roadway hazards along SR 836/Dolphin Expressway from NW 137th Avenue to NW 62nd Avenue, as well as the replacement of raised pavement markings (RPM) on SR 874/Don Shula Expressway northbound and southbound directions from Kendall Drive to just north of Florida’s Turnpike. MDX also completed final testing of systemwide dynamic message signs that improve traffic operations by providing drivers real-time traffic information and completed the SR 836/Dolphin Expressway and SR 826/Palmetto Expressway interchange improvements in partnership with the Department to enhance safety by minimizing weaving, adding new movements and increasing capacity within the interchange.

In FY 2016, MDX also initiated implementation of wrong way counter measure solutions at four pilot locations on the system for testing in advance of a systemwide deployment: on SR 836, the westbound off-ramps at NW 107th Avenue and NW 137th Avenue; on SR 874, the southbound off-ramp to Killian Parkway; and on SR 924, the westbound off-ramp to Douglas Road. These include direct wired and solar LED RPMs that improve visibility.

MDX continues to provide free roadside assistance on its five expressways 24 hours per day/seven days per week through the Road Ranger Program. By assisting stranded motorists, Road Rangers help maintain mobility, decrease congestion and aid in the avoidance of serious secondary accidents.

Additional safety improvement projects in the MDX Five Year Work Program currently in construction or procurement include capacity, operational and interchange improvements to SR 836/Dolphin Expressway from NW 57th Avenue to NW 17th Avenue, as well as reconstruction of the SR 836/ Dolphin Expressway and 87th Avenue interchange and reconstruction of the SR 836/Dolphin Expressway and I-95 interchange. These projects are geared to improve capacity and safety conditions on the MDX system.

Cost to Collect a Toll Transaction

The FY 2016 cost to collect a toll transaction of 5.0 cents decreased from 5.5 cents reported in FY 2015. For FY's 2011 through 2014, actual results have ranged between 6 and 7 cents, except for FY 2013 where the cost to collect a toll transaction was reported as 3 cents. FY 2013 toll collection costs decreased $6.9 million, or 47.4 percent, primarily due to decreases in Account Management and Toll Enforcement System (AMTES) back office support services attributed to a release of prior fiscal years' accrual of $5.8 million related to on-going litigation with MDX's vendor, Electronic Transaction Consultants Corporation (ETCC).

In 2010, MDX entered into two multi-year, multi-million dollar contracts with ETCC for the implementation and maintenance of an ORT all electronic toll collection system (the In Lane Contract) and for the development, operation, and maintenance of an AMTES back office operation (the AMTES contract). Numerous schedule delays and failures to provide deliverables were experienced in both contracts and MDX issued Notices to Cure Events of Default and issued a Letter of Default to ETCC's surety as to the AMTES contract. MDX and ETCC settled the claims with respect to the In-Lane Contract in August 2014 and entered into a three year supplemental agreement. As for the AMTES contract, MDX believed that failure to meet certain completion, testing, and performance milestones relieved MDX of any obligations to make payments to ETCC. MDX reflected a conservative position in its FY 2011 and FY 2012 financial statements and the release of the accrual in FY 2013, as noted above, was based on the granting of a Motion for Partial Summary Judgment in favor of MDX, holding that ETCC is not entitled to any payment for operations and maintenance. MDX's outside counsel believes that ETCC's damage claims are overstated and not supported by the terms of the AMTES contract. The litigation is ongoing and recently, the presiding judge was disqualified and a new judge was assigned on April 11, 2017. It will be the decision of the new judge on how the matter proceeds.

Operating Efficiency and Rating Agency Performance

FY 2016 total operating revenues increased $52.0 million, or 28.3 percent, over FY 2015 while total operating expenses increased $8.4 million, or 11.2 percent. This resulted in an overall decrease in the ratio of operating expenses to operating revenues in FY 2016. As previously noted, the significant increase in operating revenues is due to the first full year of toll revenue attributed to converting the last two MDX expressways to ORT. Toll collection and routine maintenance expenses for FY 2016 increased 18.9 percent and 2.3 percent, respectively, over FY 2015 levels while administrative expenses increased by 27.8 percent. The $6.2 million increase in FY 2016 toll collection expenses is primarily due to costs incurred for processing and billing additional toll transactions related to the first full year of operations at new tolling gantries as a result of ORT conversion, ORT in-lane software/hardware maintenance, SunPass transponder subsidy paid to Enterprise, and image review software expenses. The $1.7 million increase in FY 2016 administrative expenses is primarily attributed to a $1.6 million increase in professional contracted services for public communication expenses, legal fees related to litigation, and general engineering consultant expenses. MDX reports depreciation on infrastructure (roads, bridges and other highway improvements), furniture and equipment, toll equipment, toll facilities and buildings. FY 2016 depreciation expenses remained relatively the same as reported in FY 2015.

Right-of-Way

The general consensus at the Commission's 2016 Charrette on Transportation Authority Performance Measures was that the previous right-of-way operating indicators did not provide a realistic representation of how expansive an authority's right-of-way program is nor did they provide a realistic representation as to how efficiently and effectively the authority is operating. As such, a new set of operating indicators were established beginning in FY 2016. In general, the indicators were changed from a dollar value focus to the number of parcels acquired.

MDX had 3 projects requiring right-of-way acquisition in FY 2016. The number of parcels needed to be acquired for these 3 projects totaled 57 over a 30-month period. Approximately 20 parcels were planned to be acquired in FY 2016, of which 19 parcels were acquired through negotiations and 1 parcel was acquired through condemnation.

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

MDX reported debt service coverage for Bonded/ Commercial Debt and Comprehensive Debt as 2.20 and 1.86, respectively, for FY 2016. The higher debt service coverage ratios in FY 2015 are primarily due to the significant increase in toll revenue attributed to converting the last two MDX expressways to ORT, partially offset by increases in toll collection expenses due to more transactions being processed. Although toll revenue significantly increased in FY 2016 due to the first full year of the ORT conversion on the last two MDX expressways, debt service coverage ratios slightly decreased in FY 2016 primarily due to an increase in required debt service payments on senior lien debt.

Underlying Bond Ratings

From June 2015 through June 2016, all three of the rating agencies upgraded MDX's credit rating which was attributed to MDX's governance, consistent financial performance and delivery of projects. MDX bond ratings were upgraded as follows: in June 2015, Fitch upgraded its rating to A from A- with a Stable Outlook; in March 2016, Standard and Poor's upgraded its rating to A from A- with a Stable Outlook; and in November 2015, Moody's upgraded its rating to A2 from A3 with a Stable Outlook. Subsequent to FY 2016 year end, Moody's changed its rating Outlook to Positive from Stable and all three credit rating agencies re-affirmed their ratings.

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 in October 2014. 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, whistleblower protection and compliance hotline. In October 2014, the MDX Board amended its Ethics policy and financial disclosure forms to reflect 2014 legislation that amended ethics standards in MDX's enabling legislation (Section 348.0003(5), Florida Statutes), effective July 1, 2014. As previously noted, HB 299, passed by the 2016 Legislature and signed into law by the Governor, amended MDX's enabling legislation regarding Board member composition and conflict of interest requirements, effective July, 1, 2016 (FY 2017).

According to MDX, no ethics or conflict of interest violations or investigations were reported during FY 2016. MDX 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 and Form 8A - Memorandum of Voting Conflict for State Officers) was provided. Pursuant to the MDX Ethics policy, annual ethics training is required for all Board members and employees and every new Board member must receive an ethics briefing within 30 days of commencement of service on the Board. In December 2015, training was provided to the Board and staff related to gifts, voting conflicts, Sunshine Law, public records and the MDX Bylaws. In March 2016, a Sunshine Law and Legislative Update was provided to Board members; specialized training was provided to staff related to personal use of MDX equipment and public records; and a Board member was briefed on conflicts of law. In May 2016, two new Board members were fully briefed on MDX including the MDX ethics policy, Sunshine Law, and public records while staff was updated on public records law regarding business communications. In June 2016, Federal Securities Law training was also provided to the MDX Board.

Pursuant to the MDX Ethics policy, fiscal year-end audit requirement, and Section 348.0003, Florida Statutes, Board members and employees are also required to complete an annual questionnaire. The questionnaire includes lobbyist relationship disclosures, financial disclosures, conflict of interest disclosures and knowledge of fraudulent conduct and ethics violations disclosures that are sent directly to the audit firm for evaluation. Commission staff reviewed the questionnaires provided by MDX and noted no instances of actual or suspected fraud or ethics violations. One Board member disclosed that both he and his wife are registered lobbyists, nine employee/Board

SR 836 Capacity Improvements - Westbound Approaching NW 57th Avenue.

members noted an interest in real property located within a one-half mile radius of any actual or prospective roadway project, and one case of alleged discrimination was noted.

Audits

MDX's Budget and Finance Committee assumes the role of the Audit Committee. According to the Authority, the Committee reviews revenue reports and financial statements and requires staff to discuss at Committee and/or Board meetings. 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 2016, audit results were presented to the Committee. 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 year ended June 30, 2016 was performed. The Independent Auditor's Report indicated that the financial statements were prepared in conformity with GAAP and received an unmodified 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 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 for each Major State Project and on Internal Control over Compliance in Accordance with Chapter 10.550, Rules of the Auditor General did not identify any deficiencies in internal control over compliance that were considered material weaknesses, and MDX complied, in all material respects, with the requirements applicable to its major state financial assistance projects. In the Independent Auditor's Management Letter, no current or prior year findings were noted.

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. MDX has a designated records custodian whose responsibility is to receive, track, review and coordinate responses to public records requests. The records custodian work is augmented by the assistance of the Authority's Public Information Officer and General Counsel who provide technical and legal assistance in determining whether exemption issues are presented by the request.

MDX is also subject to the provisions of Section 189.015, Florida Statutes and Chapter 286, Florida Statutes for open meetings. The schedule for Board meetings as well as agendas and minutes of past Board meetings are posted on the MDX website www.mdxway.com. Beginning in 2010, a video of MDX Board meetings is also provided on the MDX website. Commission staff also reviewed a Board Meeting Schedule published in the Miami Herald newspaper and public meeting notices posted on the MDX website. Based on the review, it appears that required notice of public meetings is in compliance with MDX policy and Florida Statutes.

Procurement

The MDX Procurement Policy (amended October 27, 2015) is comprehensive but the focus of this review is on delegated procurement authority. The Manager of Procurement and Contracts Administration serves as the Chief Purchasing Officer. With prior written approval from the Executive Director, the Chief Purchasing Officer may, in writing, delegate his/her authority regarding procurements to subordinate staff or any of the MDX Deputy Executive Directors. The Chief Purchasing Officer is authorized to approve Small Purchases not to exceed $25 thousand in the aggregate 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 Committee, Executive Director's approval is required for:

- All procurements and resulting contracts valued up to $200 thousand; or threshold established by the Consultants Competitive Negotiation Act (CCNA) for Architectural and Engineering (A&E) services.

- 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 exceeding the delegated threshold.

- Cancellation of contracts.

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 above $200 thousand.

- 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 contingency allowances.

- Rescission of contract awards.

- Final ranking of proposers.

- Assignment of contracts.

Consultant Contract Reporting

MDX provided a list of all "General Consulting" contracts and those sub contracts that exceeded $25 thousand in FY 2016. As indicated in Table 8, 54 sub consultants were used by the general consulting firms for a total cost of $13.2 million in FY 2016.

Compliance with Bond Covenants

As of June 30, 2016, bonds in the principal amount of approximately $1.6 billion are outstanding. The following areas were noted to be in compliance with bond covenants:

Table 8
Miami-Dade Expressway Authority
Summary of General Consultant Sub Consultant Activity
FY 2016

Consulting Contract	*Description*	*Sub Consultants >$25 K ($000)*
EAC Consulting, Inc.	**GEC Services - Construction Management**	
ASA Consultants, Inc.	Structural Support Services	$62
ASC Logic, Inc.	ITS Engineering & Implementation Services	$239
Atkins North America, Inc.	Engineering Construction Management, Project Controls Support	$107
H. Rodriguez Consulting Engineering, Inc.	Engineering Construction Management, Procurement Support	$565
HOLT Communications, Inc.	Public Involvement/Public Relations Services	$275
Johnson-Adams & Associates, LLC	Consulting - Construction Claims Services	$30
Kapsch TrafficCom Transportation NA, Inc.	Development of Construction Information Exchange Network Services	$313
R. J. Behar & Company, Inc.	Construction Inspections, Engineering, Environmental, Traffic Data, CADD, and Final Estimates Review Services	$251
Radise International, L.C.	Geotechnical & Materials Engineering Testing and Consulting Services	$155
Reynolds, Smith and Hills, Inc.	Planning, Design & Traffic Operations Services	$445
Rummel, Klepper & Kahl. LLP	CEI & Project Controls Support Services	$40
Smart-Sciences, Inc.	Environmental Consulting/Engineering-Biology Services	$52
Southwest Research Institute	ITS & Tolling Support Services	$55
Tamayo Engineering, LLC	Engineering Construction Management, Project Controls Support	$221
Terracon Consultants, Inc.	Geotechnical, Materials Contract Administration/Support Services	$131
Transpath, Inc.	Engineering Consulting & Scheduling/Claim Analysis Services	$48
HNTB Corporation	**GEC Services - Work Program/Production (Contract RFP-10-03)**	
Azimuth 360 Consulting Group, Inc.	Structural Inspections/GIS Services	$105
Bermello, Ajamil & Partners, Inc.	Public Involvement & Architectural Services	$508
CAB Professional Consulting Services	MRP Inspections	$45
CH Perez & Associates Consulting Engineering, Inc.	Roadway Design, Traffic Analysis & Surveys	$282
De Leon & De Leon, P.A.	Procurement Support	$30
E Sciences, Inc.	Environmental Engineering Support	$40
EV Services, Inc.	Public Involvement	$151
Fernandez - Beraud, Inc.	Landscape Architecture	$118
Geosol, Inc.	Geotechnical & Material Testing Services	$371
Glass Land Acquisition Service	Right-of-Way Services	$1,090
Goal Associates, Inc.	PD&E , Engineering & Technical Support	$440
Manual G. Vera & Associates, Inc.	Surveying & Mapping	$214
M.C.O. Construction and Services, Inc.	Cost Management & Program Controls	$139
Ribbeck Engineering, Inc.	Drainage & GIS Services	$584
Trace Consultants, Inc.	Roadway Design Services	$33
HNTB Corporation	**GEC Services - Work Program/Production (Contract RFP-16-02)**	
Azimuth 360 Consulting Group, Inc.	Structural Inspections/GIS Services	$38
Ballast, LLC	App Development & Website Maintenance	$25
Bermello, Ajamil & Partners, Inc.	Public Involvement & Architectural Services	$189
CH Perez & Associates Consulting Engineering, Inc.	Roadway Design, Traffic Analysis & Surveys	$137
EV Services, Inc.	Public Involvement	$49
Fernandez - Beraud, Inc.	Landscape Architecture	$38
Geosol, Inc.	Geotechnical & Material Testing Services	$83
Glass Land Acquisition Service	Right-of-Way Services	$849
Goal Associates, Inc.	PD&E , Engineering & Technical Support	$155
M.C.O. Construction and Services, Inc.	Cost Management & Program Controls	$53
Ribbeck Engineering, Inc.	Drainage & GIS Services	$126
Florida Drawbridges, Inc. (FDI)	**Asset Maintenance Services**	
Alcron LLC	Concrete Repairs	$272
Arazoza Brothers Corp.	Landscape Installation	$73
CG Electrical & Consulting Services	Electrical Services	$95
City & Environs Group, Inc.	Structural Repairs	$688
Eco Team LLC	Janitorial Services	$150
Frank's Lawn Services	Tree Trimming	$65
Greenman-Pedersen, Inc.	Coatings Consulting	$33
Hawthorne Services, Inc.	TMC Operator & Supervisor	$558
ILS-System, LLC	Monitoring System	$99
Remington Steel & Signs Corp.	Guardrail & Signs Repairs	$488
Star Cleaning	Mechanical Sweeping	$148
Tenusa, Inc.	Mowing & Landscape Maintenance	$1,607
CDM Smith, Inc.	**Traffic and Revenue Consulting Services**	
Total Sub consultants > $25 K		$13,157

- 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 two General Engineering Consultants (HNTB and EAC).

- An independent inspection and report concerning the condition of the Expressway System is required at least annually. An annual inspection report, dated December 2016, was provided by MDX.

- 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 (CDM Smith).

- Debt service coverage ratios for FY 2016 exceed bond requirements.

- As of June 30, 2016, MDX has fully funded the Debt Service Reserve Fund in the amount of $115.6 million.

Subsequent to FY 2016 year end, on September 16, 2016 (FY 2017), MDX issued $95.8 million in Toll System Refunding Revenue Bonds, Series 2016A. Bond proceeds were used to refund the remaining outstanding portion of the MDX Toll System Revenue Bonds, Series 2006 and pay expenses related to bond issuance costs. The Refunding resulted in a present value savings of $29.9 million.

Website Compliance

The 2014 Legislature passed, and Governor Scott signed into law, Senate Bill 1632 that significantly amended Chapter 189, Florida Statutes (Uniform Special District Accountability Act). A new Section 189.069, Florida Statutes, requires special districts to maintain an official internet website by October 1, 2015. The website must contain information including contact information and the term and appointing authority for each member of the governing body, public purpose, fiscal year, the district's charter and statutes under which it operates, service area and services provided, fees and charges imposed and collected, adopted code of ethics, budget, and complete audit report. Effective October 1, 2016, House Bill 479, passed by the 2016 Legislature, further amended Chapter 189, Florida Statues. MDX management indicated that it conducted a review of its website to ensure compliance with the new statutory requirements.

House Bill 1049

House Bill (HB) 1049 was passed by the 2017 Legislature and signed into law by Governor Scott, effective July 1, 2017. HB 1049 provides for significant changes to Chapter 348, Part I, Florida Statutes (the Florida Expressway Authority Act) regarding certain expressway authorities, which currently includes only MDX. The legislation amends certain provisions of Chapter 348, Part I, Florida Statutes to (1) place restrictions on the toll-setting process, including, among other things, requiring an independent traffic and revenue study for toll increases (except for increases tied to inflation), and a two-thirds majority vote of the authority board to approve a toll increase, (2) limit the amount of toll revenue that can be used for administrative expenses, (3) require a distance of at least five miles between main through-lane tolling points on transportation facilities constructed after July 1, 2017, (4) require a reduction in SunPass toll rates of between 5 and 10 percent, (5) dedicate at least 20 percent, but not more than 50 percent, of annual surplus revenues to transportation and transit related expenses for projects in the area served by the authority, and (6) require certain measures relating to accountability, including a financial audit requirement and required website posting of meeting agendas, financial audit, bond covenants, budget, contracts, expenditures and other information. The legislation includes "savings" clauses that make the amendments related to the operation, maintenance and finances of the System including all right to regulate, establish, collect and receive tolls thereon subject to the requirements contained in outstanding debt obligations. MDX's implementation of the various provisions of HB 1049 will be presented in next year's *Transportation Authority Monitoring and Oversight Report*.

Summary

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

MDX met or exceeded 16 of the 19 management objectives established for performance measures. The three performance measure objectives not met were revenue variance and the two maintenance rating program safety characteristics: striping and lighting.

Operating indicator trend analysis showed that FY 2016 infrastructure assets increased $27.1 million over FY 2015 primarily due to major capital projects completed or placed in service during FY 2016 that include SR 112 and SR 836 infrastructure modifications for ORT, SR 112 toll system conversion and resurfacing, system-wide safety improvements, and SR 874/Killian interchange (landscaping and extension of the 4th lane on Killian Parkway). Numerous on-going major capital projects include SR 826/SR 836 and SR 836/I-95 interchange improvements, system-wide implementation of dynamic message signs, SR 836 operational, capacity and interchange improvements, SR 836 interchange modifications at 87th Avenue, a new SR 874 ramp connector to and from SW 128th Street, and a new partial interchange at SR 874 and SW 72nd Street.

FY 2016 total operating revenues increased $52.0 million, or 28.3 percent, over FY 2015 while total operating expenses increased $8.4 million, or 11.2 percent. The significant increase in operating revenues is due to the first full year of toll revenue attributed to converting the last two MDX expressways to ORT. Toll collection and routine maintenance expenses for FY 2016 increased 18.9 percent and 2.3 percent, respectively, over FY 2015 levels while administrative expenses increased by 27.8 percent. The $6.2 million increase in toll collection expenses is primarily due to costs incurred for processing and billing additional toll transactions related to the first full year of operations at new tolling gantries as a result of ORT conversion, ORT in-lane software/ hardware maintenance, SunPass transponder subsidy paid to Enterprise, and image review software expenses. The $1.7 million increase in FY 2016 administrative expenses is primarily attributed to a $1.6 million increase in professional contracted services for public communications expenses, legal fees related to litigation, and general engineering consultant expenses. MDX debt service coverage was in compliance with its bond covenants. In June 2015, Fitch upgraded the underlying ratings of MDX bonds to A from A- with a Stable Outlook based on the significant increase to MDX's revenue base resulting from the implementation of ORT initiatives, consistent financial performance and overall governance. In addition, Standard and Poor's upgraded its rating of MDX bonds to A from A- in March 2016 with a Stable Outlook, and Moody's upgraded its rating to A2 from A3 in November 2015 with a Stable Outlook. Subsequent to year end, all three rating agencies re-affirmed MDX's rating and Moody's changed its Outlook from Stable to Positive.

In the area of governance, the FY 2016 independent financial statement audit reflected an unmodified opinion. No findings were noted in the areas of internal control and compliance and no recommendations for improvement were noted in the Auditor's Management Letter. Recent legislation amended Chapter 189, Florida Statutes, to require special districts to maintain an official internet website that discloses prescribed information. MDX management indicated that it conducted a review of its website to ensure compliance with the new statutory requirements.

In September 2012, MDX entered into a Memorandum of Understanding (MOU) with the Turnpike Enterprise, Central Florida Expressway Authority and Tampa-Hillsborough Expressway Authority to adopt an Interlocal Agreement (ILA) to manage the procurement and engagement of a third-party private sector vendor to provide a Centralized Customer Service System (CCSS) that will provide statewide back office operation for administration of electronic toll collection activities including customer account maintenance, transponder distribution, and violations processing. In November 2015, Enterprise executed the contract to develop and implement the CCSS. In February 2016, the MDX Board approved a Master Agreement to be the first participating agency member of the CCSS. The new Customer Service Center is expected to be fully operational by late 2017 or early 2018.

In September 2016 (FY 2017), MDX issued $95.8 million in Toll System Refunding Revenue Bonds, Series 2016A. Bond proceeds were used to refund the MDX Toll System Revenue Bonds, Series 2006 and pay expenses related to bond issuance costs. As a result of the refunding, MDX realized a net present value savings of $29.9 million.

In November 2014, MDX's total transition to all electronic tolling was realized with the implementation of cashless ORT on its remaining two facilities, the Dolphin Expressway (SR 836) and Airport Expressway (SR 112). By closing up the Expressway System, ORT enables MDX to equitably fund the System by ensuring that users pay only their fair share for the portion of the expressway that they use. The significant increase in toll revenues in FY 2015 and FY 2016 are primarily attributable to the ORT conversions. The current Toll Rate Policy requires that all toll rates on all MDX facilities be indexed to the Consumer Price Index (CPI), effective FY 2020. The CPI adjustment may be deferred to no later than FY 2023 with a two-thirds vote of the MDX Board. Toll rate adjustments for inflation shall be made effective no less frequently than once every three years. The Toll Rate Policy also establishes the base Toll-by-Plate rate as twice the base SunPass rate.

MDX also implemented a Cash Back Toll Dividend Program during FY 2015 which replaced the former frequency discount program that provides for a cash back payment to eligible SunPass customers who register with MDX. Cash back dividend checks totaling $5.3 million were issued to eligible SunPass customers during FY 2016.

House Bill 1049 was passed by the 2017 Legislature and signed into law by Governor Scott, effective July 1, 2017 (FY 2018). HB 1049 significantly amended MDX's enabling legislation in the areas of toll increases, administrative expenses, SunPass toll rates, use of annual surplus revenues, and certain accountability issues. MDX's implementation of the various provisions of HB 1049 will be presented in next year's *Transportation Authority Monitoring and Oversight Report*.

Based on the Commission's review of MDX policies and procedures, Florida Statutes, Financial Statements, Bond Covenants and other documentation provided by MDX, 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 MDX for its implementation of Open Road Tolling on all of its facilities and encourages MDX to continue to develop and pursue action plans to help meet established performance measure objectives. 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.

Central Florida Expressway Authority (CFX)

CENTRAL FLORIDA EXPRESSWAY AUTHORITY

Background

The Central Florida Expressway Authority (CFX) is an agency of the State of Florida, created in 2014 pursuant to Chapter 348, Part III, Florida Statutes for the purpose to construct, operate, and maintain roads, bridges, and avenues for the expressway and any rapid transit, trams, or fixed guideways located within the right-of-way of an expressway in Orange, Seminole, Lake and Osceola Counties. CFX 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) and other applicable Florida Statutes.

CFX assumed all assets, liabilities, duties, responsibilities and obligations of the Orlando-Orange County Expressway Authority (OOCEA) under its existing contracts and agreements, including, without limitation, the duties, responsibilities and obligations under the Amended and Restated Master Bond Resolution (Bond Resolution). CFX must operate and maintain the expressway system in accordance with the Bond Resolution and the Lease-Purchase Agreement entered into between OOCEA and the Florida Department of Transportation (Department).

The area served by CFX includes Seminole, Lake, and Osceola Counties in addition to Orange County. There are no toll authorities in Seminole and Lake Counties. Osceola County Expressway Authority (OCX) started constructing their first project, Poinciana Parkway, in 2014. Phase 1 of the Poinciana Parkway opened in April 2016 and subsequent to completion of Phase 2 in November 2016, the entire facility was completed. Governance and control of OCX, including all OCX

Highlights

- CFX met or exceeded 16 of the 19 performance measure objectives. The three objectives not met were the State Highway System Maintenance Rating, Average Customer Call Wait Time and Consultant Contract Management.
- FY 2016 operating revenue increased $41.7 million, or 11.6 percent, over FY 2015 while operating expenses increased $12.3 million, or 15.2 percent.
- In July 2015, CFX issued $194 million in Senior Lien Revenue Bond Anticipation Notes (BANs) to advance construction of its respective sections of the Wekiva Parkway. CFX plans to use $194 million from a low interest federal loan (TIFIA), secured by CFX in March 2015, to pay for the BANs after CFX's portion of the Wekiva Parkway is constructed.
- CFX's first section of the Wekiva Parkway is scheduled to open to traffic in summer 2017, with all remaining sections scheduled to open in early 2018.
- Governance and control of the Osceola County Expressway Authority (OCX), including all OCX assets and liabilities, will transfer to CFX sometime after December 31, 2018 when certain debt service coverage ratios are met. CFX is currently conducting four concept, feasibility and mobility studies on the unbuilt OCX Master Plan estimated to be completed in early 2018.
- During and subsequent to FY 2016, CFX issued two series of bonds: Series 2016A issued in April 2016 for $151.7 million and Series 2016B issued in November 2016 (FY 2017) for $631.3 million. Bond proceeds were used to refund a portion of outstanding Series 2007A, 2010A, 2010B, and 2010C bonds to achieve interest cost savings of $65.2 million.

assets and liabilities, will transfer to CFX sometime after December 31, 2018 when the current and forecasted total annual debt service coverage ratio for OCX's system is equal to or greater than 1.5 times for each year during which any underlying debt obligations related to OCX assets are scheduled to be outstanding. OCX projects must be transferred to CFX as non-system projects. OCX can build the four projects identified in the May 8, 2012, Master Plan that are under construction by December 31, 2018. Excess revenues from OCX assets transferred to CFX are to be used by CFX to satisfy the obligations of OCX and to complete the OCX Master Plan.

When CFX adopted its first Master Plan (CFX 2040 Master Plan) in May 2016 the OCX Master Plan projects were included. In September 2016, the CFX board unanimously approved an interlocal agreement with Osceola County (OC) and OCX transferring the lead for the OCX Master Plan development to CFX. CFX began conducting concept, feasibility and mobility studies on the unbuilt OCX Master Plan projects in April 2017. The goal of the four studies is to determine which, if any, meet CFX requirements for viability and funding. Per the interlocal agreement, if any of the OCX projects are viable in accordance with CFX policies and the CFX board decides not to design and build it, then OC/OCX may design and build the project. A process has not yet been determined as to the merging of OCX with CFX.

The appurtenant facilities that CFX may acquire, construct and equip include rapid transit, trams and fixed guideways. CFX may, within the right-of-way of the expressway system, use excess revenues that are otherwise available to CFX after compliance with the Bond Resolution for intermodal facilities and multimodal corridors that improve the levels of service on its system. CFX embarked on defining its mission and vision to provide regional mobility during the 2040 Master Plan initiative. The 2040 Master Plan, approved by the Board in May 2016, included the agency's mission and vision statements and serves as the basis for the development of long-term strategies and future five-year work plans. In addition, CFX retained the Center for Urban Transportation Research (CUTR), at the University of South Florida, to conduct a study to develop policy recommendations, investigate regional multimodal funding needs and recommend a process for the periodic review of existing intermodal/multimodal opportunities for CFX. The resulting report indicated that currently, CFX should take revolutionary and incremental steps as it explores multimodal partnerships and avoid moving into a role that includes the operation and ownership of multimodal systems. The study identified several potential opportunities for CFX to further explore with multimodal partnerships to provide regional solutions. The CFX Board amended the 2040 Master Plan to include an adopted Mulitmodal Investment Policy in March 2017.

A two thirds majority vote of the CFX governing board is required to use revenues attributed to a toll increase on a portion of the system to construct or expand a different portion of the system, unless compliance with this provision violates the provisions of the Bond Resolution, or the existing Memorandum of Understanding with the Department.

The governing body of CFX consists of nine members. The chairs of the county commissions of Seminole, Lake, and Osceola Counties each appoints one member from his or her respective county, who must be a commission member or chair or the county mayor. The Mayor of Orange County appoints a member from the Orange County Commission. Subject to confirmation by the Senate during the next regular session of the

Legislature, the Governor appoints three citizen members, each of whom must be a resident of either Orange, Seminole, Lake or Osceola Counties. The Mayor of Orange County and the Mayor of the City of Orlando also serve as members. The Executive Director of the Florida Turnpike Enterprise (FTE) serves as a nonvoting advisor. Each member appointed by the governor serves for four years and each county-appointed member serves for two years.

Table 9
Central Florida Expressway Authority
Current Board Members

Name	Affiliation	Position
Buddy Dyer	Orlando Mayor	Chairman
Fred Hawkins, Jr.	Osceola County Commissioner	Vice Chairman
Jay Madara	Governor's Appointee	Treasurer
Brenda Carey	Seminole County Commissioner	Board Member
Andria Herr	Governor's Appointee	Board Member
Teresa Jacobs	Orange County Mayor	Board Member
Sean Parks	Lake County Commissioner	Board Member
S. Michael Scheeringa	Governor's Appointee	Board Member
Jennifer Thompson	Orange County Commissioner	Board Member

CFX owns and operates 109 center-line miles of limited access expressways in Orange County. The expressways include 22 miles of State Road 408 (Spessard L. Holland East-West Expressway), 23 miles of State Road 528 (Martin B. Andersen Beachline Expressway), 33 miles of the State Road 417 (Central Florida GreeneWay), 23 miles of State Road 429 (Daniel Webster Western Beltway), 6 miles of the State Road 414 (John Land Apopka Expressway) and two miles of State Road 451. CFX reported toll revenue of $391 million in FY 2016 based on 411 million toll transactions.

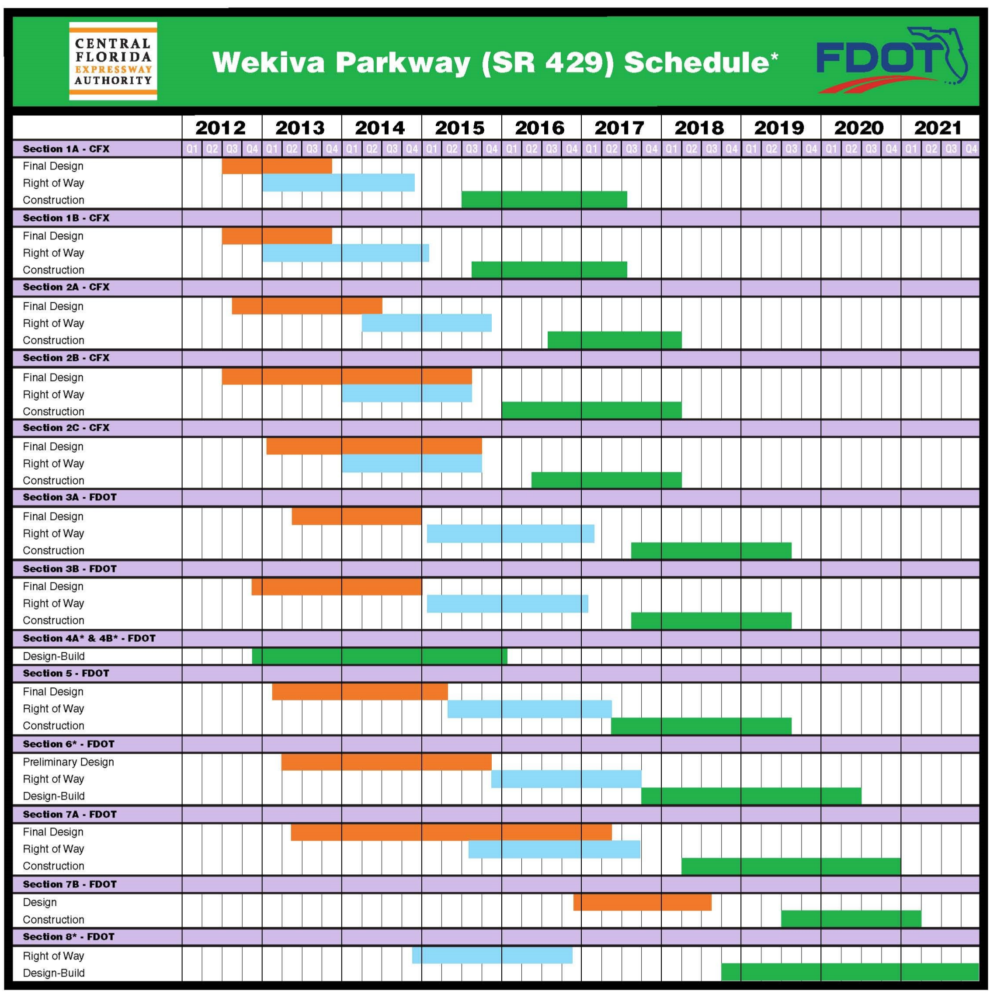
CFX owns and operates the electronic pre-paid toll collection system branded E-PASS. In 2016, the CFX Board implemented several customer focus programs for E-PASS including toll discount programs; Beltway Discounts, Customer Loyalty Discount and Public School Bus 99% Rebate Program. In total, CFX returned $19 million to its customers in FY 2016. In addition, CFX opened Reload Lanes, the first in the Continental United States, at the SR 408 Mainline Plaza (one in each direction). The Reload lane repurposes a cash facility lane providing drive-up customer service to CFX customers. E-PASS account holders can add money to their accounts while cash preferred customers can conveniently get a free transponder and open an E-PASS account. This allows the cash preferred customer to add funds to an account with cash as often as needed and receive the electronic toll rate as well as qualify for E-PASS discounts. Due to the overwhelming success of the initiative, CFX has opened two additional Reload sites on its system.

The Wekiva Parkway (SR 429) is currently under design and construction. The project is a 25-mile tolled expressway that will traverse Orange, Seminole and Lake Counties and connect to SR 417, completing the beltway around northwest metropolitan Orlando. The project is estimated to cost $1.6 billion, which includes approximately $500 million of non-toll road improvements, and will feature all electronic tolling. In February 2012, a Memorandum of Understanding (MOU) delineated the plan to fund, design, construct, own, operate and maintain the Wekiva Parkway. The Wekiva Parkway Interlocal Agreement approved on May 9, 2014, contains specific terms and provisions governing the project that are consistent with the MOU. CFX will independently finance, build, own and manage Sections 1A, 1B, 2A, 2B and 2C which will constitute part of the CFX system. While CFX is primarily responsible for the Orange County portion and a small section in Lake County, the Department is responsible for the remaining portions in Lake and Seminole Counties. The various sections of the Wekiva Parkway are scheduled to be open to traffic in accordance with the schedule provided in Figure 3. CFX's first section of the Wekiva Parkway, from SR 429 at US 441 to the future Kelly Park Road Interchange, is scheduled to open in summer 2017. All of CFX's

Wekiva Parkway sections are scheduled to be open to traffic in early 2018.

In July 2015, CFX issued $193.7 million in Senior Lien Revenue Bond Anticipation Notes (BANs), Series 2015, to provide short-term financing for a portion of the Wekiva Parkway project. Interest is paid biannually and the BANs mature on January 1, 2019 in the principal amount. CFX secured a $193.7 million USDOT Transportation Infrastructure Finance and Innovation Act (TIFIA) loan in March 2015 at a historically low interest rate of 1.23 percent, accelerating CFX's Wekiva Parkway construction schedule of Sections 2A, 2B, and 2C by as much as 18 months. CFX expects that the BANs will be paid for by the TIFIA Loan after CFX's portion of the Wekiva Parkway is constructed.

CFX completed construction of a new interchange at SR 417 and Boggy Creek Road. Construction occurred in two phases: Phase One was completed in November 2013 (FY 2014) and Phase Two was completed in February 2016. The interchange provides better access to and from the Orlando International Airport and will accommodate the planned extension of Osceola Parkway. A first in Florida, curved pre-cast concrete U-beams were



*Schedule Subject to Change
*For more information, visit www.wekivaparkway.com

Figure 3: Wekiva Parkway Schedule Depicting CFX and Department Segments.

designed and constructed for the new bridge flyover ramps. CFX estimates that this new technology resulted in approximately $8 million in savings.

After years of planning, in January 2016 the SR 528 Airport Toll Plaza was removed. Originally opened in 1983, the Airport Plaza was CFX's oldest and second busiest toll plaza, and the only main plaza on the system not equipped with Open Road Tolling (ORT) lanes. Under an "Interagency Toll Collection Agreement" with FTE, CFX transferred toll collections from the SR 528 Airport Plaza to FTE's SR 528 Beachline West Main Plaza. The plaza's removal and consolidated collection of tolls on SR 528 now provides visitors and daily commuters with enhanced convenience, safety and a better, more efficient travel experience.

CFX capital projects are budgeted and planned for in its Five-Year Work Plan. Renewal and replacement projects, intelligent transportation systems projects and projects from the 2040 Master Plan are prioritized according to critical need. The 2040 Master Plan was approved by the Board in May 2016, and is CFX's first regional master plan. Major projects in the Authority's $1.4 billion Five-Year Work Plan (FY 2017 through FY 2021) include existing system widening, resurfacing projects, several interchange projects, the completion of the Wekiva Parkway, multiple PD&E studies in the region, and continuation of the CFX Toll System Replacement project to replace or upgrade the existing toll collection system infrastructure.

Lease-Purchase Agreement

Under the requirements of a Lease-Purchase Agreement between CFX and the Department, CFX is reimbursed by the Department for a portion of the operating and maintenance costs of SR 408 and SR 528. CFX records these prior 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, CFX utilized funds from a State Infrastructure Bank (SIB) loan to acquire right-of-way for construction of SR 414. Table 10 indicates that, as of June 30, 2016, approximately $175.0 million is owed to the Department for operating and maintenance expense advances and other Department advances and loans.

Table 10
Central Florida Expressway Authority
Long-Term Debt Payable to the Department (in millions)
Year Ended June 30, 2016

Transaction	*(millions)*
Advances for Operating and Maintenance Expenses[1]	$158.9
Advances for Completion of East-West Expressway[1]	$14.0
Loans from State Infrastructure Bank[2]	$2.1
Total Due Department	$175.0

Source: CFX Notes to Audited Financial Statements and CFX Management.
[1] CFX repaid the Department $10 million in July 2012 and will repay $20 million each year thereafter until the advances are eliminated.
[2] To be repaid by FY 2018.

The February 2012 Wekiva Parkway MOU states that CFX will repay operations and maintenance costs advances from the Department by paying the Department $10 million in July, 2012 and $20 million each year thereafter until the long-term advances are eliminated. The funds paid to the Department must be used for construction of its portions of the Wekiva Parkway. CFX entered into the Wekiva Interlocal Agreement with the Department effective June 11, 2014, in which the parties have agreed to discontinue the obligations of the Department under the existing Lease-Purchase Agreement after July 1, 2028. The holders of all bonds issued by CFX since 2003 have provided their consent to such action. The parties have also agreed to terminate the Lease-Purchase Agreement upon the earlier of the defeasance, redemption or payment in full of CFX's bonds issued and outstanding as of the effective date of the Wekiva Interlocal Agreement or the receipt of sufficient bondholder consents to such termination. Upon the termination of the Lease-Purchase Agreement, title to the CFX System shall remain vested in CFX.

On October 11, 2016 (FY 2017), CFX exercised its right to prepay the entire balance of its accumulated long term debt to the Florida Department of Transportation in accordance with Section 3 of the Wekiva Interlocal Agreement dated June 11, 2014. CFX indicated that as of October 11, 2016, the unpaid amount owed to the Department by CFX was $150,870,101.89. On October 12, 2016, a wire transfer of the amount owed was completed. For future operation and maintenance payment obligations due to the Department under the LPA, CFX established an escrow deposit agreement with a financial institution serving as escrow agent and will annually deposit into escrow on or before June 15 of each fiscal year the amount, if any, included by the Department in its then current budget for operations and maintenance of CFX's system.

Florida's Centralized Customer Service System

On September 12, 2012, a MOU with FTE, Miami-Dade Expressway Authority (MDX), Tampa-Hillsborough County Expressway Authority (THEA) and CFX was entered into, to develop and implement a Centralized Customer Service System (CCSS). This system is expected to provide a single point of contact for all non-cash toll collection customers, improve and simplify customer service, reduce the cost of non-cash toll collection, and provide a single centralized service center with regional satellite offices. As a result of the MOU, the participating agencies intend to implement the CCSS through a jointly developed Interlocal Agreement (ILA) that will address specific issues including, but not limited to, the establishment and maintenance of customer accounts, distribution of

New SR 417/Boggy Creek Road Interchange.

transponders, violations processing and enforcement, common business rules, and interoperability with non-participants. The contemplated ILA is subject to approval by the CFX, THEA and MDX Board of Directors.

In November 2015, Florida's Turnpike Enterprise executed the contract to develop and implement the CCSS and developed a CCSS Master Agreement that will enable the other three agencies to transition to the new system. At this time, the MDX and THEA Boards approved the CCSS Master Agreement. However, on April 14, 2016, the CFX Board deferred joining the CCSS expressing concerns that terms of the original Memorandum of Understanding were not adequately addressed in the Master Agreement.

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.

In 2016, the Commission convened a Charrette on Transportation Authority Performance Measures to gain input from the authorities and to consider any enhancements or changes to FY 2016 performance measures, management objectives and operating indicators. As a result, numerous changes were approved by the Commission and are incorporated in this report. A summary of specific changes is provided in the Introduction section of this report.

FY 2016 results, as reported by CFX, are provided in Table 11. Results for the last five fiscal years are included in Appendix A. CFX met or exceeded 16 of the 19 performance measure objectives. The three performance measure objectives the Authority did not meet (State Highway System Maintenance Rating Program Rating, Average Customer Call Wait Time and Consultant Contract Management) are described below and include trend data and explanations which are based on input of CFX management.

State Highway System Maintenance Rating Program (MRP) Rating

For FY 2016, the Maintenance Rating Program (MRP) overall rating of 89 fell just short of the objective of at least 90. The Department changed the weight of the five major elements of the MRP rating approximately two years ago, which reduced the emphasis on roadways and raised the emphasis on roadside and vegetation-aesthetics. The weighted emphasis and actual CFX scores, by element, are as follows: roadway weighted 5 percent - 97 actual score; roadside weighted 20 percent - 86 actual score; traffic services weighted 35 percent - 91 actual score; drainage weighted 15 percent - 92 actual score; and vegetation-aesthetics weighted 25 percent - 89 actual score.

CFX indicated that it would weigh roadway higher than roadside and vegetation-aesthetics elements due to the priority of safety characteristics on the roadway itself. CFX will work to achieve an average score of at least 90 for all five elements of the MRP Rating for FY 2017.

Average Customer Call Wait Time

E-PASS is CFX's electronic toll collection system and is accepted on all toll roads and most bridges in Florida, Georgia and North Carolina. CFX maintains all E-PASS accounts for its customers, as well as the Customer Service Call Center (Call Center) and two walk-in E-PASS service centers. Average customer call wait time was established as a new performance measure in FY 2016. The objective is to answer more than 80 percent of calls within one minute, with actual results of 52.8 percent reported in FY 2016.

The CFX Board and staff began focusing on Call Center wait times in 2016. The previous contractor for the Call Center experienced staffing challenges that caused service to suffer. When the new contractor, Egis, Inc. came on board, CFX started working on ways to improve customer service. CFX reconfigured the Call Center to accommodate the additional staff necessary to meet acceptable call wait times and more easily provide management assistance for calls when necessary. A more robust work force scheduling software was obtained that could work in unison with actual phone call traffic data to customize work schedules and better allocate staff to the needs of the business. CFX reported that current call center wait times are averaging thirty seconds.

Table 11
Central Florida Expressway Authority
Summary of Performance Measures
FY 2016

Performance Measure	*Detail*	*Objective*	*Actual Results*	*Meets Objective*
Operations				
SHS Maintenance Rating Program (MRP) Overall Rating	Condition rating of at least 90	> 90	89	X
Pavement Condition Rating	% SHS lane miles rated "excellent or good"	> 85%	93.0%	✓
Bridge Condition - Rating	% bridge structures rated "excellent or good"	> 95%	98.6%	✓
Bridge Condition - Weight Restrictions	% SHS bridge structures with posted limit	0%	0.0%	✓
Revenue Variance	Variance from indicated revenue (without fines - 3 year moving avg.)	< 4%	3.1%	✓
MRP Safety Characteristic - Signing	Condition rating of at least 90	> 90	93	✓
MRP Safety Characteristic - Striping	Condition rating of at least 95	> 95	98	✓
MRP Safety Characteristic - Guardrail	Condition rating of at least 80	> 80	89	✓
MRP Safety Characteristic - Lighting	Condition rating of at least 85	> 85	92	✓
Average Customer Call Wait Time	> 80% of calls answered within 1 minute	> 80%	52.8%	X
Image Review Processing Time	> 90% of license plate images reviewed in < 2 weeks	> 90%	100.0%	✓
Operations and Budget				
Consultant Contract Management	Final cost % increase above original award	< 5%	8.9%	X
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%	✓
Toll Collection Expense as a Percentage of Toll Revenue	Toll collection expense (net of exclusions) / toll revenue	< 12%	9.7%	✓
Annual Operating, Maintenance and Administrative (OM&A) Forecast Variance	Actual OM&A to annual budget	< 110%	89.5%	✓
Applicable Laws				
Minority Participation[1]	M/WBE and SBE utilization as % of total expenditures (each agency establishes goal/target)	> 90%	142.7%	✓
Revenue Management and Bond Proceeds				
Debt Service Coverage - Compliance with Bond Covenants	Debt service coverage meets or exceeds minimum Bond Covenant requirements	Yes	Yes	✓
Bond Ratings	Bond ratings ≥ BBB (S&P), Baa (Moody's), BBB (Fitch) and no downgrade from previous year	Yes	Yes	✓

[1] The Authority has a 15 percent goal for RFP's and ITN's and reported achieving 21.4 percent, or 142.7 percent of the goal.

Consultant Contract Management

The final cost of consultant contracts (CEI and design) completed during FY 2016 exceeded the original awards by 8.9 percent, falling short of the objective of less than 5.0 percent. CFX indicated that the difference results from value added revisions to the project and the need for additional geotechnical exploration. All of the projects that had increases in consultant fees were part of the Wekiva Parkway, a new alignment corridor. Value was added to the overall project during design by minimizing the footprint of the right-of-way required for the project through value engineering. Supplemental Agreements were approved for additional bridges to reduce the impacts of severance damages to property remainders and a bridge was lengthened from +/- 700 feet to +/- 2,500 feet in an effort to use space below the bridge for ponds. In both of these situations, avoidance of significant right-of-way costs was achieved and value added to the project by revisions to the design. In addition, there were many situations where geotechnical exploration identified subsurface areas potentially unsuitable for roadway construction. In this situation, the consultant design fees were supplemented to allow for more detailed geotechnical exploration and testing. The result of this additional investigation was value added to the projects through development of specifications for treating or bridging the identified unsuitable areas. CFX reported that this approach provided significant cost savings to the project by providing a viable solution during the design phase and avoiding the potential for significant construction claims.

Presented below are examples of some of the notable performance measures where CFX met the objective. Explanations are provided to either clarify the source of the data, the methodology utilized by CFX or to provide a historical perspective.

Maintenance Rating Program (MRP) Safety Characteristics - Signing, Striping, Guardrail, and Lighting

As previously noted, CFX uses MRP results to evaluate routine maintenance in five broad categories: roadway, roadside, traffic services, drainage and vegetation-aesthetics. Four safety characteristics within the traffic services category (signing, striping, guardrail and lighting) were identified as new performance measures in FY 2016. CFX met all four objectives for MRP safety characteristics in FY 2016.

Image Review Processing Time

Image review processing time was established as a new performance measure in FY 2016. The objective is to review greater than 90 percent of video images (license plates) in less than 2 weeks. Timely review of video images provides for expeditious billing of toll customers, enhanced revenue recognition, and better customer service. CFX reported that 100 percent of license plate images were reviewed in less than two weeks in FY 2016.

Construction Contract Adjustments - Time and Cost

Construction contract performance measures are especially important to CFX because most of the Work Plan is accomplished through construction contracts. CFX has met or exceeded both performance measure objectives for Construction Contract Adjustments (Time and Cost) for the past ten years.

Minority Participation

CFX indicated that Invitations to Bid (ITB) and Requests for Proposal (RFP) documents reflect a

15 percent participation objective. In May 2015, CFX restructured the previous Business Development Department to the Supplier Diversity Department. The focus of the Supplier Diversity Department is to establish realistic objectives for ITBs and RFPs. CFX reviews each solicitation for inclusion of disadvantaged, women and minority owned businesses (D/M/WBE). If the Prime Contractor indicates participation below the 15 percent objective in the solicitation, CFX will review the Prime's good faith efforts, as outlined in the bid documents. For FY 2016, CFX reported a 21.4 percent commitment towards D/M/WBE utilization, or 142.7 percent of CFX's objective of 15 percent. This exceeds the FTC objective of greater than 90 percent of the goal.

Debt Service Coverage - (Compliance with Bond Covenants and Bond Ratings)

CFX debt service coverage was in compliance with its bond covenants. There were no downgrades to CFX bond ratings in FY 2016 and bond ratings met or exceeded the established objectives of greater than or equal to BBB (Standard & Poor's), Baa (Moody's), and BBB (Fitch).

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. As previously noted, numerous changes to operating indicators were approved by the Commission in 2016 and are summarized in the Introduction section of this report. FY 2016 operating indicators, as reported by CFX, are provided in Table 12. Also, to assist in trend analysis, FY 2014 and FY 2015 operating results are provided. Results for the last five fiscal years are included in Appendix A.

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. In FY 2016, infrastructure assets and construction in progress increased approximately $96 million and $106 million, respectively. Major capital asset events in FY 2016 included completion of the SR 417/Boggy Creek interchange and demolition of the Airport Mainline toll plaza on SR 528. Construction also started on the SR 429 Wekiva Parkway interchange including bridges over Ondich Road and Plymouth Sorrento Road, design build on SR 528 Innovation Way, and construction of SR 429 Wekiva Parkway from the Lake County line.

Preservation of Transportation Assets (Renewal and Replacement of Infrastructure)

Renewal and replacement (preservation expenses) includes such items as resurfacing and restriping. Budgeted amounts are based on projected requirements to keep the roadway in good condition; therefore, expenses related to renewal and replacement can vary significantly from year to year. The increase in renewal and replacement expenses in FY 2016 is attributed to large resurfacing projects getting underway.

Toll Collection Transactions (Electronic Toll Transactions and Revenue)

Electronic Toll Collection (ETC) transactions and toll revenue comprised 82.8 percent and 79.4 percent, respectively, of total transactions and toll revenue on CFX facilities in FY 2016. Total toll

Table 12
Central Florida Expressway Authority
Summary of Operating Indicators (in millions)
FY 2014 through FY 2016

Indicator	*Detail*	*Actual 14 Results (millions)*	*Actual 15 Results (millions)*	*Actual 16 Results (millions)*
Operations				
Growth in Value of Transportation Assets	Land Acquisition	$658.4	$657.3	$657.4
	Infrastructure Assets	$2,535.4	$2,611.0	$2,707.4
	Construction in Progress	$230.2	$329.0	$435.1
	Total Value of Transportation Assets	$3,423.9	$3,597.3	$3,799.9
Preservation of Transportation Assets	Renewal & Replacement of Infrastructure	$0.5	$4.0	$16.0
	Routine Maintenance of Infrastructure	$14.3	$14.4	$13.6
	Total Preservation Costs	$14.8	$18.4	$29.6
Toll Collection Transactions	Electronic Transactions	80.3%	81.4%	82.8%
	Revenue from Electronic Transactions	76.9%	78.1%	79.4%
Annual Revenue Growth	Toll and Operating Revenue	7.2%	10.3%	11.6%
Revenue Variance	Actual Revenue with "Recovery of Fines"	1.1%	1.3%	1.9%
	Actual Revenue without "Recovery of Fines"	2.4%	2.9%	3.8%
Safety	Fatalities per 100 Million Vehicle Miles Traveled	0.22	0.20	0.26
Operations and Budget				
Cost to Collect a Toll Transaction	Total Toll Collection Costs (Net of Exclusions) / Number of Transactions	$0.10	$0.10	$0.09
Operating Efficiency	Toll Collection Expense as % of Operating Expense	46.3%	46.2%	43.6%
	Routine Maintenance Expense as % of Operating Expense	18.7%	17.8%	14.6%
	Administrative Expense as % of Operating Expense	6.6%	6.9%	6.9%
	Operating Expense as % of Operating Revenue	23.5%	22.5%	23.3%
Rating Agency Performance	Toll Operations and Maintenance Expense as % of Operating Revenue	15.3%	14.4%	13.6%
Property Acquisition				
Right-of-Way	# Projects Requiring ROW Acquisition	1	3	3
	# Parcels Needed to be Acquired for Projects	114	39	2
	# Parcels Acquired via Negotiations	4	9	6
	# Parcels Acquired via Condemnation	29	80	24
	# Parcels Acquired with Final Judgments ≤ one half the Range of Contention	1	16	23
Revenue Management and Bond Proceeds				
Debt Service Coverage - Bonded/Commercial Debt	[(Rev - interest) - (toll operating & maintenance expense)] / commercial debt service expense	1.98	2.19	2.41
Debt Service Coverage - Comprehensive Debt	[(Rev - interest) - (toll operating & maintenance expense)] / all scheduled debt service expense	1.62	1.81	2.08
Underlying Bond Ratings (Uninsured)	Standard & Poor's Bond Rating	A	A	A
	Moody's Bond Rating	A2	A2	A2
	Fitch Bond Rating	A	A	A

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

transactions in FY 2016 increased 12.0 percent over FY 2015 levels. Cash transactions increased 3.5 percent while ETC transactions increased 14.0 percent.

Annual Revenue Growth (Toll and Operating Revenue)

FY 2016 revenue grew by $41.7 million, or 11.6 percent, over FY 2015, while toll transactions grew by 12.0 percent. For FY 2015, revenue grew by $33.6 million, or 10.3 percent, over FY 2014, while toll transactions grew by 9.8 percent. The increase in both FY 2016 and FY 2015 revenue is primarily the result of higher toll revenue attributed to an increase in traffic on the system.

Safety

The Department of Highway Safety and Motor Vehicles reports official fatalities based on a calendar year (CY). Results for fatalities per 100 million vehicle miles traveled are based on four accident fatalities reported on CFX facilities in CY 2013 and CY 2014 and six accident fatalities reported in CY 2015.

Crashes on the CFX system are studied, analyzed and published in a Quarterly Crash Summary Report. Crash characteristics, areas of significant crash occurrence, traffic volume, construction and other factors are studied to determine when and where safety adjustments can be made. System enhancements such as interchange reconfigurations that improve traffic flow, widening projects that ease congestion during peak hours and cross-over guard rail at strategic locations continue to be implemented to help improve the overall safety of the CFX system.

Wrong Way Driving Countermeasures Initiative.

In 2012, CFX began the Wrong-Way-Driving (WWD) Prevention and Detection Pilot Program in partnership with the University of Central Florida. The objective was to evaluate the use of “wrong way” signs equipped with flashing beacons to prevent wrong-way drivers from entering CFX’s expressway system. The devices also send out alerts to the Regional Traffic Management Center where operators can post wrong-way driving alerts on overhead Dynamic Message Signs.

In January 2016, CFX installed its first wrong-way driving detection system at the SR 528/SR 520 Interchange. In early 2017, CFX completed the 34 planned installations of WWD devices throughout its expressway system. Results show the WWD system has been successful in detecting wrong-way drivers. In each reported case, the driver turned around when the flashing wrong way beacons activated. Since the program has operated, over 175 Wrong Way Driving detections have resulted in 148 confirmed documented turnarounds. This means that drivers are self-correcting on the ramps 85 percent of the time at WWD deployment locations.

CFX has planned for deployments of additional WWD devices on new interchange projects. Additionally, some roadway improvement projects which impact existing interchanges will include new WWD device deployments as well. The 408-128 Widening project on SR 408 will include three new WWD deployments on the Rouse (eastbound and westbound off ramps) and Alafaya Trail (eastbound off ramp) interchanges.

Operating Efficiency

FY 2016 total operating expenses increased $12.3 million, or 15.2 percent, over FY 2015 while total operating revenues increased $41.7 million, or 11.6 percent. This resulted in an overall increase in the ratio of operating expenses to operating revenues in FY 2016. Toll collection and administrative expenses for FY 2016 increased 8.8 percent and 14.5 percent, respectively, over FY 2015 levels while routine maintenance expenses decreased 5.7 percent. The increase in total operating expenses is primarily due to a $3.3 million increase in toll collection expenses coupled with a $12.0 million increase in renewal and replacement expenses, partially offset by a $1.3 million decrease in depreciation expenses.

In lieu of reporting depreciation on infrastructure (roads, bridges and other highway improvements), CFX 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. As previously noted, FY 2016 depreciation expenses decreased $1.3 million, or 8.6 percent, over FY 2015.

Right-of-Way

The general consensus at the Commission's 2016 Charrette on Transportation Authority Performance Measures was that the previous right-of-way operating indicators did not provide a realistic representation of how expansive an authority's right-of-way program is nor did they provide a realistic representation as to how efficiently and effectively the authority is operating. As such, a new set of operating indicators were established beginning in FY 2016. In general, the indicators were changed from a dollar value focus to the number of parcels acquired.

ROW acquisition is a multi-phased process involving different types of acquisition, such as negotiated purchases and eminent domain, each of which involves numerous steps that may occur in different fiscal years. For example, the eminent domain process involves at least three phases: (1) a determination of necessity, (2) followed by an order of taking, and (3) then payment of full compensation. In the eminent domain context, title transfers to CFX after the entry of the order of taking and deposit. As a result, the parcel is no longer "needed." Nevertheless, acquisition is still ongoing because the amount of compensation has not yet been determined. Therefore, the information reported shows the historical progression of the projects across multiple years and represents an operating indicator of certain components of the different acquisition processes over time.

CFX had three projects requiring some phase of right-of-way acquisition in FY 2016. The number of parcels where there was a determination of need totaled two. During FY 2016, CFX acquired and paid for 6 parcels through the negotiation process and 24 parcels through the condemnation process. Regarding condemnation parcels that concluded with final judgments, 23 parcels were acquired with final judgments less than one half the range of contention.

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

CFX reported debt service coverage for Bonded/ Commercial Debt and Comprehensive Debt as 2.41 and 2.08, respectively, for FY 2016. The significant increase in debt service coverage in both FY 2015 and FY 2016 is primarily attributed to increased toll revenues. Toll revenues increased 10.0 percent, or $31.8 million, in FY 2015 and 11.4 percent, or $40.0 million in FY 2016.

A forward looking toll structure was approved in 2009 that indexes tolls to the Consumer Price Index (CPI) with a three percent annual 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.

Underlying Bond Ratings

For FY's 2014 through 2016, the underlying ratings assigned to CFX bonds from the three major bond rating agencies did not change. Standard and Poor's and Fitch continue to assign an A rating for all CFX bonds with a stable outlook. Moody's Investor Services, Inc. shows the underlying ratings of CFX bonds at A2 with a stable outlook.

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

The CFX Board repealed the previously adopted Ethics Code of March 2014 and adopted a new Code of Ethics at its March 2015 Board meeting. The new Code of Ethics adopts Chapter 112, Part III, Florida Statutes (Code of Ethics for Public Officers and Employees) and ethical standards set forth in CFX's enabling legislation, Section 348.753(6) to (15), Florida Statutes (Central Florida Expressway Authority). Among the provisions are that a Board member or the Executive Director may not personally represent another person or entity before CFX for a period of two years after leaving their position. Board members, employees and consultants must disclose any relationship that could lead them to profit from decisions made by the CFX Board, any relationships with registered lobbyists and any real property within a half-mile radius of any prospective CFX project. The Code of Ethics also requires various written conflict of interest disclosures and ethics training.

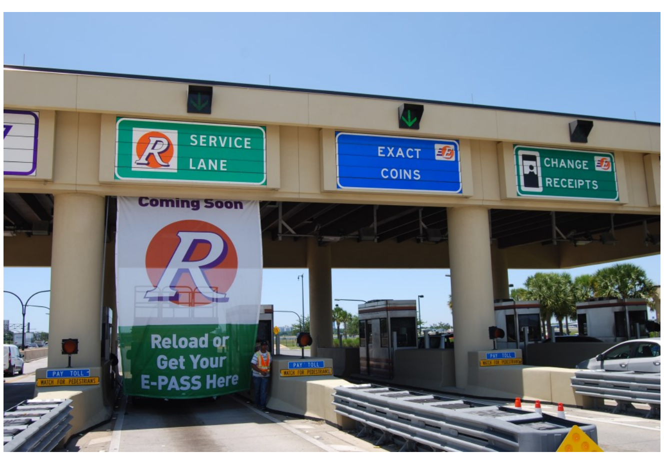
Every year, on or before July 1st, Board members, Committee members, employees, and consultants are required pursuant to Section 348.753, Florida Statutes, to complete a Potential Conflict Disclosure Form. Beginning in 2016, this form was updated to include a certification of completion of electronic training on the CFX Code of Ethics, the Florida Code of Ethics, the Sunshine Law, and the Public Records Act. All Board members timely submitted the required forms. In addition, six of the nine Board members are elected officials and have participated in public records and open meetings training required under Section 112.3142, Florida Statutes.

According to CFX, no ethics or conflict of interest violations or investigations were reported during FY 2016. CFX did disclose instances where a Board member 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 Public Officers) was provided.

Audits

CFX has established an Audit Committee. Its primary function is to assist the CFX 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 is made up of six members, one each from the jurisdictions represented on the CFX Board and a citizen representative appointed by the CFX Board. The committee gives direction to the Internal Audit Consultant as well as makes recommendations to the Chief Financial Officer, the Executive Director and the Board. The committee is also responsible for financial reporting oversight, internal controls and risk assessment, compliance with both applicable laws and CFX's Code of Ethics, as well as oversight over both internal and external audits.

An annual independent audit of CFX financial statements for the fiscal year ending June 30, 2016 was performed. The Independent Auditor's Report indicated that the financial statements were prepared in conformity with GAAP and received an unmodified opinion. The Independent Auditor's Report on Compliance and Internal 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 CFX 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 had no recommendations for improvement.



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A contracted outside consulting firm (Protiviti, Inc.) is responsible for providing Internal Audit support services as directed by the CFX 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 CFX improvements that have not yet been completed is provided in Appendix B and is summarized in Table 13. Recommendations drop from the list as they are independently verified by Protiviti as completed by CFX.

The following narrative provides a brief summary of various audits/reviews issued during FY 2016.

- FY 2016 Bond Financing Review (December 2015) - The Internal Audit firm reviewed the CFX bond financing process. The audit objectives were to: perform a risk assessment of the bond financing process, including finance, procurement, and legal risks; review policies surrounding the financing process; review the process to structure financing deals and manage existing portfolio risk; review the process to monitor bond covenant compliance

Table 13
Central Florida Expressway Authority
Status of Audit/Review Recommendations

Audit/Review	*Implementation Status of Recommendations*		
	Completed	*In Progress/ Not Completed* [(1)]	*Total*
2010 Contracts Audit (January 2011)	8	1	9
2013 Toll Revenue Audit (March 2013)	5	1	6
2014 Maintenance & Safety Plan Compliance (April 2014)	4	1	5
2016 Contracts Audit (December 2015)	3	1	4
Right of Way Legal Counsel Procurement & Invoice Audit (February 2016)	1	1	2
2016 Toll Revenue Audit (March 2016)	5	1	6
Total Number of Recommendations	26	6	32

[1] The status of recommendations in progress/not completed by CFX as of August 31, 2016 is provided in Appendix B.

for opportunities to improve internal control design or operating effectiveness; and, benchmark the bond sales methods, request for proposals process, and use of external counsel to other local industry practices. The audit identified one finding related to a semi-annual debt report required to be presented to the Board pursuant to the CFX Debt Policy. This recommendation has been completed.

- DHSMV Data Security Assessment (December 2015) - The Internal Audit firm completed a Data Security Assessment related to data received from the Department of Highway Safety and Motor Vehicles (DHSMV) by CFX relating to vehicle registrations. As a result of the review, Internal Audit did not identify any observations that should be addressed in order to enhance CFX's drivers license or motor vehicle data exchange process.

- FY 2016 Contracts Audit (December 2015) - The Internal Audit firm audited three contracts with a combined contract value exceeding $23.7 million. The audit objectives were to audit the accuracy of items billed to CFX in accordance with contract terms and condition, and identify and test key processes and controls around contract bidding and execution, budgeting, billing, project oversight, reporting, and supplemental agreement management. The audit identified four areas for improvement that include subcontractor approval, MRP retainage, surety bond, and insurance rating. As described in Appendix B, as of August 31, 2016, three recommendations have been completed and the remaining recommendation is in progress.

- Right of Way Legal Counsel Procurement and Invoice Audit (February 2016) - The Internal Audit firm reviewed CFX's procurement of and use of legal counsel in right of way land acquisitions dating back to 2014 for the Wekiva Parkway, All Aboard Florida project, and Kelly Park Interchange project. More specifically, during the audit, Internal Audit reviewed the processes in place to procure right of way legal counsel, including the use of in-house and out-sourced legal counsel, and the processes in place for the review and evaluation of legal invoices and right of way costs. The audit identified two areas for improvement that include right of way recordkeeping and review of legal invoices. As described in Appendix B, as of August 31, 2016, one recommendation has been completed and the remaining recommendation is in progress.

- 2016 Toll Revenue Audit (March 2016) - The Internal Audit firm reviewed and evaluated approximately 75 internal controls specific to cash toll collections, electronic toll collections, and the information technology supporting systems. Overall, the results of the audit confirmed that numerous internal controls are in place and operating effectively and as intended. The audit identified six findings that could potentially further strengthen the overall control environment including automatic vehicle identification revenue reconciliation, special events reimbursement, plaza activity monitoring, toll attendant performance assessment, video monitoring of counting room, and terminated employee building access. As described in Appendix B, as of August 31, 2016, five recommendations have been completed and the remaining recommendation is in progress.

- Payment Card Industry (PCI) Assessment (June 2016) - The Internal Audit firm performed an audit to test the Authority's conformity with 242 Payment Card Industry (PCI) Data Security Standard (DSS) areas of compliance. The Internal Audit firm concluded that all controls are in place and issued a Compliant PCI Report on Compliance (ROC) and an Attestation of Compliance (AOC) was signed by Protiviti and CFX which were submitted to Bank of America Merchant Services.

Public Records and Open Meetings

CFX operates under Chapter 119, Florida Statutes, relating to public records and is subject to the provisions of Section 189.015, Florida Statutes and Chapter 286, Florida Statutes, for open meetings. The schedule for Board meetings as well as agendas and minutes of past Board meetings are posted on the CFX website www.cfxway.com. In addition, CFX live broadcasts their monthly Board meetings and provides videos of its Board meetings on its website. Commission staff also reviewed a Board Meeting Schedule published in the Orlando Sentinel newspaper and public meeting notices posted on the CFX website. CFX policy also requires public meeting notices to be posted at CFX Headquarters, the Orange, Lake, Seminole and Osceola County Administration Buildings and Orlando City Hall.

Procurement

CFX's Procurement Policy is updated at least annually. In December 2015, the CFX Board amended its Procurement Policy to incorporate the new Supplier Diversity Program Policy and to make changes as a result of the CFX Organizational Chart. The Procurement Policy requires prior Board approval for:

- All contracts, supplemental agreements, amendments, purchase orders and contract renewals obligating the Authority to an amount of $50 thousand or more (except for emergency purchases and procurements made under the Small Sustainable Business Enterprise Program.

- 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

For solicitations under the Small Sustainable Business Enterprise Program, the Executive Director can authorize advertisement and award of small contracts between $50 thousand and $200 thousand each without prior Board action to expedite the bidding and award process. Each award by the Executive Director shall be submitted to the Board for ratification and approval at the next regularly scheduled Board meeting.

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

CFX provided a list of all "General Consulting" contracts and those sub contracts that exceeded $25 thousand in FY 2016. As indicated in Table 14, 25 sub consultants were used by the general consulting firms for a total cost of nearly $3.6 million in FY 2016.

Compliance with Bond Covenants

Bonds are payable from and secured by a pledge of net revenue from the operation of the Expressway System. As of June 30, 2016, bonds in the principal amount of approximately $2.7 billion are 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 (SEC) pursuant to Rule 15c2-12.
- An annual financial statement audit was performed.
- CFX utilizes a nationally recognized General Engineering Consultant (Atkins North America, Inc.).
- CFX utilizes a nationally recognized Traffic and Revenue Consultant (CDM Smith).
- Debt service coverage ratios exceed bond requirements.

As previously noted, CFX issued $193.7 million in Senior Lien Revenue Bond Anticipation Notes (BANs), Series 2015, in July 2015 to provide short-term financing for a portion of the Wekiva Parkway project. CFX expects that the BANs will be paid for by the $193.7 million low interest rate USDOT TIFIA Loan secured by CFX in March 2015 after CFX's portion of the Wekiva Parkway is constructed.

In July 2015, the Series 2008B2 Bond was converted to a bank rate mode, with a three-year term, and directly placed with the bondholder. In addition, in September 2015, CFX entered into an Amended and Restated Continuing Covenants Agreement for the Series 2008B3 and 2008B4 Bonds with a four-year term, which restated the bank rate. The bank rate for the Series 2008B2, 2008B3 and 2008B4 Bonds is reset on a weekly basis and is tied to the SIFMA index plus a spread.

In April 2016, CFX issued $151.7 million in Central Florida Expressway Authority Senior Lien Refunding Revenue Bonds, Series 2016A to advance refund a portion of its outstanding Series 2007A Bonds for a net present value savings of $27.3 million.

In November 2016 (FY 2017), CFX issued $631.3 million in Central Florida Expressway Authority

Senior Lien Refunding Revenue Bonds, Series 2016B to refund a portion of its outstanding Series 2007A Bonds, Series 2010A Bonds, Series 2010B Bonds and Series 2010C Bonds for a net present value savings of $65.2 million.

Website Compliance

The 2014 Legislature passed, and Governor Scott signed into law, Senate Bill 1632 that significantly amended Chapter 189, Florida Statutes (Uniform Special District Accountability Act). A new Section

Table 14
Central Florida Expressway Authority
Summary of General Consultant Sub Consultant Activity
FY 2016

Consulting Contract	*Description*	*Sub Consultants >$25 K ($000)*
Atkins North America, Inc.	**General Engineering Consultant**	
Montgomery Consulting Group	ITS Database & Work Plan Project Right-Of-Way Support	$385
Independence Acquisition & Appraisal	Work Plan Project Right-Of-Way Support	$59
CH2M Hill, Inc.	**I-4/SR 408 Interchange Corridor Consultant**	
CH2M Hill, Inc.	**Wekiva Parkway Corridor Consultant**	
Echezabal & Associates	Survey	$42
Aerostar SES	Engineering	$71
Quest Corporation of America	Public Information	$111
CDM Smith, Inc.	**Traffic and Earnings Consultant Services**	
Stantec Consulting Services, Inc.	**Construction Management Consultant**	
Infrastructure Corporation of America	**Facilities Asset Maintenance Management**	
Abra-Key-Dabra	Locksmith Services	$29
ABM Building Services	HVAC Maintenance & Equipment	$220
IQUEST Concepts	Painting	$86
Modern Plumbing Industries	Plumbing	$32
Skyline Elevators	Elevator Repair	$37
South East Business Services	Janitorial Services	$117
Tecta America	Roof Repair	$66
Infrastructure Corporation of America	**Roadway Asset Maintenance Management**	
Central Florida Maintenance Solutions	Fertilizer Application	$149
Cheyenne Asphalt	Misc. Roadside Maintenance and Repair	$27
Coastal Marine Construction	Bridge Maintenance	$58
Fifth M	Slope Mowing, Small Machine Mowing & Litter Removal	$120
MK Guardrail	Guardrail & Fence Repair	$79
USA Services	Roadway Sweeping & Debris Removal	$45
Jorgensen Contract Services, LLC	**Roadway Asset Maintenance Management**	
Fifth M	Guardrail Repair	$243
John C. Brown & Sons	Tree and Brush Clearing	$27
Naturchem	Herbicidie Application	$31
Orlando Paving Co.	Asphalt Pavement Repair	$36
Southeast Guardrail & Attenuator	Guardrail Repair	$290
Total Pressure Cleaning Services	Power Washing	$26
USA Services	Labor Support	$1,179
Total Sub consultants > $25 K		$3,565

189.069, Florida Statutes, requires special districts to maintain an official internet website by October 1, 2015. The website must contain information including contact information and the term and appointing authority for each member of the governing body, public purpose, fiscal year, the district's charter and statutes under which it operates, service area and services provided, fees and charges imposed and collected, adopted code of ethics, budget, and complete audit report. Effective October 1, 2016, House Bill 479, passed by the 2016 Legislature, further amended Chapter 189, Florida Statutes. CFX management indicated that it conducted a review of its website to ensure compliance with the new statutory requirements.

Summary

The Florida Transportation Commission review of the Central Florida Expressway Authority (CFX) was conducted with the cooperation and assistance of CFX staff and relied heavily on documentation and assertions provided by CFX management.

CFX is an agency of the State of Florida, created in 2014 pursuant to Chapter 348, Part III, Florida Statutes. CFX assumed all assets, liabilities, duties, responsibilities and obligations of the Orlando-Orange County Expressway Authority (OOCEA) under its existing contracts and agreements, including, without limitation, the duties, responsibilities and obligations under the Master Bond Resolution. CFX must operate and maintain the expressway system in accordance with the Master Bond Resolution and the Lease-Purchase Agreement entered into between OOCEA and the Florida Department of Transportation (Department). The area served by CFX includes Seminole, Lake and Osceola Counties in addition to Orange County, and the new CFX Board was expanded to nine members. In addition, governance and control of the Osceola County Expressway Authority (OCX), including all OCX assets and liabilities, will transfer to CFX sometime after December 31, 2018 when the debt service coverage ratio is greater than or equal to 1.5.

CFX met or exceeded 16 of the 19 management objectives established for performance measures in FY 2016. The three performance measure objectives not met were state highway system maintenance rating program rating, average customer call wait time and consultant contract management.

Operating indicator trend analysis showed that FY 2016 infrastructure assets and construction in progress increased $96 million and $106 million, respectively, over FY 2015. Major capital asset events in FY 2016 included completion of the SR 417/Boggy Creek interchange and demolition of the Airport Mainline toll plaza on SR 528. Construction also started on the SR 429 Wekiva Parkway interchange including bridges over Ondich Road and Plymouth Sorrento Road, design build on SR 528 Innovation Way, and construction of SR 429 Wekiva Parkway from the Lake County line.

FY 2016 operating revenue grew by $41.7 million, or 11.6 percent, over FY 2015 while toll transactions grew by 12.0 percent. The increase in revenue is primarily the result of higher toll revenue attributed to an increase in traffic on the system. FY 2016 total operating expenses increased $12.3 million, or 15.2 percent, over FY 2015. Toll collection and administrative expenses for FY 2016 increased 8.8 percent and 14.5 percent, respectively, over FY 2015 levels while routine maintenance expenses decreased 5.7 percent. The increase in total operating expenses is primarily due to a $3.3 million increase in toll collection expenses coupled with a $12.0 million increase in renewal and replacement expenses, partially offset by a $1.3 million decrease in depreciation expenses.

In the area of governance, the FY 2016 independent financial statement audit reflected an unmodified opinion. CFX routinely conducts a number of internal audits and reviews each year and has implemented many of the recommendations contained therein. A contracted outside consulting firm, Protiviti Inc., provides independent internal audit support services to the CFX Audit Committee and Board and independently verifies and reports the status of all audit/review recommendations. The status of all recommendations for CFX improvements that have not yet been implemented (as of August 31, 2016) is provided in Appendix B. The following list identifies audits and reviews that were issued during FY 2016.

- FY 2016 Bond Financing Review (December 2015) - The Internal Audit firm reviewed the CFX bond financing process. The audit identified one finding related to a semi-annual debt report required to be presented to the Board pursuant to the CFX Debt Policy. This recommendation has been completed.

- DHSMV Data Security Assessment (December 2015) - The Internal Audit firm completed a Data Security Assessment related to data received from the Department of Highway Safety and Motor Vehicles by CFX relating to vehicle registrations. Internal Audit did not identify any observations that should be addressed in order to enhance CFX's drivers license or motor vehicle data exchange process.

- FY 2016 Contracts Audit (December 2015) - The Internal Audit firm audited three contracts with a combined contract value exceeding $23.7 million. The audit identified four areas for improvement that include subcontractor approval, MRP retainage, surety bond, and insurance rating. As described in Appendix B, as of August 31, 2016, three recommendations have been completed and the remaining recommendation is in progress.

- Right of Way Legal Counsel Procurement and Invoice Audit (February 2016) - The Internal Audit firm reviewed CFX's procurement of and use of legal counsel in right of way land acquisitions dating back to 2014 for the Wekiva Parkway, All Aboard Florida project, and Kelly Park Interchange project. The audit identified two areas for improvement that include right of way recordkeeping and review of legal invoices. As described in Appendix B, as of August 31, 2016, one recommendation has been completed and the remaining recommendation is in progress.

- 2016 Toll Revenue Audit (March 2016) - The Internal Audit firm reviewed and evaluated approximately 75 internal controls specific to cash toll collections, electronic toll collections, and the information technology supporting systems. The audit identified six findings including automatic vehicle identification revenue reconciliation, special events reimbursement, plaza activity monitoring, toll attendant performance assessment, video monitoring of counting room, and terminated employee building access. As described in Appendix B, as of August 31, 2016, five recommendations have been completed and the remaining recommendation is in progress.

- Payment Card Industry (PCI) Assessment (June 2016) - The Internal Audit firm performed an audit to test the Authority's conformity with 242 Payment Card Industry (PCI) Data Security

Standard (DSS) areas of compliance. The Internal Audit firm concluded that all controls are in place and issued a Compliant PCI Report on Compliance (ROC) and an Attestation of Compliance (AOC) was signed by Protiviti and CFX which were submitted to Bank of America Merchant Services.

In February 2012, a Memorandum of Understanding (MOU) delineated the plan to fund, design, construct, own, operate and maintain the Wekiva Parkway. The Wekiva Parkway Interlocal Agreement approved in May 2014, contains specific terms and provisions governing the project that are consistent with the MOU. CFX will independently finance, build, own and manage certain sections of the Wekiva Parkway in Orange County and a small section of Lake County, while the Department is responsible for the remaining portions in Lake and Seminole Counties. As part of this agreement, CFX will repay long-term debt owed to the Department by paying the Department $10 million in July 2012 and $20 million each year thereafter until the long-term advances are eliminated. In July 2015, CFX issued $193.7 million in Senior Lien Revenue Bond Anticipation Notes (BANs) to provide short-term financing for a portion of the Wekiva Parkway project. The BANs mature on January 1, 2019 in the principal amount. CFX secured a $193.7 million USDOT Transportation Infrastructure Finance and Innovation Act (TIFIA) loan in March 2015 at a historically low interest rate of 1.23 percent, resulting in bond interest cost savings and accelerating CFX's Wekiva Parkway construction schedule by as much as 18 months. CFX expects that the BANs will be paid for by the TIFIA Loan after CFX's portion of the Wekiva Parkway is constructed.

In April 2016, CFX issued $151.7 million in Senior Lien Refunding Revenue Bonds, Series 2016A to advance refund a portion of its outstanding Series 2007A Bonds, for a net present value savings of $27.3 million. In November 2016 (FY 2017), CFX also issued $631.3 million in Senior Lien Refunding Revenue Bonds, Series 2016B to refund a portion of its outstanding Series 2007A Bonds, for a net present value savings of $65.2 million.

In September 2012, a MOU with Florida's Turnpike Enterprise, Miami-Dade Expressway Authority (MDX), Tampa-Hillsborough County Expressway Authority (THEA) and CFX was entered into, to develop and implement a Centralized Customer Service System (CCSS). This system is expected to provide a single point of contact for all non-cash toll collection customers, improve and simplify customer service, reduce the cost of non-cash toll collection, and provide a single centralized service center with regional satellite offices. In November 2015, Florida's Turnpike Enterprise executed the contract to develop and implement the CCSS and developed a CCSS Master Agreement that will enable the other three agencies to transition to the new system. At this time, the MDX and THEA Boards approved the CCSS Master Agreement. However, on April 14, 2016, the CFX Board deferred joining the CCSS expressing concerns that terms of the original Memorandum of Understanding were not adequately addressed in the Master Agreement.

Based on the Commission's review of CFX policies and procedures, Florida Statutes, Financial Statements, Bond Covenants and other documentation provided by CFX, 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.

The Commission encourages CFX to develop and pursue action plans to help meet established performance measure objectives. The Commission acknowledges, with appreciation, the assistance of the CFX Board and staff in providing the resources necessary to conduct this review and to complete this report.

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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 IV, 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) and other applicable Florida Statutes. Although the Authority's fiscal year (FY) is October 1 through September 30, the FY for SRBBA, as reported herein, runs from July 1 to June 30, corresponding to the Florida Department of Transportation's (Department) FY and the Authority's bond year for debt service payments.

As provided in Table 15, 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. Currently, six of the seven Board positions are vacant pending appointments by the Governor and BOCC. Four Board members constitute a quorum and an affirmative vote of at least four Board members is needed for any action taken by the Authority. As such, no future Board meetings are currently scheduled.

Highlights

- SRBBA is in default on its bonds by failing to meet toll covenants relating to debt service coverage and reserve account requirements and for failure to make required debt service payments.
- In November 2011 the Trustee retained legal counsel and a financial advisor to assist in developing restructuring alternatives for the SRBBA bonds.
- On January 1, 2013 the Trustee declared that the principal of all outstanding SRBBA bonds, in the amount of $131.2 million, was immediately due and payable.
- The SRBBA Board last met in June 2014 and six vacancies currently exist on the seven member Board. No future Board meetings are currently scheduled until necessary appointments are made to enable a quorum necessary to conduct business.
- In March 2015, the Trustee's Legal Counsel requested that the Department increase tolls (based on a report prepared by the Trustee's financial advisor) pursuant to the provisions of the Lease-Purchase Agreement between SRBBA and the Department. In its response, the Department indicated that it is not clear that it has the authority to comply with the request to increase tolls. Currently, the proposed toll rate increase has not been implemented.
- House Bill 865, passed by the 2017 Legislature, requires the Department to undertake an economic feasibility study relating to the acquisition of the Garcon Point Bridge. The Department must submit the completed study to the Governor and Legislature by January 1, 2018.
- SRBBA met 5 of the 8 applicable performance measure objectives. The objectives not met include toll collection expense as a percentage of toll revenue, debt service coverage - compliance with bond covenants, and bond ratings.
- FY 2016 toll revenue increased 12.1 percent while toll transactions increased 10.7 percent over FY 2015 levels.

Table 15
Santa Rosa Bay Bridge Authority
Current Board Members

Name	Appointment	Position
Vacant	Governor	Board Member
Vacant	Governor	Board Member
Vacant	Governor	Board Member
Vacant	Santa Rosa County BOCC	Board Member
Vacant	Santa Rosa County BOCC	Board Member
Vacant	Santa Rosa County BOCC	Board Member
Phillip Gainer, P.E.	District Three Secretary	Ex-Officio

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 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 and is the responsible party for all associated debt of the Authority. 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 loans totaling $8.5 million from the Department's Toll Facilities Revolving Trust Fund (TFRTF). The bridge opened to traffic on May 14, 1999.

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 loans (including interest income earned on the loans) 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. Table 16 indicates that these liabilities totaled $31.0 million on June 30, 2016.

Table 16
Santa Rosa Bay Bridge Authority
Long-term Debt Payable to the Department (in millions)
Year Ended June 30, 2016

Transaction	(millions)
Advances for Operating, Maintenance and R&R Expenses	$23.1
Loan from Toll Facilities Revolving Trust Fund	$7.9
Total Due the Department	$31.0

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

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.

In 2016, the Commission convened a Charrette on Transportation Authority Performance Measures to gain input from the authorities and to consider any enhancements or changes to FY 2016 performance measures, management objectives and operating indicators. As a result, numerous changes were approved by the Commission and are incorporated in this report. A summary of specific changes is provided in the Introduction section of this report.

FY 2016 results, as reported by the Department for SRBBA, are provided in Table 17. Results for the last five fiscal years are included in Appendix A.

Of the 19 performance measures established by the Commission, only 8 are currently applicable to SRBBA. Of these 8 measures, SRBBA met or exceeded 5 of the performance measure objectives. The state highway system maintenance rating program (MRP) is only applicable to roadways and is, therefore, not pertinent to this authority. Therefore, the MRP overall rating and MRP safety characteristics of signing, striping, guardrail and lighting are not applicable to the Garcon Point Bridge. The Enterprise maintains all SunPass accounts and customer call centers and provides for all toll operations for SRBBA, therefore the average customer call wait time and image review processing time performance measures are not applicable at this time. 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 three performance measure objectives the Authority did not meet are described below.

Toll Collection Expense as a Percentage of Toll Revenue

Toll collection expense as a percentage of toll revenue was established as a new performance measure in FY 2016. The objective is for toll collection expenses (net of exclusions) to be less than 12 percent of toll revenue. SRBBA net toll collection expenses of $0.9 million represented 14.7 percent of the $6.3 million in toll revenue reported in FY 2016, exceeding the objective of less than 12 percent.

Debt Service Coverage - Compliance with Bond Covenants

SRBBA is in 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 and for failure to pay the required principal and interest on bonds when they became due and payable pursuant to Section 9.02 of the bond resolution.

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 2011 debt service of approximately $7.4 million, SRBBA withdrew approximately $230 thousand from the Debt Service Reserve Account to make the January 1, 2011 required interest payment. Proceeds from the SRBBA Revenue Bonds, Series 1996, originally funded the Debt Service Reserve Account at $9.2 million. However, continued draws from the Debt Service Reserve Account up to January 1, 2011 significantly decreased the account to a level that would not support the full payment of debt service based on the level of gross revenues. As such, the Trustee for SRBBA Bonds (Bank of New York Mellon) did not make the July 1, 2011 required principal and interest payment or the required interest payment due January 1, 2012. On March 6, 2012, the Trustee disbursed from available funds in the Debt Service Reserve Account a pro rata portion of the interest due July 1, 2011 on the current interest bond and a pro rata portion of the accreted interest due to the holders of the Capital Appreciation Bond that matured on July 1, 2011. On January 1, 2013, the Trustee noticed that it would not be making any debt service payments to bondholders on January 1, 2013 and declared that the principal of all outstanding SRBBA bonds, in the amount of $131.2 million, was immediately

Table 17
Santa Rosa Bay Bridge Authority
Summary of Performance Measures
FY 2016

Performance Measure	*Detail*	*Objective*	*Actual Results*	*Meets Objective*
Operations				
SHS Maintenance Rating Program (MRP) Overall 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%	✓
Revenue Variance	Variance from indicated revenue (without fines - 3 year moving avg.)	< 4%	1.5%	✓
MRP Safety Characteristic - Signing	Condition rating of at least 90	> 90	N/A	N/A
MRP Safety Characteristic - Striping	Condition rating of at least 95	> 95	N/A	N/A
MRP Safety Characteristic - Guardrail	Condition rating of at least 80	> 80	N/A	N/A
MRP Safety Characteristic - Lighting	Condition rating of at least 85	> 85	N/A	N/A
Average Customer Call Wait Time	> 80% of calls answered within 1 minute	> 80%	N/A	N/A
Image Review Processing Time	> 90% of license plate images reviewed in < 2 weeks	> 90%	N/A	N/A
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
Toll Collection Expense as a Percentage of Toll Revenue	Toll collection expense (net of exclusions) / toll revenue	< 12%	14.7%	X
Annual Operating, Maintenance and Administrative (OM&A) Forecast Variance	Actual OM&A to annual budget	< 110%	94.1%	✓
Applicable Laws				
Minority Participation[1]	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 - Compliance with Bond Covenants	Debt service coverage meets or exceeds minimum Bond Covenant requirements	Yes	No	X
Bond Ratings	Bond ratings ≥ BBB (S&P), Baa (Moody's), BBB (Fitch) and no downgrade from previous year	Yes	No	X

due and payable. Such notice permits the Trustee to make regular distributions to all bondholders from the revenues made available. Subsequently, semiannual pro rata disbursements have been made to bond holders from available revenues. According to the Trustee, the amount of Bonds outstanding after taking into account payments made since the Acceleration Date and subsequent accrued interest and increases in accreted value was $134.2 million, as of July 1, 2016.

The Trustee indicated that gross revenues will be insufficient for the foreseeable future to continue to pay debt service on the bonds and retained legal counsel and a financial advisor in November 2011 to represent the Trustee. Greenberg Traurig (Orlando Office) will provide legal counsel and FTI Consulting, Inc. (FTI) will provide financial advisory and consulting services. FTI's scope of services includes assistance with the development and negotiation of restructuring alternatives for the Bonds and monitoring and participating in meetings and discussions among interested parties. Currently, no specific proposals for refinancing/restructuring have been submitted for consideration. However, House Bill (HB) 865, passed by the 2017 Legislature, requires the Department to undertake an economic feasibility study relating to the acquisition of the Garcon Point Bridge. The Department must submit the completed study to the Governor, the President of the Senate and the Speaker of the House of Representatives by January 1, 2018. The Department indicated that the study is currently underway.

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. On December 1, 2010, the Board approved the fourth toll rate increase, effective January 5, 2011 (FY 2011), whereby the two-axle toll increased from $3.50 to $3.75. The toll increase was originally planned for July 1, 2010, but was postponed to determine the traffic impacts resulting from the BP oil spill. The Authority filed a $184 thousand insurance claim with BP for traffic and toll revenue declines on the Garcon Point Bridge attributable to the Deep Water Horizon oil spill. On September 12, 2012, the SRBBA Board agreed to accept a negotiated settlement from BP in the amount of $168 thousand.

At the October 2013 meeting, the SRBBA Board approved piggybacking on a Turnpike contract with CDM Smith to conduct a Traffic and Revenue Study for the Garcon Point Bridge. Funding for the study would be shared between the Department and the Trustee. An agreement for the study, between the Department and the Trustee, was not reached as the Trustee did not feel the scope of services would provide what the Bond Document requires. Pursuant to a request by the Trustee, on June 19, 2014, the SRBBA Board authorized the issuance of a request for proposals in order to engage a traffic consultant to review and make recommendations regarding the schedule of tolls, rates, fees, rentals and other charges of the System. SRBBA's General Counsel was tasked to acquire quotes and present them to the SRBBA Board and the Trustee at the next meeting; however, the SRBBA Board has not met since June 19, 2014, due to a lack of quorum.

The Trustee engaged FTI to evaluate whether increasing the toll rate on the Garcon Point Bridge would increase revenues. As a result, FTI prepared a report entitled "Impact of Toll Rates on Garcon Point Bridge Toll Transactions and Revenues," dated May 12, 2014. The study set forth a recommended schedule of toll rates to maximize revenues. On November 6, 2014, the Trustee's Counsel (Greenberg Traurig) sent a letter to SRBBA requesting that SRBBA raise toll rates on the Garcon Point Bridge, within 30 days, in the amounts set forth in FTI's toll rate study. The SunPass toll rate was recommended to increase from $3.75 to $4.00, the cash toll rate from $3.75 to $5.00, and the SunPass discount for high volume users was to decrease from 50 percent to

25 percent. As previously noted, the SRBBA Board has not met since June 19, 2014, due to a lack of quorum, and did not authorize the requested toll increase. On March 16, 2015, the Trustee's Counsel sent a letter to the Department requesting that the Department, for the benefit of the Bondholders, increase tolls on the Garcon Point Bridge. The letter stated that pursuant to Section 1.04 of the Lease-Purchase Agreement between SRBBA and the Department, in the event SRBBA does not set the tolls in accordance with the Bond Resolution and the Department is notified in writing by the Trustee of such noncompliance, the Department shall establish and collect tolls in accordance with the Resolution. In its response, the Department indicated that it is not clear to the Department that it has the authority to comply with the request to increase tolls. The Department questioned whether FTI Consulting are qualified "Traffic Consultants" within the definition contained in the SRBBA Bond Resolution and whether establishing tolls at the specific levels requested would fully comply with the terms and covenants in Section 5.02 (Toll Covenants) of the Bond Resolution. Currently, the proposed toll rate increase has not been implemented on the Garcon Point Bridge. On December 11, 2014, the Santa Rosa County Board of County Commissioners (SRCBOCC) approved, without objection, a resolution opposing an increase in tolls and reduction in SunPass discounts for Garcon Point Bridge. SRCBOCC also nominated Commissioner Robert Cole to join Representative Doug Broxson to meet with the Trustee's Counsel to discuss this issue and directed SRCBOCC staff to work with Representative Broxson's office on any additional signage that may be needed to address the Garcon Point Bridge.

The Trustee received from the holders of a majority in principal amount of the outstanding Bonds a written instrument seeking the removal of the Trustee and the appointment of a Successor Trustee pursuant to the requirements of Section 8.07 of the Bond Resolution. Because all SRBBA Board members have resigned, there was no Authorized Officer who could appoint a Successor Trustee in accordance with Section 8.08 of the Bond Resolution. Accordingly, on or about July 21, 2016, the Trustee (Bank of New York Mellon Trust Company) filed a Petition to Remove and Replace Trustee with the Circuit Court of the First Judicial Circuit in and for Santa Rosa County. On or about September 7, 2016, the Court entered its final judgment removing the Prior Trustee and appointed UMB Bank, N.A. as Successor Trustee.

Bond Ratings

Standard & Poor's 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 2011 because the required July 1, 2011 debt service payment was not made. Moody's downgraded the bonds from B1 to B2 in FY 2008, from B2 to B3 in FY 2009, from B3 to Caa3 in FY 2010, from Caa3 to Ca in FY 2011, and withdrew their rating in FY 2012 due to insufficient information. In February 2008 (FY 2008), Fitch placed the underlying BB- rating on Rating Watch Negative, downgraded the bonds from BB- to CCC in FY 2009, from CCC to C in FY 2010, further downgraded the bonds from C to D in FY 2011, and withdrew their rating in FY 2013 as it was no longer considered analytically meaningful. Standard & Poor's downgraded the bonds from B- to CC in FY 2009 and from CC to D in FY 2011.

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. As previously noted, numerous changes to operating indicators were approved by the Commission in 2016 and are summarized in the Introduction section of this report. FY 2016 operating indicators are provided in Table 18. Also, to assist in trend analysis, FY 2014 and FY 2015 operating results are provided. Results for the last five fiscal years are included in Appendix A.

As previously noted, the Department maintains and operates the Garcon Point Bridge and reports revenue, expense and other operating information based on its FY ending June 30. Some balance sheet data related to SRBBA are not currently 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. For several years, the Department's Inspector General's Office completed an annual Accountant's Compilation Report, which is limited in presentation and does not include disclosures required by GAAP (notes to the financial statements). The FY 2010 Compilation Report was issued in April 2011. The Department's Inspector General's Office indicated that it will not prepare a Compilation Report for FY 2011 and subsequent years because compiled financial statements do not comply with the provisions of the Bond Resolution.

Toll Collection Transactions (Electronic Toll Transactions and Revenue)

Electronic Toll Collection (ETC) transactions and toll revenue for SRBBA comprised 43.6 percent and 41.0 percent, respectively, of total transactions and toll revenue in FY 2016. Total toll transactions increased 10.7 percent over FY 2015 levels. Cash transactions increased 9.0 percent over FY 2015, while ETC transactions increased 13.0 percent.

ETC users are provided a retroactive 50 percent toll discount after reaching 30 transactions per month on the Garcon Point Bridge. This discount totaled approximately $470 thousand in FY 2016 and provides an incentive for increased ETC participation by commuters and frequent travelers. Primarily due to the large number of tourists and seasonal residents using the bridge, overall ETC participation is lower than other authorities under Commission oversight.

Annual Revenue Growth (Toll and Operating Revenue)

Virtually all of the $6.3 million in FY 2016 operating revenue consists of toll revenue. FY 2016 revenue increased $0.7 million, or 12.1 percent, over FY 2015 while toll transactions increased 10.7 percent. The increase in FY 2016 traffic and revenue can be attributed to general improving economic conditions in Florida. Pointing to this recovery, FY 2016 hotel bed tax collections in Santa Rosa County were up almost 15 percent over FY 2015 collections.

FY 2015 total operating revenue of $5.7 million reflected an 8.2 percent increase over FY 2014. Toll revenue increased 8.1 percent and toll transactions increased 9.0 percent over FY 2014. The increase in FY 2015 traffic and revenue can be attributed to the general improving economic conditions in Florida.

Cost to Collect a Toll Transaction

The FY 2016 cost to collect a toll transaction of $0.54 decreased from $0.61 reported in FY 2015. Due to the relatively low percentage of ETC customers, staffing of “manned” lanes to accommodate cash customers creates a higher toll collection cost.

Table 18
Santa Rosa Bay Bridge Authority
Summary of Operating Indicators (in millions)
FY 2014 through FY 2016

Indicator	*Detail*	*Actual 14 Results (millions)*	*Actual 15 Results (millions)*	*Actual 16 Results (millions)*
Operations				
Growth in Value of Transportation Assets	Land Acquisition	N/A	N/A	N/A
	Infrastructure Assets	N/A	N/A	N/A
	Construction in Progress	N/A	N/A	N/A
	Total Value of Transportation Assets	N/A	N/A	N/A
Preservation of Transportation Assets	Renewal & Replacement of Infrastructure	N/A	N/A	N/A
	Routine Maintenance of Infrastructure	$0.2	$0.1	$0.1
	Total Preservation Costs	$0.2	$0.1	$0.1
Toll Collection Transactions	Electronic Transactions	39.2%	42.7%	43.6%
	Revenue from Electronic Transactions	36.1%	39.3%	41.0%
Annual Revenue Growth	Toll and Operating Revenue	10.3%	8.2%	12.1%
Revenue Variance	Actual Revenue with "Recovery of Fines"	1.5%	1.7%	1.5%
	Actual Revenue without "Recovery of Fines"	1.5%	1.7%	1.5%
Safety	Fatalities per 100 Million Vehicle Miles Traveled	0.00	0.00	0.00
Operations and Budget				
Cost to Collect a Toll Transaction	Total Toll Collection Costs (Net of Exclusions) / Number of Transactions	$0.58	$0.61	$0.54
Operating Efficiency	Toll Collection Expense as % of Operating Expense	85.2%	90.9%	75.6%
	Routine Maintenance Expense as % of Operating Expense	13.4%	8.2%	5.6%
	Administrative Expense as % of Operating Expense	0.0%	0.0%	0.0%
	Operating Expense as % of Operating Revenue	22.8%	21.9%	23.0%
Rating Agency Performance	Toll Operations and Maintenance Expense as % of Operating Revenue	22.5%	21.7%	18.7%
Property Acquisition				
Right-of-Way	# Projects Requiring ROW Acquisition	N/A	N/A	N/A
	# Parcels Needed to be Acquired for Projects	N/A	N/A	N/A
	# Parcels Acquired via Negotiations	N/A	N/A	N/A
	# Parcels Acquired via Condemnation	N/A	N/A	N/A
	# Parcels Acquired with Final Judgments ≤ one half the Range of Contention	N/A	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	0.46	0.47	0.52
Debt Service Coverage - Comprehensive Debt	[(Rev - interest) - (toll operating & maintenance expense)] / all scheduled debt service expense	0.46	0.47	0.52
Underlying Bond Ratings (Uninsured)	Standard & Poor's Bond Rating	D	D	D
	Moody's Bond Rating	Withdrawn	Withdrawn	Withdrawn
	Fitch Bond Rating	Withdrawn	Withdrawn	Withdrawn

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

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

A significant portion of toll collection costs are fixed relative to the number of motorists using the facility. As previously noted, staffing of "manned" lanes to accommodate cash customers creates a higher 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. FY 2016 total operating expenses increased $222 thousand, or 18.0 percent, over FY 2015 while toll collection expenses decreased $22 thousand, or 1.9 percent, which resulted in a ratio of 75.6 percent in FY 2016. The increase in total operating expenses is primarily due to $268 thousand in capital expenses for the Toll System Enhancement Project partially offset by a decrease in toll collection and routine maintenance expenses.

Operating Efficiency (Routine Maintenance Expense as Percent of Total Operating Expense)

FY 2016 routine maintenance expenses decreased $20 thousand, or 19.3 percent, over FY 2015 due to no dive performed for underwater bridge inspection.

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 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.

View of Garcon Point Bridge.

The Department is currently reviewing the administrative costs it has previously funded for SRBBA, but has not made a final decision on which costs it will continue to fund. The review was prompted by personnel changes in the Department's District 3 offices and the legislative direction to perform an economic feasibility study relating to the potential acquisition of the facility.

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

Total operating expenses for FY 2016 increased approximately $222 thousand, or 18.0 percent, over FY 2015 while total operating revenues increased $684 thousand, or 12.1 percent. The increase in the FY 2016 ratio is a result of the percentage increase in expenses exceeding the percentage increase in revenues.

Debt Service Coverage and Underlying Bond Ratings (Uninsured)

As previously noted, SRBBA is in 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 and for failure to pay the required principal and interest on bonds when they became due and payable pursuant to Section 9.02 of the bond resolution. SRBBA bond ratings are currently not investment grade.

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 SRBBA 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 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). As previously noted, the Department is currently conducting a review of the administrative costs it will fund for SRBBA.

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 did not meet again until April 2010. During FY 2011, the Board met three times (August 2010, October 2010 and December 2010). The SRBBA Board did not meet again until December 2011, a year later. Subsequent to December 2011, the Board met in February 2012, April 2012, September 2012, April 2013, August 2013, and October 2013, with the last SRBBA Board meeting held in June 2014. As previously noted, six vacancies currently exist on the seven member SRBBA Board. No future Board meetings are currently scheduled until appointments are made by the Governor and the Santa Rosa County Board of County Commissioners to enable a quorum necessary to conduct business.

There are specific requirements contained in the Lease-Purchase Agreement that SRBBA must meet. As a result of the Board not meeting regularly, the following Authority noncompliance issue was 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.
    - ◊ The Department obtained required bridge, property and business interruption insurance coverage.

As noted above, because of the infrequent and irregular SRBBA Board meetings, Commission staff finds there was inadequate governance of the Authority.

On November 17, 2010, the U.S. Securities and Exchange Commission (SEC) requested that the SRBBA Chairman provide documents relating to the Authority's bonds and to testify before the SEC. Subsequently, the Vice Chairman, General Counsel, and FDOT's Administrative Assistant were also requested to testify. Documents requested include: annual reports, financial statements, minutes of Board meetings, materiality and reporting of listed events and all other documents given to SRBBA's dissemination agent pursuant to the Series 1996 Bonds Continuing Disclosure Agreement. In response to this request, SRBBA sent two cases of documents to the SEC Office. The SEC also reviewed SRBBA documents, in person, at the FDOT Milton Operations Center on December 14 and 15, 2010. Additional documents flagged by the SEC were subsequently copied and sent to the SEC office. Currently, no additional information regarding the SEC inquiry is available. At the December 1, 2010 SRBBA Board meeting, concerns were expressed by Board members about their potential liability and legal costs that might be incurred as a result of the SEC investigation because there is no funding or insurance to protect Board members. Within a five month period of time (November 2010 through March 2011), six members resigned from the SRBBA Board.

Recognizing the need to reform an active SRBBA Board so that decisions could be made about how to deal with the continuing default, in August 2011, Representative Doug Broxson provided recommendations to the Trustee that included the purchase of a Directors and Officers liability insurance policy. The Trustee subsequently agreed to pay for a $2 million insurance policy for Board members from the trust estate for one year with subsequent years subject to further review. The Trustee further agreed to set aside funds from amounts held under the Resolution for a period of one year in order to fund a monthly retainer for legal counsel to the Authority. This allowed Roy Andrews to continue as SRBBA's legal counsel. Mr. Andrews had been working pro-bono. Subsequent to the expiration of the original Directors and Officers liability insurance policy, a new policy was obtained for an additional year. In December 2014, the Trustee notified SRBBA Legal Counsel that it will terminate the monthly retainer payments since the SRBBA Board is no longer meeting.

Although Directors and Officers liability insurance was provided to SRBBA Board members, three vacancies continued to exist on the seven-member Board making it difficult to consistently achieve the four member quorum required to conduct official business. The Board aggressively worked with both the Governor's Office and Santa Rosa County Board of County Commissioners in attempting to fill vacant positions on the Board; however, subsequent to the June 2014 meeting, the Chairman, Vice Chairman and Secretary/Treasurer resigned from the Board. Six vacancies currently exist on the SRBBA Board and the Board has not met since June 2014 (FY 2014). Therefore, some governance criteria established by the Commission are not applicable to SRBBA for FY 2016.

Ethics

SRBBA has adopted the provisions of Chapter 112, Part III, Florida Statutes (Code of Ethics for Public Officers and Employees), related to ethics.

Conflict of Interest

SRBBA has adopted the provisions of Chapter 112, Part III, Florida Statutes (Code of Ethics for Public Officers and Employees), related to conflicts of interest.

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 has completed several Annual Accountant's Compilation Reports, which are limited in presentation but are in accordance with the requirements for "Statements for Accounting and Review Services" issued by the American Institute of Certified Public Accountants. However, these reports do not include all disclosures required by GAAP and, therefore, do not meet the requirement established by the Commission or bond resolution. The FY 2010 Compilation Report was issued in April 2011. However, the Department's Inspector General's Office indicated that it will not prepare a Compilation Report for FY 2011 and subsequent years. Pursuant to the Lease-Purchase Agreement amendment, the Department has also elected not to fund administrative expenses related to an independent audit of SRBBA for FY's 2010 through FY 2015.

Quarterly financial statements are not being prepared and are not being submitted to the Trustee as required in the bond resolution. Even if the quarterly financial statements were prepared, Board approval could not be obtained because the SRBBA Board has not met since June 2014.

In addition, during the Commission review, it was noted that SRBBA did not file an Annual Financial Report or Annual Financial Audit Report with the Department of Financial Services (DFS) for FY 2015 as required by Section 218.32(1)(d), Florida Statutes. The Annual Financial Audit Report (financial statements) was also not filed with the Auditor General's Office as required under Section 218.39(7), Florida Statutes. Pursuant to Section 11.45(7)(a), Florida Statutes, the Auditor General is required to notify the Joint Legislative Auditing Committee (JLAC) of any governmental entities that do not timely file the required audit report. A similar situation was noted for the required FY 2012 and FY 2011 financial reports where the JLAC requested SRBBA to provide the status of the Authority's financial situation to determine if further state action was warranted. Regarding the FY 2010 financial reports, the JLAC adopted a motion to continue to delay state action and to continue to monitor SRBBA. On September 12, 2012, the Board authorized SRBBA legal counsel to request funds from the Trustee to engage a firm to conduct the currently required audit and to upgrade the Peachtree Accounting System to expedite numbers needed to perform the audit. The SRBBA Board also authorized legal counsel to draft a response letter to Department of Economic Opportunity, Special District Information Program, and the State of Florida Auditor General advising that SRBBA is moving forward to try to get funding for the required audit. Because the SRBBA Board had no response or funding from the Trustee regarding the required audits, in October 2013, the Board authorized SRBBA legal counsel to send another formal letter to the Trustee requesting funding of all audits required by the Bond Documents. Currently, the Trustee has not indicated if audit funding will be provided.

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. During the review, Commission staff noted that various correspondence was not always responded to by the Authority in a timely manner. Some factors that contributed to the untimely response include: infrequency of Board meetings; no Authority staff; and, an increase in requests related to the SRBBA bond default.

Regarding open meetings, the SRBBA Board has not met since June 2014 (FY 2014). Therefore, no meeting notices (website or newspaper advertisements), agendas or minutes of meetings were available for review by Commission staff for the current reporting period.

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

The Enterprise prepares a Traffic Engineer's Annual Report for Enterprise Toll Operations that is provided to the rating agencies. Included in the report is traffic and revenue information for the four Department-owned and two Department-operated facilities, one of which is the Garcon Point Bridge. This report provides information required under SEC Rule 15c2-12. The Department also provides for disclosure by making this report available on its website www.fdot.gov. Beginning with the FY 2011 report, toll revenue and traffic forecasts for the Garcon Point Bridge are no longer provided.

As previously noted, the Trustee's financial advisor prepared a report recommending that tolls be increased on the Garcon Point Bridge and in November 2014 formally requested that SRBBA increase the tolls which are the primary source of payment for the bonds. Because SRBBA did not have a traffic and revenue consultant in FY 2015, and the SRBBA Board has not met since June 2014, any recommendations for revisions to the toll schedule, as required in the bond resolutions, could not be considered by the Board. In March 2015, the Trustee for the SRBBA Bonds requested that the Department increase tolls on the Garcon

Garcon Point Bridge.

Point Bridge pursuant to Section 1.04 of the Lease -Purchase Agreement between SRBBA and the Department. The Department indicated that it is not clear that it has the authority to comply with the request to increase tolls, questioned whether the Trustee's financial advisor qualified as a "Traffic Consultant" within the definition contained in the bond resolution, and whether establishing tolls at the specific levels requested would fully comply with the terms and covenants in Section 5.02 (Toll Covenants) of the Bond Resolution. Currently the proposed toll rate increase has not been implemented on the Garcon Point Bridge.

Website Compliance

The 2014 Legislature passed, and Governor Scott signed into law, Senate Bill 1632 that significantly amended Chapter 189, Florida Statutes (Uniform Special District Accountability Act). A new Section 189.069, Florida Statutes, requires special districts to maintain an official internet website by October 1, 2015. The website must contain information including contact information and the term and appointing authority for each member of the governing body, public purpose, fiscal year, the district's charter and statutes under which it operates, service area and services provided, fees and charges imposed and collected, adopted code of ethics, budget, and complete audit report. Effective October 1, 2016, House Bill 479, passed by the 2016 Legislature, further amended Chapter 189, Florida Statutes.

Commission staff conducted a limited review of the SRBBA website to ensure compliance with the new statutory requirements and found that most of the required information was not posted on the website. Due to a lack of administrative funding, updating of the SRBBA website was limited to posting of monthly revenue and transactions and other critical information such as certain bond disclosures submitted by the Trustee to the Electronic Municipal Market Access (EMMA), notices of any upcoming meetings, and the most recent Board meeting minutes. We did note that the most recent Trustee notices to EMMA were not updated on the SRBBA website and that the last published traffic and revenue figures for the Garcon Point Bridge were for September 2016.

Summary

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

The SRBBA Board is the governing body responsible for oversight of the Authority. 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 terms of the lease run concurrently with the bonds and when the bonds are fully paid, the Department will own the bridge. The Authority does not have funding for administrative expenses because all revenue is used to pay debt service on outstanding bonds. The SRBBA Board met in January 2009 and adopted an amendment to the Lease-Purchase Agreement, 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).

Subsequent to the amended Lease-Purchase Agreement, the Board met in April 2009 and did not meet again until April 2010. The Board met three times in FY 2011 (August 2010, October 2010 and December 2010) and did not meet again until December 2011 because of a lack of quorum necessary to conduct business. Subsequent to December 2011, the Board met in February 2012, April 2012, September 2012, April 2013, August 2013, and October 2013, with the last SRBBA Board meeting held in June 2014. Six vacancies currently exist on the seven member SRBBA Board. No future Board meetings are currently scheduled until appointments are made by the Governor and the Santa Rosa County Board of County Commissioners to enable a quorum necessary to conduct business.

SRBBA met or exceeded 5 of the 8 applicable management objectives established for performance measures. The three performance measure objectives not met include toll collection expense as a percentage of toll revenue, debt service coverage - compliance with bond covenants, and bond ratings. SRBBA is in default on its bonds by failing to meet toll covenants relating to debt service coverage and reserve account requirements and for failure to make required principal and interest payments on SRBBA bonds as they become due and payable. The Trustee for the SRBBA Bonds (Bank of New York Mellon) indicated that gross revenues will be insufficient for the foreseeable future to continue to pay debt service on the bonds and retained legal counsel and a financial advisor in November 2011 to represent the Trustee. The scope of services for the financial advisor includes assistance with the development and negotiation of restructuring alternatives for the Bonds and monitoring and participating in meetings and discussions among interested parties. Currently, no specific proposals for refinancing/restructuring have been submitted for consideration. However, House Bill (HB) 865, passed by the 2017 Legislature, requires the Department to undertake an economic feasibility study relating to the acquisition of the Garcon Point Bridge. The Department must submit the completed study to the Governor, the President of the Senate and the Speaker of the House of Representatives by January 1, 2018. The Department indicated that the study is currently underway. On January 1, 2013, the Trustee noticed that it will not be making any debt service payments to the bondholders on January 1, 2013 and declared that the principal of all outstanding SRBBA bonds, in the amount of $131.2 million, is immediately due and payable. Such notice permits the Trustee to make regular distributions to all bondholders from the revenues made available. Subsequently, semiannual pro rata disbursements have been made to bond holders from available resources. At the request of a majority in principal amount of the outstanding SRBBA bonds, on or about September 7, 2016, a court entered its final judgment removing the Prior Trustee (Bank of New York Mellon) and appointed UMB Bank, N.A. as Successor Trustee.

Operating indicator trend analysis showed that FY 2016 toll revenue increased 12.1 percent while toll transactions increased 10.7 percent over FY 2015 levels. The increase in traffic and revenue can be attributed to general improving economic conditions in Florida. 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 SRBBA. The Department is currently conducting a review of the administrative costs it will fund for SRBBA. Total operating expenses for FY 2016 increased approximately $222 thousand, or 18.0 percent, over FY 2015 while total operating revenues increased $684 thousand, or 12.1 percent. FY 2016 toll collection expenses decreased $22 thousand, or 1.9 percent, and routine maintenance expenses decreased $20 thousand, or 19.3 percent. The overall increase in total operating expenses is primarily due to $268 thousand in capital expenses for the Toll System Enhancement Project. 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 2011 because the required July 1, 2011 debt service payment was not made. In FY 2012 Moody’s withdrew their rating due to insufficient information and in FY 2013 Fitch withdrew their rating as it was no longer considered analytically meaningful. There was no change in the Standard and Poor's rating of D in FY 2016.

In the area of governance, SRBBA has not had a required independent financial statement audit performed for several years as required in the bond resolution and various Florida Statutes. Quarterly financial statements are not being prepared and are not being submitted to the Trustee as required in the bond resolution. SRBBA had been working with the Trustee to obtain funding for the required audits and to upgrade the accounting system. Currently, the Trustee has not indicated if audit funding will be provided. 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. During the review, it was also noted that various correspondence was not always responded to by SRBBA in a timely manner.

In November 2010, the SEC requested numerous SRBBA documents and requested that the SRBBA Chairman, Vice Chairman, General Counsel and FDOT's Administrative Assistant testify before the SEC. Requested documents were provided and no further information regarding the SEC inquiry is available at this time. At the December 2010 SRBBA Board meeting, concerns were expressed by Board members about their potential liability and legal costs that might be incurred as a result of any SEC investigation because there is no funding or insurance to protect Board members. Within a five month period of time (November 2010 through March 2011), six members resigned from the SRBBA Board. In September 2011, the Trustee agreed to pay for Directors and Officers liability insurance for Board members and to fund legal counsel for SRBBA. As such, necessary appointments were made to reform an active SRBBA Board in December 2011 so that decisions can be made about how to deal with the continuing default. Although Directors and Officers liability insurance was provided to SRBBA Board members, three vacancies continued to exist on the seven-member Board making it difficult to consistently achieve the four member quorum required to conduct official business. The Board aggressively worked with both the Governor's Office and Santa Rosa County Board of County Commissioners in attempting to fill vacant positions on the Board; however, subsequent to the June 2014 Board meeting, the Chairman, Vice Chairman and Secretary/Treasurer resigned from the Board. As previously noted, six vacancies currently exist on the seven member SRBBA Board.

The Trustee engaged its financial advisor (FTI) to evaluate whether increasing the toll rate on the Garcon Point Bridge would increase revenues. As a result, FTI prepared a report entitled "Impact of Toll Rates on Garcon Point Bridge Toll Transactions and Revenues," dated May 12, 2014. The study set forth a recommended schedule of toll rates to maximize revenues. On November 6, 2014, the Trustee's Legal Counsel (Greenberg Traurig) sent a letter to SRBBA requesting that SRBBA raise toll rates on the Garcon Point Bridge, within 30 days, in the amounts set forth in FTI's toll rate study. As previously noted, the SRBBA Board has not met since June 2014 and did not authorize the requested toll increase. The SunPass toll rate was recommended to increase from $3.75 to $4.00, the cash toll rate from $3.75 to $5.00, and the SunPass discount for high volume users was to decrease from 50 percent to 25 percent. On March 16, 2015, the Trustee's Legal Counsel sent a letter to the Department requesting that the Department increase tolls on the Garcon Point Bridge pursuant to the requirements contained in Section 1.04 of the Lease-Purchase Agreement between SRBBA and the Department. In its response, the Department indicated that it is not clear to the Department that it has the authority to comply with the request to increase tolls. The Department questioned whether FTI Consulting are qualified

"Traffic Consultants" within the definition contained in the SRBBA Bond Resolution and whether establishing tolls at the specific levels requested would fully comply with the terms and covenants in Section 5.02 (Toll Covenants) of the Bond Resolution. Currently, the proposed toll rate increase has not been implemented on the Garcon Point Bridge. On December 11, 2014, the Santa Rosa County Board of County Commissioners (SRCBOCC) approved, without objection, a resolution opposing an increase in tolls and reduction in SunPass discounts for Garcon Point Bridge. It should be noted that the SRBBA Board had been working with the Trustee in FY 2014 to obtain funding for the required Traffic and Revenue Study.

A new Section 189.069, Florida Statutes, requires special districts to maintain an official internet website by October 1, 2015 and prescribes specific information required to be posted. Effective October 1, 2016, House Bill 479, passed by the 2016 Legislature, further amended Chapter 189, Florida Statutes. Commission staff conducted a limited review of the SRBBA website to ensure compliance with the new statutory requirements and found that most of the required information was not posted on the website.

Based on the Commission's limited review of SRBBA policies and procedures, Florida Statutes, Bond Covenants, Trustee notices to SRBBA bondholders, and other documentation provided by 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 has not met since June 2014 (FY 2014), Commission staff finds there was inadequate governance of the Authority. The Commission further recognizes that SRBBA defaulted on its bonds on July 1, 2011 and the Trustee has retained legal counsel and a financial advisor to assist in developing restructuring alternatives for the bonds. Currently, the Department is conducting an economic feasibility study relating to the acquisition of the Garcon Point Bridge and will present a report to the Governor and Legislature by January 1, 2018. The Commission will continue to monitor SRBBA, its Board vacancies, potential toll rate increase and the general operations of the Garcon Point Bridge and will coordinate with the Department on any issues that arise. The Commission will continue to keep the Governor and Legislature apprised of the situation. The Commission would like to acknowledge with appreciation the assistance of the Department in providing information necessary for completion of this report.

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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 II, 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) and other applicable Florida Statutes. The Authority is also authorized to issue revenue bonds to finance improvements or extension of the Expressway System and other authorized capital projects. The Legislature revised THEA's enabling legislation permitting THEA to also construct, operate and maintain transportation facilities within the jurisdictional boundaries of counties contiguous to Hillsborough County, with the consent of the respective county.

As provided in Table 19, 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 Department.

THEA owns and operates the Selmon Expressway (officially named the Lee Roy Selmon Expressway), a 15-mile, four-lane, limited-access toll road that crosses the city of Tampa from Gandy Boulevard and MacDill Air Force Base in the south, through downtown Tampa and east to 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.

In 2006, THEA opened the Reversible Express Lanes (REL) within the Selmon Expressway corridor

Highlights

- THEA met or exceeded 17 of the 18 performance measure objectives. The measure not met was for the Maintenance Rating Program safety characteristic of pavement striping.
- FY 2016 total operating revenues increased \$11.9 million, or 17.5 percent, over FY 2015 and total operating expenses increased \$0.9 million, or 7.1 percent.
- The increase in FY 2016 revenue is due to the completion of construction projects including the I-4 Connector, a system-wide toll increase on July 1, 2015, and increased traffic attributed to an upswing in the economy and corresponding population growth in the area.
- The I-4 Connector is owned and operated by Florida's Turnpike Enterprise (FTE) and THEA receives a 20 percent share of the "S" toll movement on the facility.
- In March 2016, the THEA Board approved a Master Agreement with FTE to become a participating agency member of the Centralized Customer Service System (CCSS).
- In September 2015, USDOT awarded THEA a contract to fund a pilot demonstration of connected vehicle technology.
- In 2012, THEA adopted a toll indexing policy. This incorporated an annual base adjustment of 2.5 percent for inflation. Rates have been adjusted by 2.5 percent annually since 2013.

Table 19
Tampa-Hillsborough Expressway Authority
Current Board Members

Name	Affiliation	Position
Vincent Cassidy	Majesty Title Services	Chairman
Bennett Barrow	Barrow Asset Management, Inc.	Vice Chairman
Daniel Alvarez	The Alvarez Group	Secretary
Robert Buckhorn	City of Tampa Mayor	Board Member
Lesley Miller	Hillsborough County Commissioner	Board Member
David Gwynn, P.E.	District Seven Secretary	Board Member
Vacant	Vacant	Board Member

between Meridian Avenue in the Tampa Central Business District and Town Center Boulevard in Brandon. The REL is 10 miles in length and added approximately 45 lane-miles. The REL was constructed in the median of the existing Selmon Expressway and connects to the THEA-owned and maintained Brandon Parkway and Meridian Avenue. The REL operates in the peak travel direction with all tolls collected electronically. The REL is the first reversible all electronic toll road in the world and Florida's first all-electronic toll facility.

The Selmon Expressway converted to All Electronic Tolling (AET) in 2010. With AET, the toll is collected electronically through an overhead gantry allowing for at-speed toll collection. Tolls are collected via a SunPass Transponder, or by using cameras to record license plate images where a bill for the tolls is sent to the registered owner of the vehicle.

In December 2012, THEA issued $404.3 million in fixed rate Refunding Revenue Bonds (Series 2012A, 2012B and 2012D, of which $70.1 million is taxable) and $40.4 million in fixed rate Taxable Revenue Bonds (Series 2012C). THEA attained financial independence from the State of Florida and the Lease-Purchase Agreement (LPA) between THEA and the Department was terminated. The Department confirmed THEA's absolute ownership of the Lee Roy Selmon Expressway and other assets. The LPA had required the Department to pay, from sources other than revenues, the costs of operations, routine maintenance and renewals and replacements on the facility, if needed. Since FY 2001, the Authority had reimbursed the Department for its annual operating and routine maintenance expenses pursuant to the adopted budget. Pursuant to other agreements with the Department, renewal and replacement costs were added to THEA's long term debt until 2013. Table 20 indicates that as of June 30, 2016, $213.9 million is owed to the Department for operating, maintenance, and renewal and replacement expense advances, and Department STTF loans to facilitate expansion of the Selmon Expressway. THEA agreed to a repayment schedule of 20 annual installments of $10.7 million to be paid by THEA to the Department beginning in 2025.

Table 20
Tampa-Hillsborough Expressway Authority
Long-Term Debt Payable to the Department (in millions)
Year Ended June 30, 2016

Transaction	(millions)
Advances for Operating, Maintenance and R&R Expenses	$200.1
State Transportation Trust Fund Loans	$13.8
Total Due Department	$213.9

Source: THEA Notes to Audited Financial Statements.

The I-4 / Selmon Expressway Connector was completed in 2014. The Connector is a one-mile, 12-lane, elevated interchange between Interstate 4 and the Selmon Expressway which utilizes AET and provides a limited-access route to and from downtown Tampa. The facility also provides an

Selmon Expressway Viaducts.

exclusive truck lane for direct access to and from the Port of Tampa, thereby allowing for the removal of trucks from the local roads. The facility was constructed through a partnership with the Department, THEA, Florida's Turnpike Enterprise (FTE), the City of Tampa, and Hillsborough County. FTE owns and operates the Connector, while THEA receives a 20 percent share of the "S" movement toll on the facility. This mutually agreed toll sharing was in exchange for use of two miles of the Selmon Expressway that is not tolled and that directly feeds and receives "S" movement traffic.

The Selmon Greenway opened in early 2015. The Greenway is a 1.7 mile multi-use trail built under the Selmon Expressway in downtown Tampa that was completed in March 2015 and utilized Federal (TIGER Grant) and matching THEA funds. The completed trail, at a cost of $1.9 million, is the first phase of the project. Other phases include signage, public art, way finding, lighting, and the design and development of ten pocket parks and two trail head locations.

In May 2015, the THEA Board approved and adopted a Strategic Blueprint to define primary goals and objectives upon which to focus and execute in the short, mid, and long-term. It provides guidance and helps to set direction for THEA. The Blueprint does not commit THEA to costs for each goal or objective. Financial commitment is accomplished through the THEA budgeting and work program processes. THEA uses the Florida Transportation Commission performance measures as one method to evaluate the effectiveness of the Blueprint.

Using the Blueprint, THEA created its Five Year Work Program. The most significant project in the $254 million THEA Five-Year Work Program (FY 2017 through FY 2021) is the Selmon West Extension. Approximately $164 million is programmed for development and construction of the Selmon West Extension. The project is a two-lane, two-way elevated express lane structure in

Selmon Greenway.

the median of existing Gandy Boulevard from just east of the Gandy Bridge to the Selmon Expressway.

Included in the Work Program is initial planning for a phased development of a new toll facility (East - West Expressway) with planning scheduled to begin in FY 2018. The project will be evaluated as a tollway and as a Bus Toll Lane concept. The project would provide a controlled access roadway starting at the intersection of Commerce Park Boulevard and New Tampa Boulevard, extending west 2.9 miles to a new interchange with I-275.

Additional projects in the Work Program include resurfacing Selmon Expressway from Gandy Boulevard to Willow Avenue, resurfacing Brandon Parkway from Town Center Boulevard to Lumsden Road, resurfacing Meridian Avenue from Cumberland to Twiggs Street, replacing roadway lighting and pier up-lighting components, various Traffic Management Center upgrades, system-wide implementation of the Centralized Customer Service System, and completion of additional phases of the Selmon Greenway project.

THEA has also joined the United States Department of Transportation (USDOT) Affiliated Test Bed Program for Autonomous Vehicle Technology. The REL is the only test bed in the United States that has the ability to do testing in both real-time traffic and a closed course environment on the same roadway.

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.

In 2016, the Commission convened a Charrette on Transportation Authority Performance Measures to gain input from the authorities and to consider any enhancements or changes to FY 2016 performance measures, management objectives and operating indicators. As a result, numerous changes were approved by the Commission and are incorporated in this report. A summary of specific changes is provided in the Introduction section of this report.

FY 2016 results, as reported by THEA, are provided in Table 21. Results for the last five fiscal years are included in Appendix A. THEA met or exceeded 17 of the 18 applicable performance measure objectives established by the Commission. The one performance measure objective not met was the Maintenance Rating Program (MRP) Safety Characteristic - Striping and is described below.

Maintenance Rating Program (MRP) Safety Characteristic - Striping

THEA monitors the quality and effectiveness of its routine maintenance program by periodic surveys using the Department's MRP. THEA uses MRP results to evaluate routine maintenance in five broad categories: roadway, roadside, vegetation and aesthetics, traffic services and drainage. The MRP results in a maintenance rating of 1 to 100 for each category, as well as an overall rating for THEA's routine maintenance performance. Four safety characteristics within the traffic services category (signing, striping, guardrail and lighting) were identified as new performance measures in FY 2016.

THEA met the overall MRP objective of greater than 90, as well as 3 of the 4 MRP safety characteristics (signing, guardrail and lighting) in FY 2016. However, THEA did not meet the objective of greater than 95 for the pavement striping characteristic with a score of 90 being reported. Pavement striping is examined to determine if the length and width of each line is reflective and functions as intended according to specifications. As indicated in the Work Program, THEA has resurfaced some sections of the Expressway and will continue this work into FY 2018.

Presented below are examples of some of the notable performance measures where THEA met the objective or where the performance measure was not applicable. Explanations are provided to clarify the methodology utilized by the Authority or to provide a historical perspective.

Revenue Variance

The three year average of actual THEA toll revenue for FY 2014 through FY 2016, without recovery of fines, represents a 2.9 percent variance from indicated revenue thereby meeting the objective of less than 4.0 percent. Revenue variance operating indicators for FY 2014, FY 2015, and FY 2016 are reported individually as 3.5 percent, 3.2 percent and 2.3 percent, respectively.

Average Customer Call Wait Time

THEA does not operate a customer call center at this time so this performance measure is not

Table 21
Tampa-Hillsborough Expressway Authority
Summary of Performance Measures
FY 2016

Performance Measure	*Detail*	*Objective*	*Actual Results*	*Meets Objective*
Operations				
SHS Maintenance Rating Program (MRP) Overall 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%	✓
Revenue Variance	Variance from indicated revenue (without fines - 3 year moving avg.)	< 4%	2.9%	✓
MRP Safety Characteristic - Signing	Condition rating of at least 90	> 90	91	✓
MRP Safety Characteristic - Striping	Condition rating of at least 95	> 95	90	X
MRP Safety Characteristic - Guardrail	Condition rating of at least 80	> 80	89	✓
MRP Safety Characteristic - Lighting	Condition rating of at least 85	> 85	86	✓
Average Customer Call Wait Time	> 80% of calls answered within 1 minute	> 80%	N/A	N/A
Image Review Processing Time	> 90% of license plate images reviewed in < 2 weeks	> 90%	100.0%	✓
Operations and Budget				
Consultant Contract Management	Final cost % increase above original award	< 5%	-27.2%	✓
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%	✓
Toll Collection Expense as a Percentage of Toll Revenue	Toll collection expense (net of exclusions) / toll revenue	< 12%	5.4%	✓
Annual Operating, Maintenance and Administrative (OM&A) Forecast Variance	Actual OM&A to annual budget	< 110%	93.9%	✓
Applicable Laws				
Minority Participation[1]	M/WBE and SBE utilization as % of total expenditures (each agency establishes goal/target)	> 90%	98.6%	✓
Revenue Management and Bond Proceeds				
Debt Service Coverage - Compliance with Bond Covenants	Debt service coverage meets or exceeds minimum Bond Covenant requirements	Yes	Yes	✓
Bond Ratings	Bond ratings ≥ BBB (S&P), Baa (Moody's), BBB (Fitch) and no downgrade from previous year	Yes	Yes	✓

applicable. In July 2013, THEA engaged FTE directly for electronic billing, account management and customer services.

Image Review Processing Time

In July 2013, THEA brought video imaging processing in-house and engaged FTE directly to provide account billing and management services for THEA's video billing customers in addition to SunPass services. Q-Free, a leading global supplier of Road User Charging and Advance Transportation Management System solutions, processes the video images in-house at THEA's office building. Q-Free presented a unique application of integrating the human and automated elements of image processing. THEA viewed this arrangement as a pilot program that would provide both agencies with valuable experience in understanding the future challenges of implementing the Centralized Customer Service System.

Image review processing time was established as a new performance measure in FY 2016. The objective is to review 90 percent of video images (license plates) in less than 2 weeks. Timely review of video images provides for expeditious billing of toll customers, enhanced revenue recognition, and better customer service. THEA reviewed nearly 18 million license plate images in FY 2016, all within 2 weeks.

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 and contractual services contracts that included total amounts and SBE amounts expended for FY 2016, 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 98.6 percent of its SBE goal, exceeding the Commission's performance measure objective of greater than 90 percent.

Debt Service Coverage - (Compliance with Bond Covenants and Bond Ratings)

THEA debt service coverage was in compliance with its bond covenants. There were no downgrades to THEA bond ratings in FY 2016 and bond ratings met or exceeded the established objectives of greater than or equal to BBB (Standard & Poor's), Baa (Moody's), and BBB (Fitch).

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. As previously noted, numerous changes to operating indicators were approved by the Commission in 2016 and are summarized in the Introduction section of this report. FY 2016 operating indicators, as reported by THEA, are provided in Table 22. Also, to assist in trend analysis, FY 2014 and FY 2015 operating results are provided. Results for the last five fiscal years are included in Appendix A.

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. In FY 2016

Table 22
Tampa-Hillsborough Expressway Authority
Summary of Operating Indicators (in millions)
FY 2014 through FY 2016

Indicator	*Detail*	*Actual 14 Results (millions)*	*Actual 15 Results (millions)*	*Actual 16 Results (millions)*
Operations				
Growth in Value of Transportation Assets	Land Acquisition	$91.0	$91.0	$91.0
	Infrastructure Assets	$608.4	$639.7	$639.7
	Construction in Progress	$33.1	$3.9	$7.6
	Total Value of Transportation Assets	$732.5	$734.6	$738.4
Preservation of Transportation Assets	Renewal & Replacement of Infrastructure	$0.2	$1.2	$0.9
	Routine Maintenance of Infrastructure	$2.8	$2.9	$2.9
	Total Preservation Costs	$3.0	$4.1	$3.8
Toll Collection Transactions	Electronic Transactions	100.0%	100.0%	100.0%
	Revenue from Electronic Transactions	100.0%	100.0%	100.0%
Annual Revenue Growth	Toll and Operating Revenue	7.9%	51.2%	17.5%
Revenue Variance	Actual Revenue with "Recovery of Fines"	3.5%	3.2%	2.3%
	Actual Revenue without "Recovery of Fines"	3.5%	3.2%	2.3%
Safety	Fatalities per 100 Million Vehicle Miles Traveled	0.36	0.00	0.30
Operations and Budget				
Cost to Collect a Toll Transaction	Total Toll Collection Costs (Net of Exclusions) / Number of Transactions	$0.08	$0.08	$0.08
Operating Efficiency	Toll Collection Expense as % of Operating Expense	34.4%	34.7%	34.8%
	Routine Maintenance Expense as % of Operating Expense	23.9%	21.9%	20.5%
	Administrative Expense as % of Operating Expense	27.5%	25.5%	26.4%
	Operating Expense as % of Operating Revenue	25.6%	19.5%	17.8%
Rating Agency Performance	Toll Operations and Maintenance Expense as % of Operating Revenue	15.0%	11.1%	9.9%
Property Acquisition				
Right-of-Way	# Projects Requiring ROW Acquisition	0	0	0
	# Parcels Needed to be Acquired for Projects	0	0	0
	# Parcels Acquired via Negotiations	0	0	0
	# Parcels Acquired via Condemnation	0	0	0
	# Parcels Acquired with Final Judgments ≤ one half the Range of Contention	0	0	0
Revenue Management and Bond Proceeds				
Debt Service Coverage - Bonded/Commercial Debt	[(Rev - interest) - (toll operating & maintenance expense)] / commercial debt service expense	1.94	2.81	3.10
Debt Service Coverage - Comprehensive Debt	[(Rev - interest) - (toll operating & maintenance expense)] / all scheduled debt service expense	1.76	2.68	2.86
Underlying Bond Ratings (Uninsured)	Standard & Poor's Bond Rating	A	A	A
	Moody's Bond Rating	A3	A3	A2
	Fitch Bond Rating	N/A	N/A	N/A

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

construction in progress increased $3.7 million due to improvements related to the Selmon West Extension and the Connected Vehicle project. In FY 2015 construction in progress decreased $29.2 million, while infrastructure assets increased $31.3 million primarily due to the I-4 Connector and the Selmon Greenway project being placed into service.

Preservation of Transportation Assets (Renewal and Replacement of Infrastructure)

FY 2016 renewal and replacement expenses decreased $0.3 million over FY 2015, while FY 2015 renewal and replacement expenses increased $0.9 million over FY 2014. Anticipated major renewal and replacement activities are identified and included in the Five-Year Work Program. A $10 million renewal and replacement reserve has been established by THEA.

Toll Collection Transactions (Electronic Toll Transactions and Revenue)

Electronic toll collection transactions and toll revenue comprised 100 percent of total transactions and toll revenue on the system. Subsequent to the full conversion to AET in September 2010, cash is no longer accepted as a form of payment on THEA's facilities.

Annual Revenue Growth (Toll and Operating Revenue)

FY 2016 revenue increased $11.9 million, or 17.5 percent, over FY 2015 while toll transactions increased 15.4 percent. These increases reflect the completion of construction projects including the I-4 Connector, the system-wide toll increase on July 1, 2015, and increased traffic attributed to an upswing in the economy and population growth in the area.

FY 2015 revenue increased $23.1 million, or 51.2 percent, over FY 2014 while toll transactions increased 28.2 percent. These increases reflect a full year of traffic and revenue from the I-4 Connector that opened in January 2014, the system-wide toll increase on July 1, 2014, and increased traffic attributed to an upswing in the economy and population growth in the area. THEA indicated that the increase in FY 2015 revenue from FY 2014 was 39 percent without considering the FY 2014 deduction for doubtful accounts.

In 2012, THEA adopted a toll indexing policy. This incorporated an annual base adjustment of 2.5 percent for inflation. Rates have been adjusted by 2.5 percent annually since 2013.

Safety (Fatalities per 100 Million Vehicle Miles Traveled)

The Department of Highway Safety and Motor Vehicles reports official fatalities based on a calendar year (CY). Results for fatalities per 100 million vehicle miles traveled are based on one accident fatality reported on THEA facilities in CY 2013 and CY 2015 and no accident fatalities reported in CY 2014.

The Road Ranger Program promotes highway safety and provides assistance to disabled vehicles, provides for the removal of road debris, and secures accident scenes. Currently, the Road Ranger Service Patrol operates from 6:30 a.m. to 6:30 p.m., Monday through Friday. The AET conversion has the added benefit of eliminating toll plazas which account for a significant number of accidents on toll facilities.

A primary driver of THEA's interest in Automated Vehicle technologies is the potential gains in safety for our expressway customers, as well as pedestrians and bicyclists using the roadways that interact with the Selmon Expressway. This is reflected in THEA's successful proposal whereby USDOT awarded a contract to THEA to fund a pilot project of connected vehicle technology. The focus is on deployment of connected vehicle applications in Tampa's central business district that will help address red light running, pedestrian conflicts, crash avoidance, and wrong way drivers.

Cost to Collect a Toll Transaction

As a result of THEA bringing image processing in-house in July 2013 and FTE providing billing and account management services, the FY 2014 cost to collect a toll transaction of 8.1 cents decreased from 10.5 cents reported in FY 2013. FTE charges a $2.50 administrative fee per invoice for video billing and account management which enables FTE to cover their costs to provide THEA this service. FTE also reduced the cost of SunPass interop fees from $0.0425 to $0.0300 per transaction. Actual FY 2015 and FY 2016 results for the cost to collect a toll transaction remained virtually unchanged at approximately 8 cents per transaction.

In September 2012, THEA entered into a Memorandum of Understanding (MOU) with FTE, Miami-Dade Expressway Authority (MDX), and Central Florida Expressway Authority (CFX) to develop and implement the Centralized Customer Service System (CCSS). This system is expected to provide a single point of contact for all non-cash toll collection customers, improve and simplify customer service, reduce the cost of non-cash toll collection, and provide a single centralized service center with regional satellite offices. A jointly developed Interlocal Agreement (ILA) will address specific issues including the establishment and maintenance of customer accounts, distribution of transponders, violations processing and enforcement, common business rules, and interoperability with non-participants. The ILA is subject to approval by the Board of Directors of each participating agency.

In November 2015 FTE executed the contract to develop and implement the CCSS and in March 2016 the THEA Board voted to approve a Master Agreement (formerly ILA) to be a participating agency member of the CCSS. The Customer Service Center will provide all electronic tolling customer support functions that include billing, invoicing, customer account management and violation enforcement under a single operation. Customer facilities will be located in Miami, Orlando and Tampa and will operate under the SunPass brand. The new Customer Service Center is expected to be fully operational by late 2017.

Operating Efficiency

As previously noted, FY 2016 operating revenues increased $11.9 million, or 17.5 percent over FY 2015, while total operating expenses increased $0.9 million, or 7.1 percent. FY 2016 toll collection expenses increased $0.3 million, or 7.5 percent, as a result of an increase in toll transactions processed in FY 2016 while routine maintenance expenses remained virtually unchanged. Administrative expenses increased $0.4 million, or 11.0 percent, primarily due to the employment of additional staff to execute THEA’s Work Program. The previously noted $0.3 million decrease in FY 2016 renewal and replacement expenses reflect planned projects included in the FY 2016 Work Program.

In lieu of reporting depreciation on infrastructure (roads, bridges and other highway improvements), THEA reports costs associated with maintaining the existing roadway system as preservation expense. However, depreciation is charged on furniture and equipment, buildings and improvements, and vehicles. FY 2016 depreciation expenses increased $143 thousand, or 15.9 percent, over FY 2015.

Right-of-Way

THEA has not acquired right-of-way since FY 2004.

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

THEA reported debt service coverage for Bonded/ Commercial Debt and Comprehensive Debt as 3.10 and 2.86, respectively, for FY 2016. The significant increase in debt service coverage in both FY 2015 and FY 2016 is primarily attributed to increased toll revenues. Toll revenues increased

51.2 percent, or $23.1 million, in FY 2015 and 17.5 percent, or $11.9 million in FY 2016.

In December 2012, THEA issued bonds, restructured its debt, and terminated the Lease-Purchase Agreement with the Department.

Underlying Bond Ratings

In February 2014, Standard and Poor's raised its basic underlying (uninsured) credit rating on THEA bonds from A- to A citing strong debt service coverage, high amount of liquidity, the area's deep and diverse economy, and the Board agreeing to index tolls. In connection with the December 2012 bond issue, THEA received bond ratings from two of the three major bond rating agencies. The underlying bond ratings remained the same until December 15, 2015, when Moody's upgraded the rating from A3 to A2 Stable. THEA elected to only obtain ratings from these two 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 January 28, 2013. 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 Authority employees. In the event of conflict between the Authority policy and the provisions of Chapter 112, Florida Statutes, the more restrictive provisions shall prevail. 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 2016).

As outlined in Section 140.06 of THEA "Code of Ethics and Conflict of Interest" Policy and Procedures, Board members and employees in a position of influencing Authority decisions 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 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 THEA, the Budget and Finance Committee also serves as the Audit Committee. The Audit Committee approves the evaluation committee's recommendation during the selection of the 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 Chairman of the Budget and Finance Committee shall receive and review the independent auditor's report and thereafter report to the THEA Board his or her findings and make recommendations to the Board to accept or reject the report as well as make any recommendations warranted by the independent audit.

An annual independent audit of THEA's financial statements for the fiscal year ended June 30, 2016 was performed. The Independent Auditor's Report indicated that the financial statements were prepared in conformity with GAAP and received an unmodified 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 for 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 requirements applicable to its major state financial assistance projects. In the Independent Auditor's Management Letter, the auditors had no findings or recommendations regarding THEA's management, accounting procedures, internal controls or other matters required to be disclosed.

Selmon Expressway Toll Signage.

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 Administrative Services Manager is responsible for receiving and processing all public records requests.

THEA is subject to the provisions of Section 189.015, Florida Statutes, Chapter 286, Florida Statutes and THEA Meeting Policy for open meetings. The schedule for Board meetings as well as agendas and minutes of past Board meetings are posted on the THEA website www.tampa-xway.com. Commission staff reviewed various public meeting notices 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, amended January 28, 2013, THEA's General Counsel will brief all new Board Members and employees on the relevant Florida Public Records and Sunshine laws. Thereafter, on an annual basis, General Counsel will provide a written update to THEA employees and Board Members on Florida's Public Records and Sunshine laws. Upon appointment, new Board members are provided with copies of the Sunshine Law and Public Records Primer and thereafter meet with the General Counsel to discuss. New employees are given a complete set of ethics policies and public records overview in their new hire informational booklet. General Counsel provided a written Sunshine Law and Public Records Update to all Board members and THEA staff on June 10, 2016.

Selmon REL Gantry.

Procurement

THEA provided its Procurement Policy, last amended August 11, 2014. 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.

For continuing contracts, the Executive Director may approve and execute change orders up to $30 thousand, or 5 percent of the Board approved contract amount, without Board approval. Any total expenditure exceeding $30 thousand, or 5 percent, of the approved contract amount, contract term, or fiscal year budget requires Board approval and an annual report must be provided to the Board for these contract increases.

For construction contracts, the Executive Director may approve and execute change orders up to 10 percent of the Board approved contract amount, without Board approval. Such change orders must be consistent with the contract scope of work and within the approved budget. Modifications exceeding $100 thousand, or 5 percent of the authorized contract amount, must be presented as an informational item at the next scheduled Board meeting and an annual report must be provided to the Board for construction contract increases. Change orders for construction contracts 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.

Consultant Contract Reporting

THEA provided a list of all "General Consulting" contracts and those sub contracts that exceeded $25 thousand in FY 2016. As indicated in Table 23, nine sub consultants were used by the general consulting firms for a total cost of $817 thousand in FY 2016.

Compliance with Bond Covenants

In December 2012, THEA issued $445 million in Revenue Bonds, Series 2012 A, B, C & D. The series 2012 bonds are payable from and secured by a pledge of net revenues of the Expressway System and were issued under a new THEA Master Bond Resolution. Bond proceeds were used to defease $322.2 million of all outstanding Series 2002 and Series 2005 bonds, prepay the outstanding balances of the SIB and TFRTF loans, fund THEA's portion of the I-4 Connector project (bridge deck replacements) and AET conversion, and fund a Debt Service Reserve, OM&A Reserve, and a Renewal and Replacement Fund. As of June 30, 2016, bonds in the principal amount of approximately $442.8 million remained outstanding from the Series 2012 Bonds.

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, pursuant to Rule 15c2-12.

- An annual financial statement audit was performed.
- Debt service coverage ratios for FY 2016 exceed bond requirements.
- 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 submitted the 2015 biennial inspection report to THEA on March 16, 2016.
- THEA utilizes a nationally recognized Traffic Engineering firm (Jacobs) as required by bond covenants. The Traffic Engineers are required to provide an annual Traffic and Revenue Report to the Authority. Jacobs completed the FY 2016 Traffic and Revenue Report in January 2017.
- Section 5.07(E) of the Series 2012 bond covenants requires THEA to review its financial condition for the next fiscal year and determine whether pledged funds are sufficient to comply with bond covenants specified in Section 5.07 (B) and, by resolution, make a determination with respect thereto. The Determination Resolution was adopted by the Board on January 23, 2017.

Website Compliance

The 2014 Legislature passed, and Governor Scott signed into law, Senate Bill 1632 that significantly amended Chapter 189, Florida Statutes (Uniform Special District Accountability Act). A new Section 189.069, Florida Statutes, requires special districts to maintain an official internet website by October 1, 2015. The website must contain information including contact information and the term and appointing authority for each member of the governing body, public purpose, fiscal year, the district's charter and statutes under which it operates, service area and services provided, fees and charges imposed and collected, adopted code of ethics, budget, and complete audit report. Effective October 1, 2016, House Bill 479, passed by the 2016 Legislature, further amended Chapter

Table 23
Tampa-Hillsborough Expressway Authority
Summary of General Consultant Sub Consultant Activity
FY 2016

Consulting Contract	*Description*	*Sub Consultants >$25 K ($000)*
American Consulting Engineers of Florida, LLC	**Miscellaneous Planning & Design Services**	
UVM Consulting Group, LLC	Selmon Expressway Contraflow - Evacuation	$36
Floridian Partners, LLC	**Marketing & Communications Services**	
Playbook Public Relations, LLC	Marketing & Communications Services	$262
Shooting Stars Post, Inc.	Video Production	$83
Heimburg Group, Inc.	**Miscellaneous Planning & Design Services**	
Atkins North America, Inc.	Planning Services - Greenway Parks Assessment	$73
Hardesty & Hanover, LLC	Engineering Services - THEA Pocket Parks	$31
HNTB Corporation	**General Engineering Consultant**	
Bayside Engineering	Engineering Services	$69
Kisinger Campo & Associates Corp.	PD&E Management & Civil Design Services	$30
Tierra Inc.	Geotechnical Services	$174
Parsons Brinckerhoff	**Strategic Planning Services**	
Vistra Communications, LLC	Communications Production	$59
Total Sub consultants > $25 K		$817

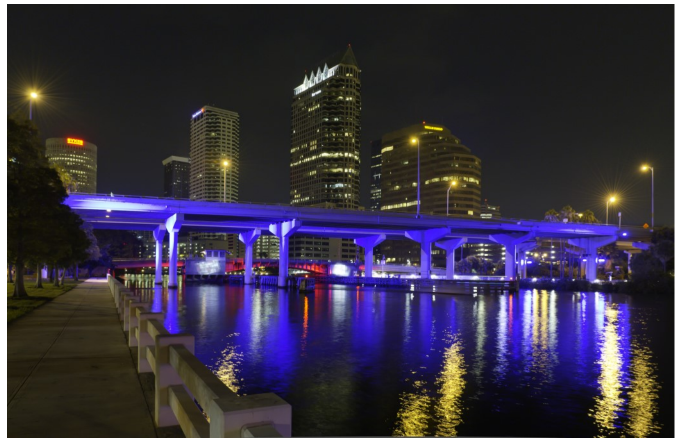
189, Florida Statutes. THEA management indicated that it conducted a review of its website to ensure compliance with the new statutory requirements.

Summary

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

THEA met or exceeded 17 of the 18 applicable management objectives established for performance measures. The one performance measure objective not met was for the maintenance rating program (MRP) safety characteristic of striping. Pavement striping is examined to determine if the length and width of each line is reflective and functions as intended according to specifications.

Operating indicator trend analysis showed that the $3.7 million increase in construction in progress is primarily due to improvements related to the Selmon West Extension and the Connected Vehicle project. FY 2016 operating revenue increased $11.9 million, or 17.5 percent, over FY 2015 while toll transactions increased 15.4 percent. These increases reflect the completion of construction projects including the I-4 Connector, the system-wide toll increase on July 1, 2015, and increased traffic attributed to an upswing in the economy and population growth in the area. Total operating expenses increased $0.9 million, or 7.1 percent, in FY 2016. FY 2016 toll collection expenses increased $0.3 million, or 7.5 percent, as a result of an increase in toll transactions processed in FY 2016 while routine maintenance expenses remained virtually unchanged. Administrative expenses increased $0.4 million, or 11.0 percent primarily due to additional staff needed to carry out THEA's Work Program. A decrease in renewal and replacement expenses reflect planned projects included in the FY 2016 Work Program. THEA debt service coverage was in compliance



Selmon Expressway at Night.

with its bond covenants and Moody's upgraded THEA's underlying bond rating from A3 to A2 Stable in December 2015.

In the area of governance, the FY 2016 independent financial statement audit reflected an unmodified opinion. No findings were noted in the areas of internal control and compliance and no recommendations for improvement were noted in the Auditor's Management Letter.

In November 2015, the Department executed a seven year contract to develop and implement a new Centralized Customer Service System (CCSS). In March 2016, the THEA Board approved a Master Agreement to be a participating agency member of the CCSS. The Miami-Dade Expressway Authority is also a participating member. The CCSS will create efficiencies and reduce costs by consolidating multiple back office operations to process customer transactions and manage customer accounts in Florida under the SunPass brand. It is anticipated that the new CCSS application will be fully operational in late 2017.

THEA has joined the United States Department of Transportation (USDOT) Affiliated Test Bed Program for Autonomous Vehicle Technology. In September 2015, USDOT awarded a contract to THEA to fund a pilot demonstration of connected vehicle technology deployments. After successful completion of Phase 1 (Concept Development), USDOT will provide federal funding for Phase 2 (Implementation), and Phase 3 (Monitoring). Connected vehicle applications will be operated using the City of Tampa Traffic Management Center (TMC) located in the THEA building on Twiggs Street. THEA's partnership with the University of South Florida's Center for Urban Transportation Research (CUTR) positions Tampa Bay to become a leading center of research and deployment of automated and connected vehicle technology.

The most significant project in the $254 million THEA Five-Year Work Program (FY 2017 through FY 2021) is the Selmon West Extension. Approximately $164 million is programmed for development and construction of the Selmon West Extension. The project is a two-lane, two-way elevated express lane structure in the median of existing Gandy Boulevard from just east of the Gandy Bridge to the Selmon Expressway.

Based on the Commission's review of THEA policies and procedures, Florida Statutes, Financial Statements, Bond Covenants and other documentation provided by THEA, 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 further recognizes THEA's efforts in strengthening its financial soundness. 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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Florida's Turnpike System (Turnpike)

Background

Florida's Turnpike Enterprise (Enterprise) is responsible for the management of Florida's Turnpike System (Turnpike) and the collection of tolls on eight other facilities owned or operated by the Florida Department of Transportation (Department). Of the eight other toll facilities, six are Department-Owned (Alligator Alley, Pinellas Bayway System, Sunshine Skyway Bridge, 95 Express, 595 Express and Wekiva Parkway) and two are Department-Operated under Lease-Purchase Agreements entered into with the respective authorities that own the facilities (Garcon Point Bridge and Mid-Bay Bridge / Walter Francis Spence Parkway).

The Florida State Turnpike Authority, created in 1953, became part of the Department in 1969. The Turnpike was reorganized as an Office within the Department in 1988 and as a District in 1994. In 2002, the Turnpike became an Enterprise within the Department. The Turnpike conducts its operations as an enterprise fund within the Department. The Department is an agency of the State of Florida.

The Department operates under the Florida Transportation Code, which includes Chapter 338, Florida Statutes (Limited Access and Toll Facilities). In addition to the powers granted to the Department, the legislature provided additional powers and authority to the Enterprise to enable autonomy and flexibility in order to more easily pursue innovations as well as best practices found in the private sector in management, finance, organization and operations. Sections 338.22 through 338.241, Florida Statutes (Florida Turnpike Enterprise Law), authorizes the Enterprise to plan, develop, own, purchase, lease,

Highlights

- Turnpike met or exceeded 11 of the 17 applicable performance measure objectives. The measures not met were State Highway System Maintenance Rating Program (MRP) Overall Rating; Revenue Variance; MRP Safety Characteristics - Striping, Guardrail, and Lighting; and Consultant Contract Management.
- FY 2016 total operating revenues increased $92.6 million, or 10.3 percent, over FY 2015 primarily due to record high toll revenues attributed to an increase in toll transactions and the indexing of toll rates.
- FY 2016 total operating expenses increased $34.5 million, or 12.7 percent, over FY 2015. This increase is attributed to the increase in toll transactions and higher depreciation expense related to installation of equipment along the system.
- Construction continues on the First Coast Expressway, which is planned to open to traffic in FY 2018. Another Turnpike Expansion Project, the Suncoast Parkway 2, is planned to be let for construction in 2017.
- In September 2016 (FY 2017), Turnpike held a grand opening of its new Orlando SunPass Service Center, a 70 thousand square foot state-of-the art call center that represents a major milestone of the Centralized Customer Service System (CCSS) project. It is anticipated that the new system will be fully operational in late 2017.
- During and subsequent to FY 2016, Turnpike issued four series of bonds: Series 2015B issued in October 2015 for $195.9 million; Series 2016A issued in January 2016 for $173.4 million; Series 2016B issued in March 2016 for $113.3 million and Series 2016C issued in February 2017 (FY 2017) for $142.6 million. Bond proceeds were used to refund outstanding bonds to achieve interest cost savings.
- In FY 2016, Moody's Investors Service and Standard & Poor's upgraded Turnpike senior lien revenue bonds to Aa2 and AA, respectively, while Fitch Ratings upgraded the bonds to AA in August 2016 (FY 2017).

or otherwise acquire, demolish, construct, improve, relocate, equip, repair, maintain, operate, and manage the Turnpike; to expend funds to publicize, advertise and promote the advantages of using the Turnpike and its facilities; and to cooperate, coordinate, partner, and contract with other entities, public and private, to accomplish these purposes. The Department may also fix, adjust, charge, and collect tolls and is further authorized to issue Turnpike bonds.

The Turnpike's organizational structure is depicted in Figure 4. Unlike other transportation authorities included in this report that are governed by a Board of Directors, the Department is headed by the Secretary of Transportation (Secretary) who is appointed by the Governor from among three persons nominated by the Florida Transportation Commission (Commission). The Secretary is subject to confirmation by the Senate and serves at the pleasure of the Governor. The Department is

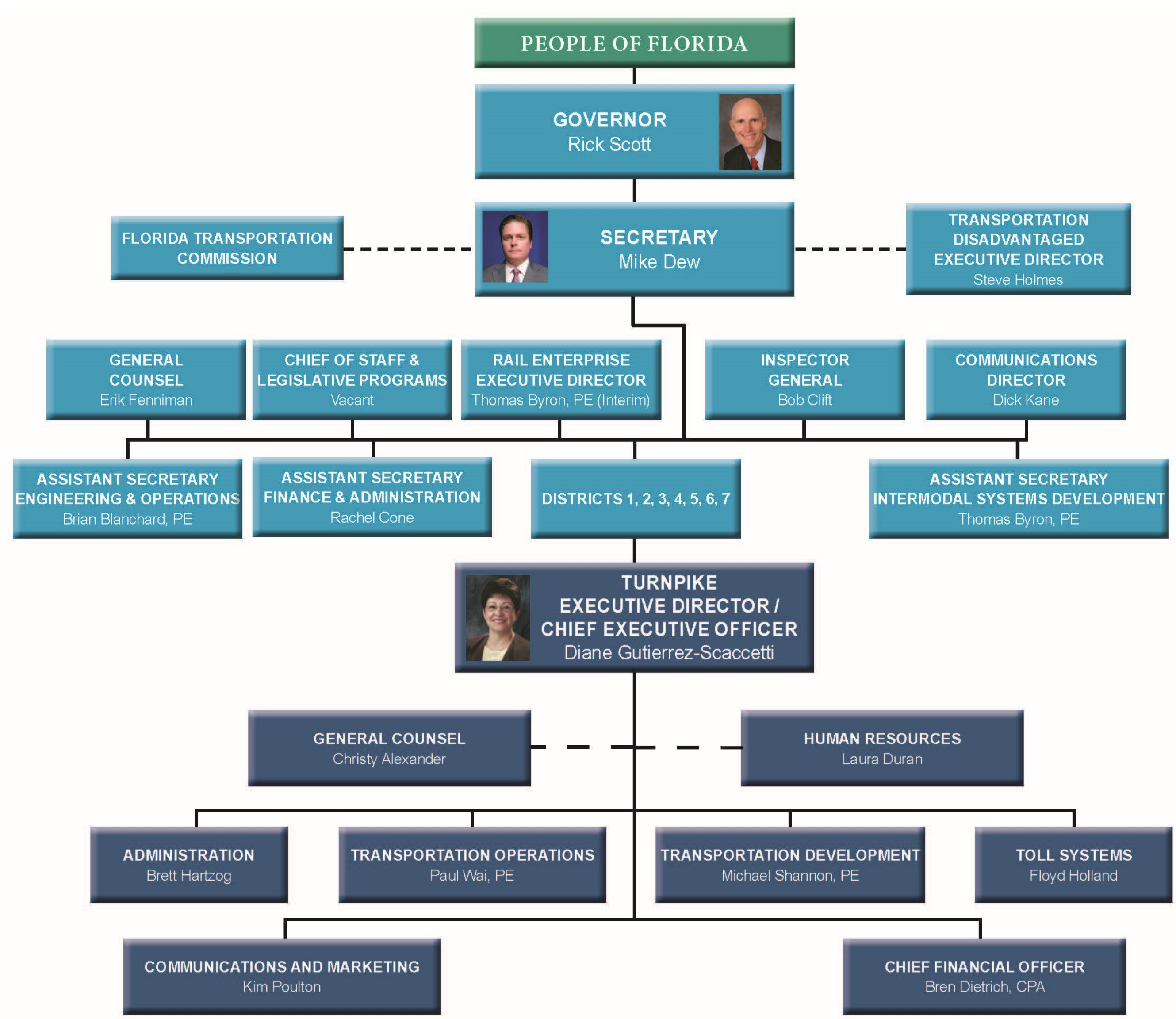


Figure 4: Florida's Turnpike Organizational Structure.

decentralized into seven Districts and the Enterprise. The District Secretaries and the Executive Director of the Enterprise report to the Secretary and sit on the Executive Board of the Department. Commission staff routinely attend and monitor the monthly Department Executive Workshop and Performance Review meetings. Reporting to the Executive Director are Administration, Transportation Operations, Transportation Development, Toll Systems, Communications and Marketing and the Chief Financial Officer.

As previously noted, the Enterprise is responsible for management of the Turnpike System and collection of tolls on eight other facilities owned or operated by the Department. For this report, only financial and operating data for the Turnpike System is presented. Table 24 provides a summary of the various components of the Turnpike including transactions, toll revenue, centerline miles, average toll and year opened. Florida's Turnpike Mainline is a 320-mile, multi-lane facility extending from Florida City in Miami-Dade County northward to Wildwood in Sumter County. This

Table 24
Florida's Turnpike System
Traffic/Transactions and Gross Toll Revenue
FY 2016

Component	Centerline Miles	Transactions: Volume (000)	Transactions: Percent of Total	Gross Toll Revenue: Amount ($000)	Gross Toll Revenue: Percent of Total	Average Toll	Year Opened
SR 821 (HEFT)	47	201,600	24.2%	$176,238	18.4%	$0.87	1974
Southern Coin System	43	161,232	19.4	166,994	17.5	1.04	1957
Ticket System	155	54,561	6.5	172,239	18.0	3.16	1957 [1]
Northern Coin System	67	80,884	9.7	138,928	14.5	1.72	1963 [2]
Beachline West Expressway	8	31,041	3.7	26,987	2.8	0.87	1973
Total Mainline	**320**	**529,318**	**63.5%**	**$681,386**	**71.2%**	**$1.29**	
Sawgrass Expressway	23	85,633	10.3	80,510	8.4	0.94	1986 [3]
Seminole Expressway	18	39,592	4.7	51,713	5.4	1.31	1989 [4]
Veterans Expressway	15	55,304	6.6	45,721	4.8	0.83	1994
Southern Connector Extension	6	13,603	1.6	10,917	1.1	0.80	1996
Polk Parkway	25	33,316	4.0	31,359	3.3	0.94	1999
Suncoast Parkway	42	31,349	3.8	25,709	2.7	0.82	2001
Western Beltway, Part C	11	10,727	1.3	11,032	1.2	1.03	2005 [5]
I-4 Connector	1	16,283	2.0	12,071	1.3	0.74	2014 [6]
Beachline East Expressway	22	18,722	2.2	5,512	0.6	0.29	1974 [7]
Total Expansion Projects	**163**	**304,529**	**36.5%**	**$274,544**	**28.8%**	**$0.90**	
Total System	**483**	**833,847**	**100.0%**	**$955,930**	**100.0%**	**$1.15**	

Source: Traffic Engineer's Annual Letter Report and Florida's Turnpike System Comprehensive Annual Financial Report.

[1] The Mainline opened from Miami to Fort Pierce in 1957 and from Fort Pierce to Orlando South in 1963.

[2] The Mainline opened from Fort Pierce to Orlando South in 1963 and Orlando South to Wildwood in 1964.

[3] Originally constucted by Broward County Expressway Authority and opened to traffic in 1986, Sawgrass Expressway was acquired by the Department in 1990. With the defeasance of all outstanding bonds in 2000, title to the facility now vests with the Turnpike.

[4] The southerly half-mile of Seminole Expressway, which opened in 1989, was acquired from Seminole County Expressway Authority in 1990. The next 11.5 miles opened to traffic in 1994, and the 6-mile extension was completed in 2002.

[5] Five miles of the Western Beltway, Part C opened in 2005 and the remaining six miles opened in 2006.

[6] The I-4 Connector, built through a partnership with the Department and the Turnpike, opened to traffic in January 2014.

[7] Originally constucted by the Department and opened to traffic in 1974, Beachline East Expressway was acquired by the Turnpike in July 2014.

contiguous roadway consists of the 47-mile SR 821 Homestead Extension of Florida's Turnpike (HEFT), the 43-mile Southern Coin System, the 155 -mile Ticket System, the 67-mile Northern Coin System (collectively SR 91), and the 8-mile Beachline West Expressway (SR 528). The first four facilities are contiguous in a north-south direction. The Beachline West Expressway intersects with the Northern Coin System and has an east-west orientation. Expansion Projects include the 23-mile Sawgrass Expressway (SR 869), the 18-mile Seminole Expressway (SR 417), the 15-mile Veterans Expressway (SR 589), the 6-mile Southern Connector Extension (SR 417), the 25-mile Polk Parkway (SR 570), the 42-mile Suncoast Parkway (SR 589), the 11-mile Western Beltway Part C (SR 429), the 1-mile I-4 Connector, and the 22-mile Beachline East Expressway. The entire Turnpike System, financed primarily by toll and concession revenues, consists of 483 centerline miles of limited-access toll facilities that generated 834 million transactions and $956 million in gross toll revenues in FY 2016. A map of the Turnpike System, including existing and planned expansion projects, is presented in Figure 5.

There are eight service plazas located along the Turnpike Mainline that provide services such as food and beverage, fuel and other conveniences. The Turnpike's concessionaire began construction and renovation of the service plazas in November 2010 and has completed work on seven of the service plazas. The one remaining service plaza (Port St. Lucie/Fort Pierce) is currently under renovation which is scheduled for completion in FY 2018. Numerous other Turnpike facilities that support daily operations are also located primarily on the Mainline and include the Enterprise Headquarters, the SunWatch Operations Center, and the Pompano Operations Center. The primary toll operations facilities include the Boca Data Center and the Orlando SunPass Service Center which houses Toll Systems staff. The two Traffic Management Centers (TMCs) are located at the Turnpike Headquarters complex and the Pompano Operations Center.

Two future Turnpike toll facility expansion projects include the First Coast Expressway and the Suncoast Parkway 2. The First Coast Expressway, is a 15-mile, four-lane, All Electronic Tolling (AET) facility that connects Blanding Boulevard in Clay County with I-10 in Duval County. This project is currently under construction with joint funding from the Department's District Two and is scheduled to open to traffic in FY 2018. The first phase of the Suncoast Parkway 2 is a 13-mile northern extension of the existing Suncoast Parkway from US 98 to SR 44 in Citrus County and is planned to be let for construction in 2017. This AET facility will feature interchanges at US 98, Cardinal Street and SR 44 and two mainline gantries. This extension will provide an alternative to US 19 and improve mobility between Citrus County and the Tampa Bay Region.

The first Turnpike facility converted to AET was SR 821 (HEFT) in FY 2011. The Sawgrass and Veterans Expressways marked their first full year of AET conversion in FY 2015 with the southern section of the Southern Coin System (Golden Glades to I-595) conversion in August 2015. More conversions are planned starting with the Suncoast Parkway in FY 2020. The remaining section of the Southern Coin System will be converted in FY 2019 with the Ticket System following thereafter.

The largest component of the Turnpike's capital improvement plan is comprised of widening projects designed to accommodate anticipated growth in traffic that will occur on key urban segments of the System. Approximately $2.4 billion of widening projects are planned in the five-year Work Program. Additional lanes will open as follows: SR 821 HEFT from south of Killian to SR 836 in FY 2019, and from SR 836 to Miramar in FY 2022; Sawgrass Expressway from Sunrise Boulevard to Atlantic Boulevard in FY 2023, and

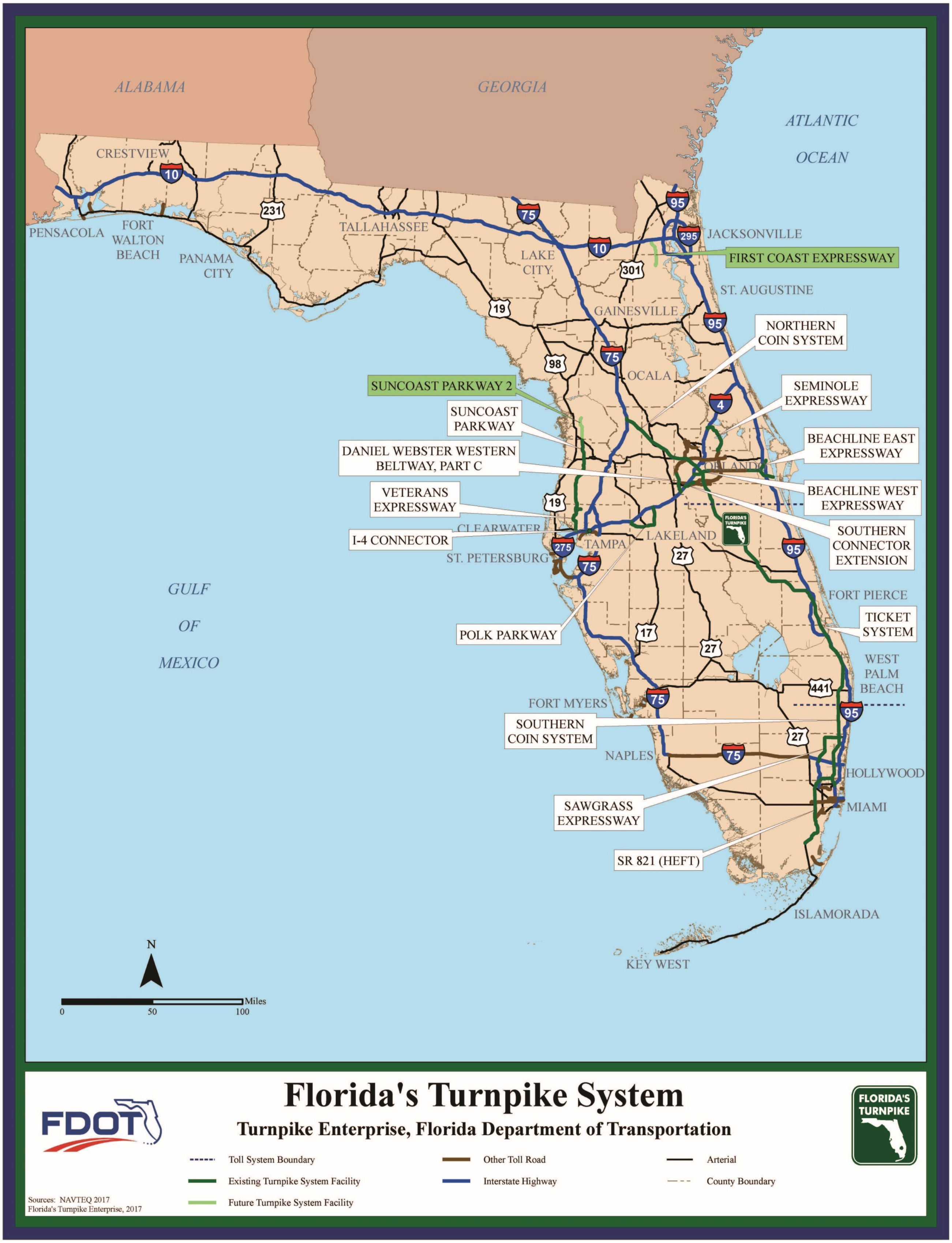
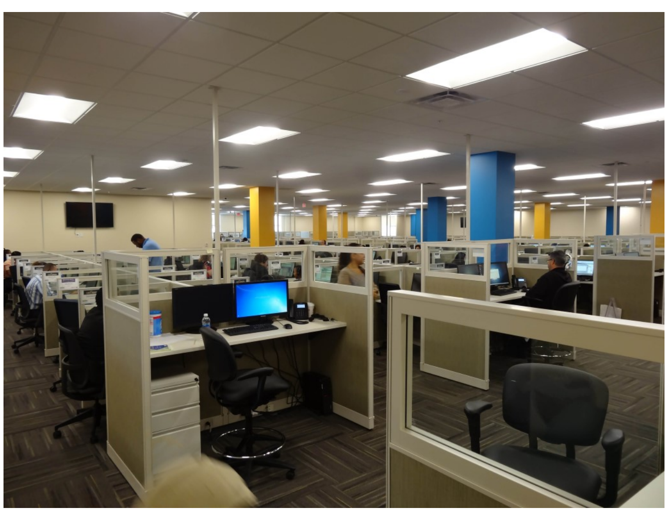


Figure 5: Florida’s Turnpike System Map.

from Atlantic Boulevard to SR 7 in FY 2024; Veterans Expressway in FY 2018; Northern Coin System from Osceola Parkway to Orlando South in FY 2020, and from Kissimmee South to Osceola Parkway in FY 2022, as well as from SR 50 to Minneola in FY 2024; and Beachline West Expressway in FY 2020. Additionally, some new lanes will be operated as express lanes to provide customers with additional options for a nominally higher toll.

The capital program also includes two new tolled full interchanges on the Northern Coin System: Hancock Road near the city of Minneola, and Sand Lake Road. Construction started on the new Minneola interchange in September 2015 and the new ramps opened to traffic in June 2017. This interchange will relieve congestion on area roads and serve the residents of the planned Hills of Minneola development. This project represents a successful public private partnership with the land owner, Lake County, City of Minneola and the Department. The Turnpike will also be constructing a new interchange at Sand Lake Road that is designed to relieve anticipated congestion at the adjacent Turnpike interchanges at Consulate Drive and I-4. This project is expected to be open to traffic in FY 2023. In addition, numerous other improvement projects, resurfacing and safety projects, including canal and barrier protection, are included in the Work Program.



New SunPass Service Center in Orlando.

In concert with roadway improvements, the Turnpike continues to invest in current tolling technologies which provide customers with a more convenient travel experience while ensuring that toll transactions are captured efficiently. Within Florida, the Turnpike partners with independent toll agencies and private enterprise to incorporate SunPass-compatible toll technology for electronic toll collection. Additionally, the Turnpike works with toll agencies in North Carolina and Georgia to allow customers from those states to use their Quick Pass or Peach Pass on the Turnpike. Likewise, SunPass is accepted on toll roads in North Carolina and Georgia. These partnerships provide value to customers and are pivotal to preparing for national interoperability as required in the Moving Ahead for Progress in the 21st Century Act (MAP 21). In FY 2018, the Turnpike plans to transform its data center into the Southeast US Toll Processing Hub. This will expand processing services to other transportation agencies in the southeast. In conjunction with the development of the Southeast Hub, an additional hub is under development to serve the central states.

With the goal of national interoperability in mind, in November 2015, the Department executed a seven year contract to develop and implement a new Centralized Customer Service System (CCSS). Additionally, the Department partnered with MDX and THEA by way of agreements executed with each authority. All three agencies will benefit from the new CCSS and share the related costs. When fully operational, the CCSS will create efficiencies and reduce costs by consolidating multiple back office operations to process customer transactions and manage customer accounts in Florida under the SunPass brand. In September 2016 (FY 2017), The Turnpike held a grand opening of its new Orlando SunPass Service Center, a 70 thousand square foot state-of-the-art call center that represents a major milestone of the CCSS project. It is anticipated that the new CCSS application will be fully operational in late 2017 and will ultimately process over two billion transactions a year in addition to managing approximately six million SunPass accounts. The CCSS will be the backbone for the Southeast US Toll Processing Hub and serve as a springboard for connections to other interoperable partners.

In the past, the Turnpike has received loans from the Department's State Transportation Trust Fund (STTF), Toll Facilities Revolving Trust Fund (TFRTF) and State Infrastructure Bank (SIB) to fund various projects and provide for operations and maintenance subsidies. Table 25 indicates that approximately $110.7 million in outstanding debt is due to the Department as of June 30, 2016. Turnpike management indicated that the balance on the STTF loans was fully repaid in FY 2017.

Table 25
Florida's Turnpike System
Long-Term Debt Payable to the Department (in millions)
Year Ended June 30, 2016

Transaction	*(millions)*
State Transportation Trust Fund Loans (1)	$68.8
Toll Facilities Revolving Trust Fund Loans (2)	$6.0
State Infrastructure Bank Loans (3)	$35.8
Total Due Department	$110.7

Source: Turnpike Notes to Audited Financial Statements and CAFR Statistical Section.
(1) STTF loans used for Operations and Maintenance subsidies on the SR 80 interchange, Seminole Expressway II, and Suncoast Parkway and advanced land acquisition.
(2) TFRTF loans used for advances related to acquisition of Seminole County Expressway, design costs of Western Beltway, and two interchange modifications on the Mainline. SB 1998 repealed the TFRTF and requires the cash balance in the TFRTF and all future payments obligated to the trust fund be deposited in the STTF, effective July 1, 2012.
(3) SIB loans used for Seminole Expressway II project, interest subsidy for the Series 2003C Bond issue and construction of southern Mainline ramps at SR 50 and SR 429.

Performance Measures

Fiscal Year (FY) 2016 is the fourth year that the Turnpike is included in the Commission's *Transportation Authority Monitoring and Oversight Report* that has been produced annually since FY 2007. Various legislation amended Section 20.23, Florida Statutes, requiring the Commission to monitor transportation authorities established in Chapters 343, 348, and 349, Florida Statutes. Although the Turnpike is not an authority established under Chapters 343, 348, or 349, Florida Statutes, it falls under Commission oversight being part of the Department and has been included in the Commission's annual *Review of the Department of Transportation Tentative Work Program* and *Performance and Production Review of the Florida Department of Transportation*. As a result of a legislative mandate, the Commission conducted a study and published the *FTC Study of Cost Savings for Expressway Authorities Report* in December 2012. One of the significant recommendations contained in the report was to add the Turnpike reporting to the Commission reporting for Authorities to which both the Department and the Commission concurred.

Pursuant to the Commission's 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.

In 2016, the Commission convened a Charrette on Transportation Authority Performance Measures to gain input from the authorities and to consider any enhancements or changes to FY 2016 performance measures, management objectives and operating indicators. As a result, numerous changes were approved by the Commission and are incorporated in this report. A summary of specific changes is provided in the Introduction section of this report.

FY 2016 results, as reported by the Turnpike, are provided in Table 26. Results for the last five fiscal years are included in Appendix A.

Table 26
Florida's Turnpike System
Summary of Performance Measures
FY 2016

Performance Measure	*Detail*	*Objective*	*Actual Results*	*Meets Objective*
Operations				
SHS Maintenance Rating Program (MRP) Overall Rating	Condition rating of at least 90	> 90	88	X
Pavement Condition Rating	% SHS lane miles rated "excellent or good"	> 85%	98.4%	✓
Bridge Condition - Rating	% bridge structures rated "excellent or good"	> 95%	99.2%	✓
Bridge Condition - Weight Restrictions	% SHS bridge structures with posted limit	0%	0.0%	✓
Revenue Variance	Variance from indicated revenue (without fines - 3 year moving avg.)	< 4%	5.5%	X
MRP Safety Characteristic - Signing	Condition rating of at least 90	> 90	90	✓
MRP Safety Characteristic - Striping	Condition rating of at least 95	> 95	92	X
MRP Safety Characteristic - Guardrail	Condition rating of at least 80	> 80	78	X
MRP Safety Characteristic - Lighting	Condition rating of at least 85	> 85	62	X
Average Customer Call Wait Time	> 80% of calls answered within 1 minute	> 80%	N/A	N/A
Image Review Processing Time	> 90% of license plate images reviewed in < 2 weeks	> 90%	N/A	N/A
Operations and Budget				
Consultant Contract Management	Final cost % increase above original award	< 5%	24.9%	X
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%	✓
Toll Collection Expense as a Percentage of Toll Revenue	Toll collection expense (net of exclusions) / toll revenue	< 12%	10.6%	✓
Annual Operating, Maintenance and Administrative (OM&A) Forecast Variance	Actual OM&A to annual budget	< 110%	101.9%	✓
Applicable Laws				
Minority Participation[1]	M/WBE and SBE utilization as % of total expenditures (each agency establishes goal/target)	> 90%	100.0%	✓
Revenue Management and Bond Proceeds				
Debt Service Coverage - Compliance with Bond Covenants	Debt service coverage meets or exceeds minimum Bond Covenant requirements	Yes	Yes	✓
Bond Ratings	Bond ratings ≥ BBB (S&P), Baa (Moody's), BBB (Fitch) and no downgrade from previous year	Yes	Yes	✓

[1] Turnpike's objective is to increase MBE expenditures year over year and reported achieving $97.6 million in MBE expenditures in FY 2016, compared to MBE expenditures of $79.3 million in FY 2015, a 23.1 percent increase.

The Turnpike met or exceeded 11 of the 17 applicable performance measure objectives. The six performance measure objectives the Turnpike did not meet (State Highway System Maintenance Rating Program (MRP) Rating; Revenue Variance; MRP Safety Characteristics – Striping, Guardrail and Lighting; and Consultant Contract Management are described below. Explanations are based on input from Turnpike management.

State Highway System Maintenance Rating Program (MRP) Rating

For FY 2016, the roadway maintenance condition rating of 88 fell short of the objective of at least 90. The Department monitors the quality and effectiveness of the System's routine maintenance program by periodic surveys, using the Maintenance Rating Program (MRP). The Department has used the MRP since 1985 to evaluate routine maintenance in five areas: roadway, roadside, vegetation and aesthetics, traffic services and drainage. The MRP results in a maintenance rating of 1 to 100 for each category, as well as an overall rating for the System's routine maintenance performance. The Department standard is to achieve an overall routine maintenance rating of 80 or higher. Although the Turnpike did not meet the authority objective, it exceeded the minimum maintenance condition rating standard of 80 currently established by the Department for State Highway System roadways.

Revenue Variance

The three year average of actual Turnpike toll revenue for FY 2014 through FY 2016, without recovery of fines, represents a 5.5 percent variance from indicated revenue thereby not meeting the objective of less than 4.0 percent. Revenue variance operating indicators for FY 2014, FY 2015, and FY 2016 are reported individually as 4.7 percent, 5.6 percent, and 6.1 percent, respectively. The Turnpike indicated that as toll facilities convert to AET and in-lane cash toll collection is removed, the revenue variance, which is based on *gross* revenues, will be negatively affected. It is important to note, however, that *net* revenue remains consistent due to the reduction in operating costs associated with manual toll collection. This performance measure objective was revised in FY 2016 to reflect a three year average revenue variance, rather than an annual revenue variance as originally established by the Commission in 2007. Additionally, the Turnpike instituted a new toll enforcement plan in mid FY 2016 by adding a Registration Stop process whereby toll violators are unable to renew their Florida license plate until they settle their outstanding toll balance. It is anticipated that this process will reduce the revenue variance over time.

Maintenance Rating Program (MRP) Safety Characteristics - Striping, Guardrail, and Lighting

As previously noted, the Turnpike uses MRP results to evaluate routine maintenance in five broad categories: roadway, roadside, vegetation and aesthetics, traffic services and drainage. Four safety characteristics within the traffic services category (signing, striping, guardrail and lighting) were identified as new performance measures in FY 2016. The Turnpike met one of the four MRP safety characteristics (signing) in FY 2016 but did not meet the objectives established for pavement striping, guardrail or lighting.

Pavement striping is examined to determine if the length and width of each line is reflective and functions as intended according to specifications. The Turnpike reported a score of 92 in FY 2016, falling short of the objective of at least 95. Efforts to improve striping include continuing work surveys to identify candidate areas and the subsequent refurbishment of striping in deficient areas. The Turnpike is now including the placement of thermoplastic striping in construction projects rather than letting a separate contract for striping after completion of construction.

Guardrail is installed to guide a vehicle away from various hazards in and adjacent to the travel way and also includes cable rail and handrail. Guardrail is examined to ensure that each single run functions as intended. The general condition of the guardrails are evaluated by examining the guardrail height, any damaged rail, missing or damaged posts or blocks, connecting hardware and end sections, and to ensure the guardrail is lapped correctly. The Turnpike reported a score of 78 in FY 2016, falling just short of the objective of at least 80. Missing hardware was the predominant deficiency affecting the desirable condition of this asset. Efforts to improve guardrail include, along with the routine inspection effort, incorporating asset specific work needs surveys to identify missing hardware and the correcting of these deficiencies.

For lighting, the total luminaries of the combined sign and highway lights are examined to determine if they are functioning as intended. Illumination of overhead roadway signs may be by means of a light illuminating the message through translucent material or some other source such as illuminated tubing or incandescent panels that make the message visible at night. The evaluation for highway lighting includes missing or damaged poles or luminaries. Any electrical inspection plate, access panel cover or pull box cover that is not properly secured in place will also cause this characteristic not to meet the desired maintenance condition. Despite missing the overall lighting maintenance condition rating, the percentage of lights functioning was over 95 percent during FY 2016 which is significantly higher than the requirement that the lights be on 90 percent of the time. Unsecured access panels and pull box covers were identified as the predominate deficiency. Efforts to improve lighting include corrective measures to secure all electrical inspection/access panel covers, and identifying and replacing missing hardware at pull boxes. Other efforts include the development of a performance based lighting maintenance contract for a portion of the Turnpike System.

Consultant Contract Management

The final cost of consultant contracts (CEI and design) completed during FY 2016 exceeded the original awards by 24.9 percent. The difference results from additional design necessary for projects that were deferred due to the recession or to add necessary scope to a contract and post-design services that are not included in the original contract but are added as an amendment once a project is underway. For CEI contracts, weather delays are not included in time estimates resulting in time extensions with additional costs.

Presented below are examples of some of the notable performance measures where the Turnpike met the objective or where the performance measure was not applicable. Explanations are provided to clarify the methodology utilized by the Turnpike or to provide a historical perspective.

Average Customer Call Wait Time

The Enterprise is responsible for management of the Turnpike System and collection of tolls on eight other facilities owned or operated by the Department. The Enterprise maintains all SunPass accounts and customer call centers, and processes SunPass payments to various toll authorities across the state. As previously noted, the Enterprise executed a contract to develop and implement a Centralized Customer Service System (CCSS) in November 2015 and opened its new Orlando SunPass Service Center in September 2016 (FY 2017). This state-of-the art call center represents a major milestone of the CCSS project and the new system application is expected to be fully operational by the end of 2017.

Average customer call wait time was established as a new performance measure in FY 2016. The objective is to answer more than 80 percent of calls within one minute. While the Turnpike does not have measurable data for FY 2016, it will report results for the first time for FY 2017.

Image Review Processing Time

Image review processing time was established as a new performance measure in FY 2016. The objective is to review 90 percent of video images (license plates) in less than 2 weeks. Timely review of video images provides for expeditious billing of toll customers, enhanced revenue recognition, and better customer service. Similar to the average customer call wait time, the Turnpike will report results for the first time for FY 2017.

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

FY 2016 operating, maintenance and administrative (OM&A) expenses for the Turnpike exceeded the annual budget by 1.9 percent, meeting the objective of less than 10.0 percent.

Minority Participation

The Department, including the Turnpike, strives to improve economic opportunities for the state's women and minority owned businesses by ensuring equity in the execution of contracting provisions.

The current Minority Business Enterprise (MBE) program began with the "Small and Minority Business Assistance Act of 1985." This Act established state agency goals for the percentage of expenditures with certified minority businesses. The goals were set according to industry group: construction, architecture and engineering, commodities, and contractual services. Criteria for certification as an MBE were also detailed. These included ethnic group, business size, and being a Florida business owned by minority Florida residents. There have been refinements over the years, but the essence of the Act is still in place in Chapter 287, Florida Statutes. Under the One Florida Initiative, emphasis has shifted from tracking percentage goals by industry type to tracking total expenditures with MBEs and the increase in such expenditures annually. As the work program size increases, the MBE expenditures are expected to increase correspondingly. In addition, One Florida has de-emphasized the use of set-asides or price preferences for MBEs in favor of aggressive outreach and encouragement.

Consistent with Department goals, the Turnpike's objective is to increase MBE expenditures over the prior year. For FY 2016, the Turnpike's actual MBE expenditures totaled $97.6 million, compared to FY 2015 MBE expenditures of $79.3 million, a 23.1 percent increase.

Debt Service Coverage - (Compliance with Bond Covenants and Bond Ratings)

Turnpike debt service coverage was in compliance with its bond covenants. There were no downgrades to Turnpike bond ratings in FY 2016 and bond ratings met or exceeded the established objectives of greater than or equal to BBB (Standard & Poor's), Baa (Moody's), and BBB (Fitch). In FY 2016, Standard & Poor's and Moody's Investors Service upgraded the underlying ratings of Turnpike bonds, while Fitch Ratings upgraded in August 2016 (FY 2017).

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. As previously noted, numerous changes to operating indicators were approved by the Commission in 2016 and are summarized in the Introduction section of this report. FY 2016 operating indicators, as reported by the Turnpike, are provided in Table 27. Also, to assist in trend analysis, FY 2014 and FY 2015 operating results are provided. Results for the last five fiscal years are included in Appendix A.

Table 27
Florida's Turnpike System
Summary of Operating Indicators (in millions)
FY 2014 through FY 2016

Indicator	*Detail*	*Actual 14 Results (millions)*	*Actual 15 Results (millions)*	*Actual 16 Results (millions)*
Operations				
Growth in Value of Transportation Assets	Land Acquisition	$892.9	$903.6	$924.2
	Buildings[1]	$60.4	$60.4	$68.8
	Infrastructure Assets	$6,878.5	$7,224.9	$7,629.8
	Construction in Progress	$950.6	$949.4	$918.0
	Total Value of Transportation Assets	$8,782.3	$9,138.2	$9,540.8
Preservation of Transportation Assets	Renewal & Replacement of Infrastructure	$62.7	$59.2	$64.6
	Routine Maintenance of Infrastructure	$36.2	$39.1	$42.9
	Total Preservation Costs	$98.9	$98.4	$107.5
Toll Collection Transactions	Electronic Transactions	86.5%	89.9%	91.2%
	Revenue from Electronic Transactions	82.0%	85.4%	87.2%
Annual Revenue Growth	Toll and Operating Revenue	5.5%	9.5%	10.3%
Revenue Variance	Actual Revenue with "Recovery of Fines"	4.2%	5.4%	5.9%
	Actual Revenue without "Recovery of Fines"	4.7%	5.6%	6.1%
Safety	Fatalities per 100 Million Vehicle Miles Traveled	0.52	0.46	0.57
Operations and Budget				
Cost to Collect a Toll Transaction	Total Toll Collection Costs (Net of Exclusions) / Number of Transactions	$0.13	$0.12	$0.11
Operating Efficiency	Toll Collection Expense as % of Operating Expense	49.1%	50.8%	48.8%
	Routine Maintenance Expense as % of Operating Expense	13.7%	14.4%	14.0%
	Administrative Expense as % of Operating Expense	N/A	N/A	N/A
	Operating Expense as % of Operating Revenue	32.3%	30.4%	31.0%
Rating Agency Performance	Toll Operations and Maintenance Expense as % of Operating Revenue	20.3%	19.8%	19.5%
Property Acquisition				
Right-of-Way	# Projects Requiring ROW Acquisition	2	3	4
	# Parcels Needed to be Acquired for Projects	0	0	191
	# Parcels Acquired via Negotiations	9	16	60
	# Parcels Acquired via Condemnation	0	0	9
	# Parcels Acquired with Final Judgments ≤ one half the Range of Contention	0	0	0
Revenue Management and Bond Proceeds				
Debt Service Coverage - Bonded/Commercial Debt	[(Rev - interest) - (toll operating & maintenance expense)] / commercial debt service expense	2.72	2.83	3.04
Debt Service Coverage - Comprehensive Debt	[(Rev - interest) - (toll operating & maintenance expense)] / all scheduled debt service expense	2.61	2.69	2.87
Underlying Bond Ratings (Uninsured)	Standard & Poor's Bond Rating	AA-	AA-	AA
	Moody's Bond Rating	Aa3	Aa3	Aa2
	Fitch Bond Rating[2]	AA-	AA-	AA-

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

[1] Buildings are related to Service Plazas on the Mainline and are presented in accordance with Governmental Accounting Standards Board (GASB) Statement No. 60 - Accounting and Financial Reporting for Service Concession Arrangements.

[2] Fitch upgraded Turnpike bonds to AA from AA- in August 2016 (FY 2017).

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.). In FY 2016, infrastructure assets increased approximately $405 million primarily due to widening of the Veterans Expressway; renovation of the Okahumpka Service Plaza; and a new interchange at SR 417 and the Turnpike Mainline.

Major ongoing projects include construction of the new First Coast Expressway in Clay and Duval counties; widening of the Beachline West Expressway (I-4 to the Mainline); widening of SR 821 (HEFT) in Miami-Dade County; as well as other interchange improvements.

Preservation of Transportation Assets (Renewal and Replacement of Infrastructure)

The Turnpike utilizes the Modified Approach to report infrastructure assets (highway system and improvements) whereby renewal and replacement costs associated with maintaining the existing roadway system at a certain level are expensed, and the asset is not depreciated. Renewal and replacement costs for FY 2016 are reported at $64.6 million. This represents a $5.3 million, or 9.0 percent, increase from FY 2015. Fluctuations in expense levels from year to year will result based on management's assessment of needed system preservation.

Snapper Creek Service Plaza in Miami - Recently Renovated.

Preservation of Transportation Assets (Routine Maintenance of Infrastructure)

FY 2016 routine maintenance expenses increased $3.8 million, or 9.6 percent, over FY 2015 primarily due to additional maintenance expenses associated with the growth in ridership.

Toll Collection Transactions (Electronic Toll Transactions and Revenue)

Electronic Toll Collection (ETC) transactions and toll revenue comprised 91.2 percent and 87.2 percent, respectively, of total transactions and toll revenue on Turnpike facilities in FY 2016. For FY 2016, the ETC transaction performance measure was reclassified as an operating indicator and both ETC transactions and revenue were revised to include TOLL-BY-PLATE transactions and revenue in the calculations. The Turnpike included TBP transactions and revenue in their calculations for the five-year reporting period (FY 2012 through FY 2016).

Annual Revenue Growth (Toll and Operating Revenue)

Section 338.165, Florida Statutes, requires the Turnpike and other Department-owned facilities to index toll rates on existing toll facilities to the annual Consumer Price Index (CPI) or similar inflation indicator. Toll rate adjustments for inflation may be made no more frequently than once a year and must be made no less frequently than once every five years as necessary to accommodate cash toll rate schedules.

Pursuant to this requirement, FY 2013 was the first full year of system-wide toll indexing on Turnpike facilities. On June 24, 2012, cash toll rates were indexed using the percentage change in CPI between Calendar Years 2010 and 2005 (11.7 percent). This cash toll rate was then adjusted up to the next higher quarter for collection efficiency. The SunPass toll rates were set to be a quarter less than the adjusted cash toll rates and the TOLL-BY-PLATE toll rates were increased to be equal to the adjusted cash toll rates.

For subsequent years, the cash toll rate will be adjusted every five years by the change in CPI over the previous five years and adjusted to the next higher quarter. The SunPass and TOLL-BY-PLATE toll rates will be adjusted annually based on the year-over-year change in CPI and rounded to the nearest penny. Accordingly, on July 1, 2013 (FY 2014), the SunPass and TOLL-BY-PLATE toll rates were adjusted by 2.1 percent and rounded to the nearest penny. The $42.6 million, or 5.5 percent, increase in FY 2014 total operating revenue is primarily due to traffic growth on the system, the opening of the I-4 Connector, and indexing of toll rates.

Total operating revenue for FY 2015 increased 9.5 percent over FY 2014 primarily due to record toll revenue of $866 million which represents a $70 million, or 8.7 percent, increase over FY 2014. The increase in revenue is largely attributed to system-wide traffic growth, the addition of the newly acquired Beachline East Expressway, the first full year impact of the I-4 Connector which opened to traffic in January 2014, and the statutorily required indexing of SunPass and TOLL-BY-PLATE toll rates implemented on July 1, 2014. These rates were adjusted based on the year-over-year change in the CPI of 1.5 percent, and rounded to the penny.

The $93 million, or 10.3 percent, increase in FY 2016 total operating revenue is primarily due to record high toll revenues of $956 million. The increase in toll revenue is largely attributed to system-wide traffic growth due to a strengthening economy, an extra day of revenue collection in February due to a leap year, and the statutorily required indexing of SunPass and TOLL-BY-PLATE toll rates implemented on July 1, 2015. These rates were adjusted based on the year-over-year change in the CPI of 1.6 percent, and rounded to the nearest penny.

Safety (Fatalities per 100 Million Vehicle Miles Traveled)

The Florida Department of Highway Safety and Motor Vehicles reports official fatalities based on a Calendar Year (CY). Results for fatalities per 100 million vehicle miles traveled are based on 41, 38, and 52 accident fatalities reported on Turnpike facilities in CY's 2013, 2014, and 2015.

The Turnpike continues to take steps to improve on safety. In FY 2015 the Turnpike conducted an analysis to identify high crash locations for the implementation of a wrong-way driver detection pilot project. With assistance from the University of Central Florida, a pilot evaluation is underway to study the effectiveness of countermeasures that include wrong-way pavement arrows, oversized signs with flashing solar-powered LED lights and vehicle-alert technology such as radar and cameras that integrates into the Traffic Management Center (TMC) at two locations. In FY 2016 the Turnpike procured oversized wrong-way signs with solar powered Rectangular Rapid Flashing Beacons, radars and cameras along 18 ramps on the Seminole Expressway and Southern Connector Extension.

Also, in FY 2016 the Turnpike installed Road Weather Information Stations (RWIS) at 12 additional locations along a section of the Turnpike Mainline to gather environmental data, including visibility, wind and precipitation to assess and forecast climatic conditions to aid in early detection and fast response by the TMC to safety hazards. The FY 2016 deployment brings the number of RWIS locations to 27 sites systemwide. The goal of the RWIS is to improve safety and reduce the potential for severe crashes by taking advantage of new technological advancements with detection/warning systems.

Over the last decade, the Turnpike has made significant safety improvements with the installation of median guardrails and barrier systems in locations where canals and other bodies of water run alongside Turnpike facilities. Since 2004, more than 200 miles of new guardrails and 300 miles of canal protection safety barriers have been installed. Prior to the guardrail improvements, fatalities occurring on the Turnpike Mainline from median cross-over accidents averaged more than 20 per year. In the past five years, fewer than two such fatalities have occurred per year on average.

Operating Efficiency and Rating Agency Performance

As previously noted, FY 2016 total operating revenues increased $93 million, or 10.3 percent, over FY 2015 primarily due to record traffic and toll revenue on the Turnpike System. Total operating expenses increased $34.5 million, or 12.7 percent, in FY 2016 resulting in a slight increase in the ratio of operating expenses to operating revenues. An $11.5 million, or 8.3 percent, increase in toll collection expenses and a $3.8 million, or 9.6 percent, increase in routine maintenance expenses are primarily attributed to the overall growth in system toll transactions. Toll transactions increased from 819 million in FY 2015 to 888 million in FY 2016, an 8.4 percent increase. As previously noted, a $5.3 million increase in renewal and replacement expenses is attributed to management's assessment of needed system preservation. Installation of equipment along the system resulted in a $14.4 million increase in related depreciation expenses in FY 2016. The Turnpike does not separately present administrative expenses as such amounts are allocated to programs by way of the Department's Indirect Cost Application as approved by the Federal Highway Administration.

Right-of-Way

The general consensus at the Commission's 2016 Charrette on Transportation Authority Performance Measures was that the previous right-of-way operating indicators did not provide a realistic representation of how expansive an authority's right-of-way program is nor did they provide a realistic representation as to how efficiently and effectively the authority is operating. As such, a new set of operating indicators were established beginning in FY 2016. In general, the indicators were changed from a dollar value focus to the number of parcels acquired.

The Turnpike had 4 projects requiring right-of-way acquisition in FY 2016. The number of parcels needed to be acquired for these 4 projects totaled 191, of which 69 parcels were acquired during the year. Additionally, the remaining 122 parcels were acquired during FY 2017.

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

The Turnpike reported debt service coverage for Bonded/Commercial Debt and Comprehensive Debt as 3.04 and 2.87, respectively, for FY 2016. The higher debt service coverage ratios in FY 2016 are primarily attributed to an increase in net operating revenues available for debt service, due to the effects of the statutorily required indexing of SunPass and TOLL-BY-PLATE toll rates implemented on July 1, 2015 and traffic growth.

Senior lien bonds are secured by a pledge and first lien on the net revenues of the Turnpike. The Turnpike bond covenants require that net revenues (gross revenues less operating and maintenance expenses) be sufficient to pay at least 120 percent of the annual debt service requirements of the bonds. Pursuant to legislation adopted in 1997, the Department covenanted to pay all costs of operation and maintenance of the Turnpike from the STTF, in effect making 100 percent of Turnpike gross revenues available for debt service. The costs of operation and maintenance paid from the STTF are reimbursed from the Turnpike General Reserve Fund only after payment of debt service and other amounts required to be paid with respect to Turnpike bonds. In addition, the Turnpike met its own Debt Management Policy requirements that annual debt coverage ratios be at least 1.5 times net revenue or 2.0 times gross revenue.

Underlying Bond Ratings

In March 2016, Moody's Investors Service upgraded Turnpike senior lien revenue bonds to Aa2 from Aa3. According to Moody's, the upgrade was the result of the Turnpike's long history of effective tolling operations, prudent fiscal policies and capital planning practices, and strong and improved financial metrics. In April 2016, Standard & Poor's upgraded Turnpike senior lien revenue bonds to AA from AA- with a stable outlook. The agency attributes these industry-leading ratings to the consistently strong financial performance of the Turnpike and management's commitment to controlling expenses. In addition, in August 2016 (FY 2017), Fitch Ratings upgraded Turnpike senior lien revenue bonds to AA from AA- with a stable outlook. The agency attributes this ratings upgrade to the continued strengthening of the Enterprise, a financial profile with strong debt service coverage, consistent toll increases and sustained transaction growth across its roadway system.

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 monitors 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

The Turnpike provided a copy of the Executive Office of the Governor Code of Ethics policy that was revised on January 4, 2011 by Governor Scott through Executive Order 11-03. This policy imposes clear, enforceable standards that incorporate and exceed the current requirements of the statutory code of ethics set forth in Chapter 112, Part III, Florida Statutes (Code of Ethics for Public Officers and Employees). This ethics policy applies to all employees in the Office of the Governor and to all secretaries, deputy secretaries, and chiefs of staff of the executive agencies under the purview of the Governor. Each agency secretary was directed to review the current policies adopted by each agency, with a view towards using the revised Executive Office of the Governor Code of Ethics as the base standard to revise current policies to the extent practicable.

The Department last amended its Ethics Policy on September 8, 2015. The Department's Ethics Policy applies to all employees and the standards and requirements incorporate the guidance in the Governor's Code of Ethics which was effective January 4, 2011. The Ethics Policy designates the Department's Deputy General Counsel as the Department's Ethics Officer who will make reasonable efforts to ensure employees are familiar with the Ethics Policy and receive annual training on the subjects of ethics, public records, open meetings, records retention, equal opportunity and proper personnel procedures, as required by the Governor's Code of Ethics. Turnpike management indicated that required annual ethics training was provided to all Turnpike employees beginning September 25, 2013 via a mandatory Department Computer Based Training (CBT) application. In addition, annual training is also required on public records requests for all Turnpike employees.

All new Department employees are required to read Chapter 112, Part III, Florida Statutes (Code of Ethics for Public Officers and Employees) and Sections 334.193 and 334.195, Florida Statutes, related to conflicts of interest. The Document/ Receipt Acknowledgement (Form 250-015-06) is signed by all new Department employees indicating such and is filed in the employee's personnel file.

According to Turnpike management, no findings with regard to ethics violations were noted during FY 2016. From time to time, employees submit concerns to the Office of the Inspector General (OIG). These concerns are addressed in accordance with the OIG's policies and procedures.

Audits

Turnpike Management is responsible for the fair presentation of the financial statements in accordance with GAAP. In accordance with the bond covenants, the Turnpike is required to obtain an audit of its financial statements from a nationally recognized accounting firm. In conjunction with the audit, the auditor is responsible pursuant to Statement on Auditing Standards (SAS) No. 115, Communicating Internal Control Related Matters Identified in an Audit, to identify and communicate any reportable conditions or material weaknesses.

An annual independent audit of the Turnpike's financial statements for the fiscal year ended June 30, 2016 was performed. The Independent Auditor's Report indicated that the financial statements were prepared in conformity with GAAP and received an unmodified 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* did not identify any deficiencies in internal control that were considered material weaknesses, and the results of audit tests did not disclose any instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The Turnpike's internal audit function is handled at the Department level through the OIG. Commission staff reviewed a listing of reports issued by the OIG during FY 2016 and identified one report specifically related to the Turnpike. OIG conducted a contract modification review of Contract E8M60, Supplemental Agreement (SA) 43, between the Department and GLF Construction Corporation relating to the widening of the Veterans Expressway. The OIG determined that SA 43 complied with applicable regulations and Department policies and that the Turnpike Enterprise adequately monitored contract E8M60 and the associated contract changes resulting from SA 43.

Public Records and Open Meetings

The Turnpike, consistent with the Department, is operating under Chapter 119, Florida Statutes, relating to public records and has adopted procedures to process public records requests. The procedures appear to be comprehensive and include a prescribed process to identify information that is confidential or exempt that would require redaction.

The Turnpike, as part of the Department, has adopted policies for various public meetings that include basic public meeting requirements, Project Development and Environment (PD&E) public meeting requirements, rule development and rulemaking public meeting requirements, and exemptions. Unlike other transportation authorities contained in this report, the Turnpike does not fall under the purview of Chapter 189, Florida Statutes, which relate to Special Districts.

- Basic public meeting policy requirements provide for open, accessible, and non-discriminatory public meeting locations and the use of technology in conducting meetings (Sections 286.26 and 286.011(6), Florida Statutes, and Chapter 28-109, Florida Administrative Code). Reasonable notice of public meetings must be provided and the notice must advise the public that a record of the meeting is required for an appeal of any decision made at the meeting (Sections 286.011(1) and 286.0105, Florida Statutes). The policy requires that public meeting notices be published on the Department's website and that minutes of public meetings must be taken, promptly recorded and available for public inspection. The minutes may be posted or provided upon request (Section 286.011(2), Florida Statutes). An agenda is required when a meeting is held pursuant to Section 120.525, Florida Statutes, and must be published on the agency's website no less than seven days prior to the event.

- PD&E public meeting policy requirements provide that notices should indicate the purpose, date, time and location of the meeting and are required to be published in the Florida Administrative Register (FAR) and on the Department's Public Notices website. Public hearings are required by Section 339.155, Florida Statutes, and the Department PD&E manual, and shall be conducted during the development of major transportation improvements. In addition to the FAR and the Department's Public Notices website, other required notifications include newspaper ads, notification letters to public officials, and notification letters to property owners (Section 339.155, Florida Statutes, and the Department PD&E manual).

- Rule development and rulemaking public meeting policy requirements provide that the Turnpike works with the Department's Central Office General Counsel's Office to submit new administrative rules and subsequent rule amendments. Administrative rules are published in the Florida Administrative Code. Except when the intended action is the repeal of a rule, the Department shall provide notice of the development of proposed rules by publication of a notice of rule development in the FAR (Section 120.54(2), Florida Statutes). The Department may, but is not required to, hold public workshops for the purposes of rule development. However, if a public workshop is requested by any affected person, the Department must hold a public workshop unless the Department head explains in writing why a workshop in unnecessary (Section 120.54(2)(c), Florida Statutes). A notice of rule development workshop shall be by publication in the FAR not less than 14 days prior to the date on which the workshop is scheduled to be held and shall indicate the subject area which will be addressed; the agency contact person; and the place, date and time of the workshop (Section 120.54(2)(c), Florida Statutes). Notice of proposed rulemaking is also published in the FAR. The Department must hold a hearing if requested within 21 days after publication of the notice of rulemaking.

- Exemptions to public meeting requirements under Section 286.0113, Florida Statutes, include meetings in which all or part of a security system plan would be revealed and procurements under Section 287.057, Florida Statues, in which there are negotiations with a vendor or there are oral questions and answers of a vendor. A complete recording of the negotiations or oral presentations must be made and no portion may be off the record. The recordings will be exempt from public records requirements until a notice of decision or intended decision is provided or 30 days after the bids, proposals, or final replies are opened.

The Turnpike posts public meeting notices on the Department's website, consistent with all Department Districts. The Turnpike provided typical public meeting documentation for a Toll Rate Rulemaking Public Workshop and Toll Rate

Rulemaking Public Hearing that was reviewed by Commission staff. During the course of this review, Commission staff did not identify any public records or open meeting violations or investigations.

Procurement

The Department's Commodities and Contractual Services Procurement Manual (No. 375-040-020, amended April 22, 2016) provides uniform processes for the procurement and contracting of commodities and contractual services in accordance with Chapter 287, Florida Statutes (Procurement of Personal Property and Services). For more detailed information, this manual can be accessed electronically at http://www.fdot.gov/procurement/CCSPM.shtm. Chapter 287 gives the Department of Management Services (DMS), State Purchasing, the authority to adopt rules to govern the procurement of goods and services and has promulgated these rules in Chapter 60A-1, Florida Administrative Code. State Purchasing has delegated to the Department the conditional authority for the contracting for, or the purchase, lease, or acquisition of, commodities or contractual services. The Department has further delegated this procurement authority to the District Offices. The Department has established procurement units in the Central Office and Districts that are responsible to provide guidance, oversee the procurement function, and monitor the procurement activity, as applicable, to assure compliance with applicable law, rule and manual.

First Coast Expressway Construction in Jacksonville.

In accordance with the Department of Financial Services (DFS) Chief Financial Officer Memorandum No. 02 (2012-2013), all contractual services contracts (both written agreements and purchase orders) meeting criteria outlined in the above referenced memorandum must be reviewed by the DFS Bureau of Auditing upon execution. For more detailed information, this memorandum can be accessed electronically at http://www.myfloridacfo.com/Division/AA/Memos/cfo/2010s/CFOM121302.pdf.

Prior to commitment of funds (or additional funds) through a contract, amendment, supplement, letter of authorization, purchase order or change order, funds approval must be obtained through the Department's Office of Comptroller, Contract Funds Management Section. A web based Contract Funds Management (CFM) System is used by the Department to validate funds availability and encumber funds in the State's Accounting System for all commodity and contractual services contracts.

Separate procedures are provided for procurement of services for:

- Purchasing Card (No. 350-030-010-g)

  Purchasing Card procedures provide that the purchasing card (a VISA credit card) may only be issued to Department employees and that the card may be used to purchase commodities and contractual services within the cardholder's transaction limits. For more detailed information, these procedures can be accessed electronically at http://fdotewp2.dot.state.fl.us/ProceduresInformationManagementSystemIntranet/Procedures/ViewStaticDocument?topicNum=350-030-010.

- Road and Bridge Contract Procurement (No. 375-000-001-w)

  The Road and Bridge Contract Procurement procedures apply to all Contract Administration Offices responsible for advertising, letting, awarding and executing low bid, design-bid-build, construction, and maintenance contracts for work performed on roads and bridges in Florida. All solely state-funded construction contracts and all maintenance contracts shall be advertised, let, awarded and executed from the appropriate District Contracts Administration Office, including the Turnpike Enterprise Contracts Administration Office. All contracts with federal funds are let by the Central Office Contracts Administration Office, with the exception of emergency contracts, which are advertised, let, awarded, and executed from the appropriate District Contracts Administration Office. For more detailed information, these procedures can be accessed electronically at http://fdotewp2.dot.state.fl.us/ProceduresInformationManagementSystemIntranet/Procedures/ViewStaticDocument?topicNum=375-000-001.

- Design-Build Procurement and Administration (No. 625-020-010-l)

  The Design-Build Procurement and Administrative Services procedures establish the Department's process for procuring and administering the design and construction of a project(s) within one contract to allow the contractor to participate in the design in an effort to reduce costs and expedite construction.

  The Low Bid Design-Build (LBDB) process is generally used on projects where the design and construction criteria are concise, clearly defined, and innovation or alternatives are not being sought (such as resurfacing projects). For more detailed information, these procedures can be accessed electronically at http://fdotewp2.dot.state.fl.us/ProceduresInformationManagementSystemIntranet/Procedures/ViewStaticDocument?topicNum=625-020-010.

- Acquisition of Professional Services (No. 375-030-002-k)

  The Acquisition of Professional Services procedures defines the method used by the Department to acquire qualified professional architectural, engineering, landscape architectural, land surveying and mapping, planning, and right of way services. For more detailed information, these procedures can be accessed electronically at http://fdotewp2.dot.state.fl.us/ProceduresInformationManagementSystemIntranet/Procedures/ViewStaticDocument?topicNum=375-030-002.

Consultant Contract Reporting

Turnpike provided a list of all "General Consulting" contracts and those sub contracts that exceeded $25 thousand in FY 2016. As indicated in Table 28, 58 sub consultants were used by the general consulting firms for a total cost of $13.4 million in FY 2016.

Table 28
Florida's Turnpike System
Summary of General Consultant Sub Consultant Activity
FY 2016

Consulting Contract	*Description*	*Sub Consultants >$25 K ($000)*
AECOM Technical Services	**Traffic Engineering General Consultant (Contract No. C-8Y59)**	
Peggy Malone & Associates, Inc.	Traffic Counts, Turning Movement Counts, Speed/Delay Runs, Directionality Counts	$154
Resource Systems Group, Inc.	Traffic Simulation Model Development, Stated Preference Surveys & Origin/Destination Studies	$183
Televent USA, LLC	Traffic Engineering & Operational Analysis Relating to Hard Shoulder Running on Turnpike	$46
The Corradino Group, Inc.	Travel Demand & Time-Of-Day Forecasting Models; Traffic Engineering Analysis	$30
The Heimburg Group, Inc.	Transportation System Planning & Traffic Engineering Reviews	$79
Vanasse Hangen Brustlin, Inc.	Design Traffic Volumes/Factors, Traffic Engineering Analysis Through Simulation Tools	$81
AECOM Technical Services	**Traffic Engineering General Consultant (Contract No. C-9N10)**	
BCC Engineering, Inc.	Model Development For Travel Demand & Time-Of-Day, Traffic Engineering Analysis	$41
EPIC Engineering & Consulting Group, LLC	Application Development/Graphic Support Services For Traffic Engineering Activities	$55
Peggy Malone & Associates, Inc.	Traffic Counts, Turning Movement Counts, Speed/Delay Runs, Directionality Counts	$116
Resource Systems Group, Inc.	Traffic Simulation Model Development, Stated Preference Surveys & Origin/Destination Studies	$166
Scott Brown Media Group	Coordination Of Task Force and Agency/Community Workshop Meetings	$38
The Corradino Group, Inc.	Travel Demand and Time-Of-Day Forecasting Models; Traffic Engineering Analysis	$25
The Heimburg Group, Inc.	Transportation System Planning & Traffic Engineering Reviews	$92
Vanasse Hangen Brustlin, Inc.	Design Traffic Volumes/Factors, Traffic Engineering Analysis Through Simulation Tools	$92
HNTB Corporation	**General Engineering Consultant**	
Epic Engineering & Consulting Group, LLC	Application Development, Data Analysis & Asset Management Support Services	$477
Independence Acquisiton & Appraisal	Property Management; Appraisal & Property Acquisition Support	$381
Inwood Consulting Engineers, Inc.	PD&E Noise Study Services	$38
Kyra Solutions, Inc.	Application Development for Web Services Related to Enhancing Business Processes at FTE	$25
L Squared Business Solutions, Inc.	Tolls Commercial Account Support	$152
Mehta and Associates, Inc.	Field Office Survey Support	$204
Montgomery Consulting Group, Inc.	CADD & IT Support Services	$331
Murray Design Group, Inc.	Landscape Design Services	$49
NW Financial Group, LLC	Financial Review of Assets as it Relates to GEC Bond Covenant Requirements	$59
Parsons Transportation Group	Review & Document Network Management Practices Related to Traffic Operations & Tolling	$35
Stokes Creative Group, Inc.	Video Production Services/Technical Documentary	$208
Terracon Consultants, Inc.	Technical Management & Coordination Services	$179
Atkins North America, Inc.	**General Engineering Consultant**	
Akupara	TDC Project Management & Toll Systems Technology Support	$242
Brindley Pieters & Associates, Inc.	Utility Coordination & Engineering Support	$244
Building Codes Administrative Services, Inc.	Building Permitting & Inspection Services	$113
Collins Survey Consulting, LLC	Surveying & Right-Of-Way Mapping Support	$35
Eric L. Hunn Consulting	Toll Escalation Process Review	$66
Faller, Davis & Associates, Inc.	Shop Drawing Process Support	$303
McCarey Consulting	Manages SunPass Back Office Operations & CCSS Program/Leads FTE Registration Hold Process	$366
Michael M. Houston, Architect	LEED Architecture Support On Service Plaza Reconstruction Project	$64
Montgomery Consulting Group, Inc.	Project Management, Data Maintenance, Plans Processing & Asset Management Support	$849
Omni Communications, LLC	Survey & Mapping	$259
Jacobs Engineering Group, Inc.	**Maintenance & Traffic Operations General Engineering Consultant (Contract No. C-8X77)**	
AECOM Technical Services, Inc.	Traffic Management Center Oversight & Staffing	$291
Castillo Engineering	Contract Management for Roadway Maintenance	$69
Delcan Corporation	Incident Management Support for Roadway Maintenance	$112
Faller, Davis and Associates, Inc.	Traffic Management Center Staffing & Roadway Maintenance Support Services	$298
Procopio & Associates, Inc.	Roadway & Facilities Maintenance Support Services	$233
Roy Jorgensen Associates, Inc.	Contract Management for Roadway & Facilities Maintenance	$67
Scheda Ecological Associates, Inc.	Contract Management & Environmental Management Services	$87
Technology Assurance Labs	Toll Systems & Equip. Installation Support For Network Design & Network/System Architecture	$140
T.Y. Lin International, Inc.	Contract Management & Structures Maintenance Support for Roadway Maintenance	$112
Jacobs Engineering Group, Inc.	**Maintenance & Traffic Operations General Engineering Consultant (Contract No. C-9M19)**	
AECOM Technical Services, Inc.	Traffic Management Center Oversight & Staffing	$1,301
Airquest Environmental, Inc.	Turnpike Facilities Environmental Services & Asbestos Abatement	$46
Castillo Engineering	Contract Management for Roadway Maintenance	$129
Delcan Corporation	Incident Management Support for Roadway Maintenance	$175
Faller, Davis and Associates, Inc.	Traffic Management Center Staffing & Roadway Maintenance Support Services	$1,159
Procopio & Associates, Inc.	Roadway & Facilities Maintenance Support Services	$256
Roy Jorgensen Associates, Inc.	Contract Management for Roadway & Facilities Maintenance	$791
Scheda Ecological Associates, Inc.	Contract Management & Environmental Management Services	$322
T.Y. Lin International, Inc.	Contract Management & Structures Maintenance Support for Roadway Maintenance	$412
Parsons Brinckerhoff, Inc.	**Construction & Materials General Engineering Consultant**	
Bayside Engineering, Inc.	Concrete/Earthwork Services	$173
Castillo Engineering, Inc.	Construction Project Management, Utility Coordination & Earthwork & Pavement Services	$739
Gary Draper & Associates of Atlanta, Inc.	Construction Project Management & Plans Review	$454
LPE Enterprises, Ltd.	Document Control	$184
Total Sub consultants > $25 K		$13,427

Compliance with Bond Covenants

The Department is authorized to borrow money as provided by the State Bond Act for the purpose of paying the cost of any legislatively approved Turnpike project in the Work Program. Pursuant to Section 338.223, Florida Statutes, expansion projects are also subject to required tests of economic feasibility prior to the sale of bonds. The principal and interest on such bonds are payable solely from Turnpike revenues pledged for their payment and are not a general obligation or indebtedness of the State of Florida. As such, the full faith and credit of the State of Florida is not pledged to payment of the bonds. The State Board of Administration, Division of Bond Finance, issues revenue bonds on behalf of the Department in order to help fund Turnpike expansion projects, new interchanges and other capital projects. Pursuant to Section 338.2275, Florida Statutes, the Turnpike's legislative bond cap was revised to $10 billion revenue bonds outstanding, effective July 1, 2007. At June 30, 2016, the Turnpike has $2.8 billion of outstanding revenue bonds related to the financing of the construction of expansion projects and system improvements. Accordingly, $7.2 billion remains of the statutory limitation on outstanding bonds. The following Turnpike bonds were issued during, and subsequent to, FY 2016:

- In October 2015, the Turnpike issued $195.9 million in State of Florida, Department of Transportation Turnpike Revenue Refunding Bonds, Series 2015B, to refund the outstanding Series 2007A Turnpike Revenue Bonds, and to pay the costs of issuance. The refunding resulted in a net present value savings of $31.9 million due to lower interest costs.

- In January 2016, the Turnpike issued $173.4 million in State of Florida, Department of Transportation Turnpike Revenue Refunding Bonds, Series 2016A, to refund a portion of the outstanding Series 2006A Turnpike Revenue Bonds, and to pay the costs of issuance. The refunding resulted in a net present value savings of $26.0 million due to lower interest costs.

- In March 2016, the Turnpike issued $113.3 million in State of Florida, Department of Transportation Turnpike Revenue Refunding Bonds, Series 2016B, to refund a portion of the outstanding Series 2006A Turnpike Revenue Bonds, and to pay the costs of issuance. The refunding resulted in a net present value savings of $15.2 million due to lower interest costs.

- In February 2017 (FY 2017), the Turnpike issued $142.6 million in State of Florida, Department of Transportation Turnpike Revenue Refunding Bonds, Series 2016C, to refund a portion of the outstanding Series 2008A Turnpike Revenue Bonds, and to pay the costs of issuance. The refunding resulted in a net present value savings of $21.8 million due to lower interest costs.

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 15(c)2-12.

- The Turnpike System financial statements were audited by a nationally known and recognized firm of certified public accountants.

- The Turnpike utilizes nationally known and recognized General Engineering Consultants (Atkins and HNTB Corporation).

- The required annual independent inspection and report concerning the condition of the Turnpike was completed.

- Section 5.07(E) of the Bond Resolution requires the Turnpike to review its financial condition and determine whether net revenues for the year are sufficient to enable it to comply with bond covenants specified in Section 5.07 (B). The Determination resolutions were properly filed with the State Board of Administration.

- The Turnpike submitted its FY 2016 detailed operating and maintenance budgets to the State Board of Administration as required under Section 5.09 of the Bond Trust Indenture.
- The Turnpike utilizes a nationally known and recognized Traffic and Revenue Consultant (AECOM).
- Debt service coverage ratio for FY 2016 exceeds bond requirements.
- Section 4.03(4) of the Bond Trust Indenture requires a debt service reserve be established in an amount as defined in the resolution. The debt service reserve requirement is to be funded from revenues or through a reserve account credit facility as provided for in the resolution. The debt service reserve account has been fully cash funded since June 30, 2011.

Summary

The Commission's review of the Turnpike was conducted with the cooperation and assistance of the Turnpike and relied heavily on documentation and assertions provided by Turnpike management.

The Turnpike met or exceeded 11 of the 17 applicable management objectives established for performance measures. The six performance measure objectives not met include the state highway system maintenance rating program (MRP) overall rating; revenue variance; MRP safety characteristics - striping, guardrail and lighting; and consultant contract management. Although the Turnpike did not meet the authority objective for the state highway system MRP overall rating, it exceeded the minimum maintenance condition rating standard established for the Department.

Operating indicator trend analysis showed that FY 2016 infrastructure assets increased $405 million over FY 2015 primarily due to widening of the Veterans Expressway, renovation of the Okahumpka Service Plaza, and a new interchange at SR 417 and the Turnpike Mainline. Major ongoing projects include construction of the new First Coast Expressway, widenings of the Beachline West Expressway and SR 821 (HEFT), as well as other interchange improvements. Total operating revenue for FY 2016 increased $92.6 million, or 10.3 percent, over FY 2015, primarily due to record high toll revenue of $955.9 million. The increase in revenue is primarily attributed to system-wide traffic growth due to a strengthening economy, an extra day of revenue collection in February due to a leap year, and the statutorily required indexing of SunPass and TOLL-BY-PLATE toll rates implemented on July 1, 2015.

FY 2016 total operating expenses increased $34.5 million, or 12.7 percent, over FY 2015. An $11.5 million, or 8.3 percent, increase in toll collection expenses and a $3.8 million, or 9.6 percent, increase in routine maintenance expenses are primarily attributed to the overall growth in system toll transactions. Toll transactions increased from 819 million in FY 2015 to 888 million in FY 2016. A $5.3 million increase in renewal and replacement expenses is due to management's assessment of needed system preservation. Installation of equipment along the system resulted in a $14.4 million increase in related depreciation expenses in FY 2016.

In the area of governance, the FY 2016 independent financial statement audit reflected an unmodified opinion and no findings or recommendations for improvement were noted. The Department's Office of the Inspector General (OIG) also conducted a review of a supplemental agreement (SA) between the Turnpike and GLF

Construction Corporation relating to the widening of the Veterans Expressway. The OIG determined that the SA complied with applicable regulations and Department policies and that the Enterprise adequately monitored the contract and the associated contract changes resulting from the SA. Required annual ethics training was provided to all Turnpike employees.

In November 2015, the Enterprise executed a contract to develop and implement a Centralized Customer Service System (CCSS). When fully operational, the CCSS will provide streamlined back office processing for most of the largest toll agencies in Florida under the SunPass brand. The CCSS will provide electronic toll collection customer support which includes invoicing, account management and violation enforcement under a single operation, while delivering operational cost savings, efficiencies and value to SunPass customers. In September 2016 (FY 2017), Turnpike held a grand opening of its new Orlando SunPass Service Center, a 70 thousand square foot state-of-the-art call center that represents a major milestone of the CCSS project. It is anticipated that the new CCSS facility will be fully operational by the end of 2017 and is expected to process over two billion transactions a year and manage nearly six million SunPass accounts.

During, and subsequent to, FY 2016, Turnpike issued four series of bonds:

- In October 2015, the Turnpike issued $195.9 million in State of Florida, Department of Transportation Turnpike Revenue Refunding Bonds, Series 2015B, to refund the outstanding Series 2007A Turnpike Revenue Bonds. The refunding resulted in a net present value savings of $31.9 million due to lower interest costs.

- In January 2016, the Turnpike issued $173.4 million in State of Florida, Department of Transportation Turnpike Revenue Refunding Bonds, Series 2016A, to refund a portion of the outstanding Series 2006A Turnpike Revenue Bonds. The refunding resulted in a net present value savings of $26.0 million due to lower interest costs.

- In March 2016, the Turnpike issued $113.3 million in State of Florida, Department of Transportation Turnpike Revenue Refunding Bonds, Series 2016B, to refund a portion of the outstanding Series 2006A Turnpike Revenue Bonds. The refunding resulted in a net present value savings of $15.2 million due to lower interest costs.

- In February 2017 (FY 2017), the Turnpike issued $142.6 million in State of Florida, Department of Transportation Turnpike Revenue Refunding Bonds, Series 2016C, to refund a portion of the outstanding Series 2008A Turnpike Revenue Bonds. The refunding resulted in a net present value savings of $21.8 million due to lower interest costs.

In FY 2016, two of the three nationally recognized bond rating agencies upgraded their ratings of Turnpike bonds. In March 2016 Moody's Investors Service upgraded Turnpike senior lien revenue bonds to Aa2 from Aa3 and in April 2016 Standard & Poor's upgraded Turnpike senior lien revenue bonds to AA from AA- with a stable outlook. In addition, in August 2016 (FY 2017), Fitch Ratings upgraded Turnpike senior lien revenue bonds to AA from AA- with a stable outlook.

Based on the Commission's review of Department/ Turnpike policies and procedures, Florida Statutes, Financial Statements, Bond Covenants and other documentation provided by the Turnpike, 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 Turnpike for its ongoing efforts to implement All Electronic Tolling and Express Lanes on its facilities and encourages Turnpike to continue to develop and pursue action plans to help meet established performance measure objectives. The Commission further recognizes Turnpike for taking the lead in implementing a Centralized Customer Service System for statewide back office operation for electronic toll collection activities and for taking a primary role in developing regional interoperability as part of the federal requirement of national interoperability of electronic toll collection. The Commission acknowledges with appreciation the assistance of Turnpike management and staff in providing the resources necessary to conduct this review and to complete this report.

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Mid-Bay Bridge Authority (MBBA)

Background

The Mid-Bay Bridge Authority (MBBA) was created in 1986 pursuant to Chapter 86-465, Laws of Florida, as amended by Chapter 88-542, Laws of Florida, and having been recodified as Chapter 2000-411, Laws of Florida (the "Act"). MBBA was established for the purpose of and having the power to plan, construct, operate, and maintain a bridge traversing Choctawhatchee Bay and other such transportation facilities that become part of its system. MBBA also has the power to fix, charge, and collect fees, tolls, rents and charges for the use of the system and facilities, and is further authorized to issue bonds and exercise eminent domain powers. MBBA is reported as a Dependent Special District of the State of Florida established in Okaloosa County and subject to the provisions of Chapter 189, Florida Statutes (Uniform Special District Accountability Act) and other applicable Florida Statutes.

As provided in Table 29, the governing body of MBBA consists of five voting members appointed by the Governor. The District Three Secretary of the Florida Department of Transportation (Department), or his designated representative, is an ex-officio non-voting member of the Board. Except for the District Three Secretary, all members serve three-year terms and may be reappointed. A quorum consists of three voting Board members and action shall be taken by a majority vote. MBBA employs only two staff members, an Executive Director and an Administrative Assistant, and utilizes limited

Table 29
Mid-Bay Bridge Authority
Current Board Members

Name	Affiliation	Position
James D. Neilson, Jr.	Retired Insurance Broker	Chair
Gordon E. Fornell	Retired General, USAF	Vice-Chair
Virginia Asthana	Medical Professional	Secretary-Treasurer
Dewey "Parker" Destin	Attorney	Board Member
Robert "Bobby" Griggs	Real Estate & Land Development	Board Member
Bryant Paulk	District Three Secretary Designee	Ex-Officio

Highlights

- MBBA met or exceeded 9 of the 13 applicable performance measure objectives. The measures not met were State Highway System Maintenance Rating Program (MRP) Overall Rating and the MRP Safety Characteristics - Signing, Striping, and Lighting.
- FY 2016 total operating revenues increased $6.7 million, or 32.3 percent, over FY 2015 while total operating expenses increased $0.3 million, or 6.9 percent.
- The increase in FY 2016 operating revenue is due to an increase in toll revenue attributed to a system-wide toll increase implemented on October 1, 2015.
- In June 2015, MBBA issued $285.0 million in Series 2015 Bonds to refinance and restructure all of its outstanding debt. This bond issue resulted in approximately $3.4 million in net present value savings, lowered annual debt service and toll revenue requirements, while maintaining the same bond maturation period (2040) as the MBBA 2011 Bonds.
- On October 1, 2015 (FY 2016), MBBA implemented a toll rate increase on the Mid-Bay Bridge and Spence Parkway for all cash, SunPass and TOLL-BY-PLATE customers. However, the SunPass frequent user rebate for customers who have greater than 40 SunPass transactions per month on either of the facilities leaves the effective toll rate for frequent users unchanged.
- In November 2016, MBBA approved reducing the threshold to qualify for its frequent customer rebate from 41 transactions to 32 transactions, expanding its emphasis on reducing the toll burden on commuters.

outside consultants for support such as Legal Counsel, accounting and auditing for MBBA business.

Mid-Bay Bridge.

The primary MBBA System (System) is designated as SR 293 and comprises the Mid-Bay Bridge, Danny Wuerffel Way and the Walter Francis Spence Parkway (Spence Parkway). The System includes all additions, improvements, connections, extensions, approaches, streets, roads, avenues of access, and transportation facilities appurtenant thereto. The Mid-Bay Bridge is an approximately 3.6-mile, limited access, two-lane, fixed span toll bridge that traverses Choctawhatchee Bay, connecting Niceville and Destin in southeast Okaloosa County. The bridge opened to traffic in June 1993 with one mainline toll plaza located on the north side of the bay. The approximately 0.8-mile Danny Wuerffel Way connects the south end of the Mid-Bay Bridge to US 98/SR 30. The approximately 11-mile Spence Parkway connects the north end of the Mid-Bay Bridge to SR 85. MBBA reported toll revenue of $27.4 million in Fiscal Year (FY) 2016 based on 9.9 million toll transactions.

MBBA entered into a Lease-Purchase Agreement (LPA) with the Department whereby the Department maintains and operates the System and remits all tolls to MBBA. The payment of operations and maintenance by the Department from sources other than tolls constitute the Department's rental and purchase payments for the System. The term of the LPA runs concurrently with the bonds. When the bonds mature and are fully paid, the Department will acquire full ownership of the System, subject to pre-existing easements and leases. Toll operations for MBBA are provided by Florida's Turnpike Enterprise (Enterprise), and maintenance functions are performed through the Department's District Three and its Asset Maintenance Contractor. After administrative expenses and debt service payments, current year budgeted costs of operations and maintenance are paid back to the Department. If funds are available at the end of the year, MBBA pays the Department back for any actual prior year costs. MBBA then shares 50 percent of its remaining toll revenues with the Department to address its long-term debt with the Department. In addition, MBBA has previously received loans from the Toll Facility Revolving Trust Fund (TFRTF) and State Transportation Trust Fund (STTF) used for construction of the Southern Approach. Table 30 indicates that approximately $11.1 million in long-term debt was due to the Department as of September 30, 2016.

Table 30
Mid-Bay Bridge Authority
Long-Term Debt Payable to the Department
Year Ended September 30, 2016

Transaction	*(millions)*
Advances for Operating, Maintenance and R&R Expenses[1]	$6.8
Loan from State Transportation Trust Fund[2]	$4.4
Total Due Department	$11.1

Source: MBBA Notes to Audited Financial Statements.
Note: Amounts in table may not sum exactly due to rounding.
[1] After debt service payments, current O&M budgeted costs and any actual prior year O&M not reimbursed are being paid back to the Department.
[2] STTF loan in 2001 used for construction of the Southern Approach.

Performance Measures

FY 2014 was the first year that MBBA was included in the Florida Transportation Commission's (Commission) *Transportation Authority Monitoring and Oversight Report* that has been produced annually since FY 2007. House Bill (HB) 7175, passed by the 2014 Legislature, and signed into law by Governor Scott, amended Section 20.23, Florida Statutes, providing for the Commission to monitor certain aspects of MBBA, effective July 1, 2014.

Pursuant to the Commission's 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.

In 2016, the Commission convened a Charrette on Transportation Authority Performance Measures to gain input from the authorities and to consider any enhancements or changes to FY 2016 performance measures, management objectives and operating indicators. As a result, numerous changes were approved by the Commission and are incorporated in this report. A summary of specific changes is provided in the Introduction section of this report.

FY 2016 results, as reported by MBBA, are provided in Table 31. Results for the last five fiscal years are included in Appendix A. MBBA met or exceeded 9 of the 13 applicable performance measure objectives. The four performance measure objectives MBBA did not meet are described below and include trend data and MBBA's plans to assist in meeting the measures. FY 2016 performance data is based on the MBBA fiscal year which spans from October 1, 2015 through September 30, 2016 (MBBA is required by the Act to report on the same fiscal year as Okaloosa County).

State Highway System Maintenance Rating Program (MRP) Rating

For FY 2016, the roadway maintenance condition rating of 83 fell short of the objective of at least 90. The Department monitors the quality and effectiveness of the System's routine maintenance program by periodic surveys, using the Maintenance Rating Program (MRP). The Department uses the MRP to evaluate routine maintenance in five areas: roadway, roadside, vegetation and aesthetics, traffic services and drainage. The MRP results in a maintenance rating of 1 to 100 for each category, as well as an overall rating for the System's routine maintenance performance. Pursuant to the LPA, the Department maintains the MBBA System through an asset maintenance contract to achieve an overall routine maintenance rating of 80 or higher. Although MBBA did not meet the Commission's objective for authorities, it exceeded the minimum maintenance condition rating standard of 80 currently established by the Department for State Highway System roadways.

MRP Safety Characteristics - Signing, Striping and Lighting

As previously noted, one of the five areas evaluated in the MRP include the traffic services category. Four safety characteristics within the traffic services category (signing, striping, guardrail and lighting) were identified as new performance measures in FY 2016. MBBA met one of the four MRP safety characteristics (guardrail) in FY 2016 but did not meet the objectives established for signing, pavement striping or lighting.

Roadway signs are inspected to determine if the signs are functioning as intended and meet the desired MRP conditions. The evaluation for signs include but are not limited to height, lateral clearance, tolerances, panels, posts, brackets, supports and nighttime reflectivity. Pavement striping is examined to determine if the length and width of each line is reflective and functions as

Table 31
Mid-Bay Bridge Authority
Summary of Performance Measures
FY 2016

Performance Measure	*Detail*	*Objective*	*Actual Results*	*Meets Objective*
Operations				
SHS Maintenance Rating Program (MRP) Overall Rating	Condition rating of at least 90	> 90	83	X
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%	✓
Revenue Variance	Variance from indicated revenue (without fines - 3 year moving avg.)	< 4%	2.1%	✓
MRP Safety Characteristic - Signing	Condition rating of at least 90	> 90	74	X
MRP Safety Characteristic - Striping	Condition rating of at least 95	> 95	77	X
MRP Safety Characteristic - Guardrail	Condition rating of at least 80	> 80	89	✓
MRP Safety Characteristic - Lighting	Condition rating of at least 85	> 85	67	X
Average Customer Call Wait Time	> 80% of calls answered within 1 minute	> 80%	N/A	N/A
Image Review Processing Time	> 90% of license plate images reviewed in < 2 weeks	> 90%	N/A	N/A
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
Toll Collection Expense as a Percentage of Toll Revenue	Toll collection expense (net of exclusions) / toll revenue	< 12%	8.7%	✓
Annual Operating, Maintenance and Administrative (OM&A) Forecast Variance	Actual OM&A to annual budget	< 110%	97.9%	✓
Applicable Laws				
Minority Participation[1]	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 - Compliance with Bond Covenants	Debt service coverage meets or exceeds minimum Bond Covenant requirements	Yes	Yes	✓
Bond Ratings	Bond ratings ≥ BBB (S&P), Baa (Moody's), BBB (Fitch) and no downgrade from previous year	Yes	Yes	✓

intended according to specifications. For lighting, the total luminaries of the combined sign and highway lights are examined to determine if they are functioning as intended. The evaluation for highway lighting includes missing or damaged poles or luminaries. Any electrical inspection plate, access panel cover or pull box cover that is not properly secured in place will also cause this characteristic not to meet the desired maintenance condition.

The Department maintains the MBBA System through an asset maintenance contract to achieve an overall routine maintenance rating of 80 or higher, whereas the objective established for authorities is 90 or higher. MBBA indicated that the limited number of points inspected at the characteristic level for the annual inspection of the MBBA System did not allow for a sample size large enough to approximate the actual MRP score for all characteristics.

Presented below are examples of some of the notable performance measures where MBBA met the objective or where the performance measure was not applicable.

Revenue Variance

The three year average of actual MBBA toll revenue for FY 2014 through FY 2016, without recovery of fines, represents a 2.1 percent variance from indicated revenue thereby meeting the objective of less than 4.0 percent. Revenue variance operating indicators for FY 2014, FY 2015, and FY 2016 are reported individually as 1.8 percent, 1.3 percent and 2.9 percent, respectively.

Average Customer Call Wait Time

Average customer call wait time was established as a new performance measure in FY 2016. Enterprise maintains all SunPass accounts and customer call centers and provides for all toll operations on the MBBA System. At this time, this performance measure is not applicable.

Image Review Processing Time

Image review processing time was established as a new performance measure in FY 2016. Timely review of video images provides for expeditious billing of toll customers, enhanced revenue recognition, and better customer service. Enterprise provides for toll operations on the MBBA System, therefore this performance measure is not applicable at this time.

Consultant Contract Management

MBBA did not complete any consultant contracts during FY 2016.

Construction Contract Adjustments (Time and Cost)

MBBA did not complete any construction contracts during FY 2016.

Minority Participation

As previously noted, MBBA entered into a LPA with the Department whereby the Department operates and maintains the System. As funds are available, MBBA reimburses the Department for current budgeted operating and maintenance amounts and actual prior year operating and maintenance expenses not reimbursed.

MBBA has not established any minority participation policies or utilization goals in the areas of Small Business Enterprise (SBE), or Minority and Disadvantaged Business Enterprise (MBE/DBE).

Debt Service Coverage - (Compliance with Bond Covenants and Bond Ratings)

MBBA debt service coverage was in compliance with its bond covenants. There were no downgrades to MBBA bond ratings in FY 2016 and bond ratings met or exceeded the established objectives of greater than or equal to BBB (Standard & Poor's), Baa (Moody's), and BBB (Fitch).

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. As previously noted, numerous changes to operating indicators were approved by the Commission in 2016 and are summarized in the Introduction section of this report. FY 2016 operating indicators, as reported by MBBA, are provided in Table 32. Also, to assist in trend analysis, FY 2014 and FY 2015 operating results are provided. Results for the last five fiscal years are included in Appendix A.

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.). In FY 2016, construction in progress decreased $0.4 million while infrastructure assets increased $0.6 million, primarily due to the completion of various easement restoration projects. As of September 30, 2016, the Rocky Bayou Drive culvert replacement project in progress was substantially complete.

Preservation of Transportation Assets (Renewal and Replacement of Infrastructure)

MBBA utilizes the Modified Approach for reporting infrastructure whereby renewal and replacement (preservation) costs associated with maintaining the existing roadway system at a certain level are expensed, and the asset is not depreciated. Budgeted amounts are based on projected requirements to keep the roadway in good condition; therefore, expenses related to renewal and replacement can vary significantly from year to year. Renewal and replacement expenses for FY 2016 are reported at $0.6 million. This $0.5 million increase over FY 2015 is attributed to the toll system upgrade at the Mid-Bay Bridge toll plaza.

Preservation of Transportation Assets (Routine Maintenance of Infrastructure)

FY 2016 routine maintenance expenses decreased $83 thousand, or 26.0 percent, over FY 2015. The decrease is primarily due to no underwater dive during the bridge inspection.

Toll Collection Transactions (Electronic Toll Transactions and Revenue)

Electronic Toll Collection (ETC) transactions and toll revenue comprised 75.9 percent and 67.0 percent, respectively, of total transactions and toll revenue on MBBA facilities in FY 2016. Total toll transactions decreased 1.2 percent over FY 2015 levels. Cash transactions decreased 8.0 percent over FY 2015, while ETC transactions increased 1.2 percent. Factors influencing ETC transactions and revenue include increasing usage of the AET Spence Parkway and a SunPass toll rate that is less than the cash and TOLL-BY-PLATE rate on MBBA facilities.

The current two-axle SunPass toll rate on the Mid-Bay Bridge reflects an immediate in-lane discount off the two-axle cash toll rate. The Spence Parkway is an All-Electronic Tolling (AET) facility whereby only SunPass and TOLL-BY-PLATE are accepted and SunPass users receive an immediate in-lane discount off the TOLL-BY-PLATE toll rate. Further discounts are available to frequent customers who have greater than 40 SunPass transactions per month on a facility. The toll rate structure provides

Table 32
Mid-Bay Bridge Authority
Summary of Operating Indicators (in millions)
FY 2014 through FY 2016

Indicator	*Detail*	*Actual 14 Results (millions)*	*Actual 15 Results (millions)*	*Actual 16 Results (millions)*
Operations				
Growth in Value of Transportation Assets	Land Acquisition	$0.7	$0.7	$0.7
	Infrastructure Assets	$230.7	$233.6	$234.2
	Construction in Progress	$3.5	$0.9	$0.5
	Total Value of Transportation Assets	$234.9	$235.2	$235.4
Preservation of Transportation Assets	Renewal & Replacement of Infrastructure	$1.9	$0.1	$0.6
	Routine Maintenance of Infrastructure	$0.4	$0.3	$0.2
	Total Preservation Costs	$2.2	$0.4	$0.9
Toll Collection Transactions	Electronic Transactions	64.1%	74.1%	75.9%
	Revenue from Electronic Transactions	61.6%	64.3%	67.0%
Annual Revenue Growth	Toll and Operating Revenue	14.3%	14.2%	32.3%
Revenue Variance	Actual Revenue with "Recovery of Fines"	1.7%	1.3%	2.8%
	Actual Revenue without "Recovery of Fines"	1.8%	1.3%	2.9%
Safety	Fatalities per 100 Million Vehicle Miles Traveled	0.00	3.40	0.00
Operations and Budget				
Cost to Collect a Toll Transaction	Total Toll Collection Costs (Net of Exclusions) / Number of Transactions	$0.24	$0.23	$0.24
Operating Efficiency	Toll Collection Expense as % of Operating Expense	42.4%	63.7%	60.5%
	Routine Maintenance Expense as % of Operating Expense	6.7%	7.7%	5.3%
	Administrative Expense as % of Operating Expense	14.6%	16.1%	13.8%
	Operating Expense as % of Operating Revenue	30.6%	20.1%	16.2%
Rating Agency Performance	Toll Operations and Maintenance Expense as % of Operating Revenue	15.0%	14.4%	10.7%
Property Acquisition				
Right-of-Way	# Projects Requiring ROW Acquisition	N/A	N/A	N/A
	# Parcels Needed to be Acquired for Projects	N/A	N/A	N/A
	# Parcels Acquired via Negotiations	N/A	N/A	N/A
	# Parcels Acquired via Condemnation	N/A	N/A	N/A
	# Parcels Acquired with Final Judgments ≤ one half the Range of Contention	N/A	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	1.16	1.47	1.43
Debt Service Coverage - Comprehensive Debt	[(Rev - interest) - (toll operating & maintenance expense)] / all scheduled debt service expense	1.16	1.47	1.43
Underlying Bond Ratings (Uninsured)	Standard & Poor's Bond Rating	BBB+	BBB+	BBB+
	Moody's Bond Rating	Not Rated	Not Rated	Not Rated
	Fitch Bond Rating	BBB+	BBB+	BBB+

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

an incentive for increased ETC participation by commuters and frequent travelers. SunPass participation peaks during the winter months when commuters constitute a larger share of the total volume on the System.

Annual Revenue Growth (Toll and Operating Revenue)

Total operating revenue for FY 2016 increased $6.7 million, or 32.3 percent, over FY 2015 primarily due to an increase in toll revenue attributed to a toll increase implemented on the Mid-Bay Bridge and Spence Parkway on October 1, 2015.

Safety (Fatalities per 100 Million Vehicle Miles Traveled)

The Department of Highway Safety and Motor Vehicles reports official fatalities based on a calendar year (CY). Results for fatalities per 100 million vehicle miles traveled are based on zero accident fatalities reported on MBBA facilities in CY 2014 and CY 2016 and two accident fatalities reported in CY 2015.

Cost to Collect a Toll Transaction

As previously noted, Enterprise provides toll operation services for MBBA. The cost to collect a toll transaction has remained relatively stable. The FY 2016 cost to collect a toll transaction of $0.24 increased slightly from $0.23 reported in FY 2015. Toll transactions decreased 1.2 percent in FY 2016, while toll collection costs (net of exclusions) increased 1.6 percent.

Operating Efficiency and Rating Agency Performance

FY 2016 total operating expenses increased $0.3 million, or 6.9 percent, over FY 2015 while total operating revenues increased $6.7 million, or 32.3 percent. This resulted in an overall decrease in the ratio of operating expenses to operating revenues in FY 2016. Toll collection expenses for FY 2016 increased 1.6 percent, or $0.1 million, with 1.2 percent fewer toll transactions on the system. Routine maintenance and administrative expenses decreased 26.0 percent and 8.3 percent, respectively, over FY 2015 levels. The $0.5 million increase in FY 2016 renewal and replacement (preservation) expenses accounted for the majority of the overall increase in total operating expenses.

Right-of-Way

MBBA did not acquire any right-of-way in FY 2014, FY 2015 or FY 2016.

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

MBBA reported debt service coverage as 1.47 and 1.43 for FY 2015 and FY 2016, respectively. These debt service coverage levels show a significant increase from the 1.16 reported in FY 2014. The increase in FY 2015 debt service coverage is attributed to a $2.6 million, or 14.2 percent, increase in toll revenue due to the first full year impact of the Spence Parkway that opened to traffic in January 2014, a strong tourism season, and the total refinancing/restructuring of the MBBA bonded debt which was executed to keep toll rates as low as responsibly possible. FY 2016 debt service coverage remained relatively unchanged from FY 2015 despite a $6.7 million, or 32.3 percent, increase in toll revenue primarily attributed to a system-wide toll increase implemented on October 1, 2015. The change in debt service coverage between FY 2015 and FY 2016 is not comparable due to the complete reissue of debt in FY 2015.

The toll revenue forecast included in the Official Statement for the MBBA Series 2011 Springing Lien Bonds included a toll rate increase on the System on October 1, 2015. Debt service on all MBBA bonds was scheduled to significantly increase from $14.3 million in FY 2015, to $21.0

million in FY 2016. Actual FY 2014 revenue on the Mid-Bay Bridge fell approximately 13.5 percent under the Series 2011 Official Statement forecast, while the revenue forecast for the Spence Parkway was on target. The shortfall in Mid-Bay Bridge revenue was attributed to a lag in induced traffic that was estimated to use the Mid-Bay Bridge by reason of the Spence Parkway making the Mid-Bay Bridge more accessible. The lag in induced traffic was attributed to the SR 123 bypass improvements (in the vicinity of the Northwest Florida Regional Airport and north of Niceville) which made the SR 85 routing (via Fort Walton Beach) more competitive. As such, in October 2014, the MBBA Board approved a Toll Rate Study to evaluate the toll rates that need to be set on the System in order to meet the debt service requirements contained in the Series 2011 bond documents and provide an alternate tolling scenario for consideration in a possible bond refunding.

To address untenable debt service requirements as a result of unrealized traffic projections, the MBBA Board approved a plan to refinance and restructure all of its outstanding debt to take advantage of historically low municipal bond interest rates. In June 2015, MBBA issued $285.0 million in Series 2015 Bonds ($227.0 million in Series 2015A First Senior Lien Revenue Bonds, $24.5 million in Series 2015B First Senior Lien Taxable Revenue Bonds, and $33.5 million in Series 2015C Second Senior Lien Revenue Bonds) to refund all of its outstanding bonds. Required debt service coverage on the Series 2015 Bonds is 1.50 on the First Senior Lien Bonds, and 1.30 on all Senior Lien Bonds. The maturity of the bonds remains 2040 and results in a present value savings of $3.4 million. The restructuring significantly reduced the amount of the previously planned toll increase.

MBBA held public information meetings on the Toll Rate Schedule in order to get public input prior to making a final decision on any changes. In August 2015, the MBBA Board approved a new toll rate schedule for the Mid-Bay Bridge and Spence Parkway that went into effect on October 1, 2015. For the Mid-Bay Bridge, the two-axle vehicle cash toll rate increased from $3.00 to $4.00, while the SunPass toll rate increased from $2.00 to $3.00. For the Spence Parkway, the two-axle vehicle TOLL-BY-PLATE toll rate increased from $1.50 to $2.00, while the SunPass toll rate increased from $1.00 to $1.50. A brand new two-axle toll rate for SunPass frequent customers who have greater than 40 SunPass transactions per month on the Mid-Bay Bridge or Spence Parkway was instituted in response to public comments. The rates were set at the same rates as the previous toll schedule ($2.00 and $1.00, respectively) to effectively result in no change in toll rates for SunPass frequent customers. The toll rate increase will have a positive impact on debt service coverage moving forward.

Spence Parkway.

Underlying Bond Ratings

During the reporting period, MBBA defeased or tendered all its outstanding debt and issued its Series 2015 Bonds which are rated BBB+/BBB for the First Senior Lien Bonds and Second Senior Lien Bonds, respectively. This is a significant improvement over its Series 2011 Springing Lien Bonds which were rated by Standard and Poor's and Fitch rating agencies as BBB- and BBB, respectively.

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

The MBBA Code of Ethics Policy, effective December 2016 (FY 2017), states that it is the policy of MBBA to adopt, adhere to and abide by the Code of Ethics published annually by the Florida Commission on Ethics. MBBA is subject to compliance with Chapter 112, Part III, Florida Statutes (Code of Ethics for Public Officers and Employees) and the requirements detailed in the MBBA enacting legislation (Chapter 2000-411, Laws of Florida). No ethics or conflict of interest violations or investigations were reported during FY 2016. MBBA indicated that no instances were noted where a Board Member abstained from voting on an agenda item due to voting conflicts and no conflict of interest documentation (State Commission on Ethics Form 8B - Memorandum of Voting Conflict for County, Municipal, and Other Local Public Officers) was provided. MBBA's Legal Counsel serves as its Ethics Officer and instructs MBBA on compliance and provides on-going support and training related to Florida Sunshine Law on an as-needed basis as questions and concerns arise. Board members and the Executive Director complete annual ethics training.

Audits

An annual independent audit of MBBA's financial statements for the fiscal years ended September 30, 2016 and 2015 was performed. The Independent Auditor's Report indicated that the financial statements were prepared in conformity with GAAP and received an unmodified 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 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. In the Independent Auditor's Management Letter, the auditors had no recommendations for improvement.

Public Records and Open Meetings

MBBA has not formally adopted procedures to process public records requests but is operating under Chapter 119, Florida Statutes. MBBA has also designated a Records Management Liaison Officer to comply with State of Florida Records Management rules.

MBBA is also subject to the provisions of Section 189.015, Florida Statutes, Chapter 286, Florida Statutes, and the Act, for open meetings. The schedule of Board meetings as well as agendas and minutes of past Board meetings are posted on the MBBA website (http://www.mid-bay.com/notices). Commission staff also reviewed various Board meeting notices published in the Northwest Florida Daily News newspaper and public meeting notices posted on the MBBA website. Based on the review, the required notice of public meetings is in compliance with MBBA policy and Florida Statutes. In addition, the MBBA Board adopted a Public Participation Policy, last updated in December 2016 (FY 2017).

Procurement

MBBA adopted a Procurement Policy in October 2015 and updated it in January 2016 and again in December 2016 (FY 2017). The policy formalizes procurement activities and establishes delegated procurement authority thresholds. Executive Director approval authority is:

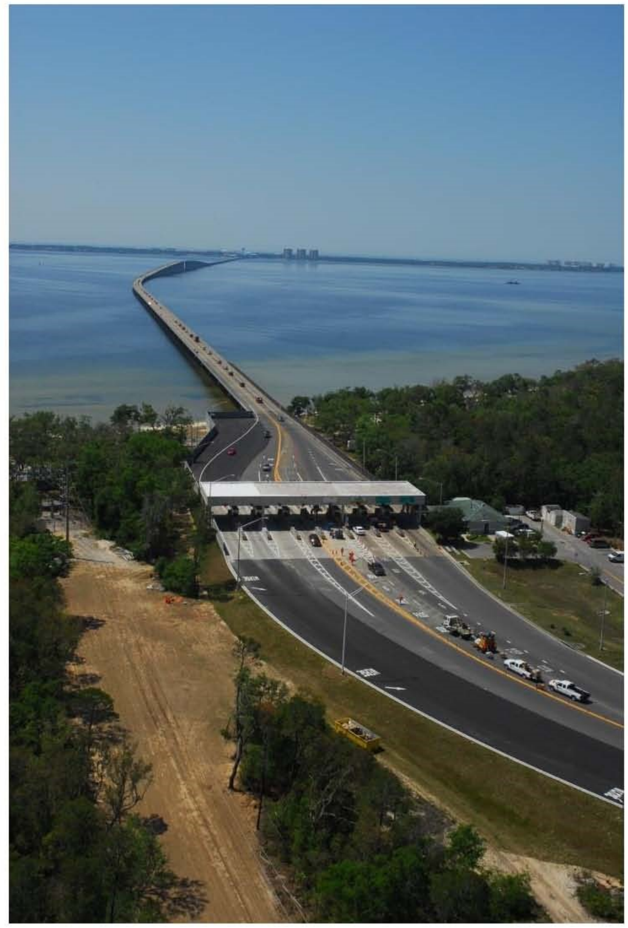
- Supplies up to $3,000 for a single purchase and $5,000 in annual aggregate amount
- Services up to $2,500 for a single purchase and $5,000 in annual aggregate amount
- Construction up to $2,000 for a single purchase and $20,000 in annual aggregate amount
- Emergency purchases of more than $50,000, subject to review by the Board

Board approval is required for:

- Contracts that exceed the purchase limits of the Executive Director
- Capital improvement construction projects
- All purchases exceeding $50,000 (Formal bids are required for all purchases exceeding $50,000 but the Board may approve purchases over $50,000 without formal bids if the Board deems it advantageous to MBBA.)
- Lease agreements

The Continuing Services section of the MBBA Procurement Policy recognizes its business model to sustain a small staff of two (Executive Director and Administrative Assistant) to oversee daily operations, infrastructure, planning and processes. MBBA has purposely chosen to leverage continuing services on an as needed basis from the private sector to reduce expenses and remain agile while only leveraging these services as needed. As such, MBBA values continuity and demonstrated performance for these services and as a matter of policy will continue its engagement for the following services at the funding levels included in its annual budget, absent any performance issues:

- Accountant
- Audit



Mid-Bay Bridge Tolling Location.

- Advertising and Marketing
- Bond Counsel
- Bond Trustee
- Bond Underwriter
- Financial Advisor
- Legal Counsel
- Lobbyist
- Mid-Bay Bridge Inspection

Consultant Contract Reporting

MBBA provided a list of all "General Consulting" contracts and those sub contracts that exceeded $25 thousand in FY 2016. As indicated in Table 33 the one general engineering consulting firm utilized one sub consultant for a total cost of $49 thousand in FY 2016.

Table 33
Mid-Bay Bridge Authority
Summary of General Consultant Sub Consultant Activity
FY 2016

Consulting Contract	Description	Sub Consultants >$25 K ($000)
HDR Engineering	**General Engineering Consultant**	
Touchstone Architecture	Architectural Services	$49
Total Sub consultants > $25 K		$49

Compliance with Bond Covenants

In January 2011 (FY 2011), MBBA issued $144.0 million in Springing Lien Revenue Bonds, Series 2011A and $10.7 million in Springing Lien Revenue Refunding Bonds, Series 2011B. Proceeds from the Series 2011A Bonds were used to finance a portion of the costs of the Mid-Bay Bridge Connector Phase 2 and 3 (subsequently renamed the Walter Francis Spence Parkway), finance the Range Road resurfacing and shoulder addition, fund the Springing Lien Debt Service Reserve Account, fund the Springing Lien Debt Service Account to pay construction period interest, and fund bond issuance costs. Proceeds from the Series 2011B Bonds were used to refund all MBBA Revenue Refunding Bonds, Series 1993D, a portion of the Revenue Refunding Bonds, Series 1993A, advance refund a portion of the Series 2007A Bonds and fund the Springing Lien Debt Service Account. The Series 2011 Springing Lien Bonds would become Senior Lien Bonds upon satisfaction of the requirements set forth in the Bond Resolution. MBBA Bonds are not backed by the Department, the State of Florida, or Okaloosa County and are payable solely from pledged revenues.

As previously noted in the Debt Service Coverage section of this chapter, MBBA issued $285.0 million in Series 2015 Bonds in June 2015 to refinance and restructure all of its outstanding debt to take advantage of lower interest rates and to lower annual debt service requirements, delivering on its intent and commitment to keep toll rates as low as responsibly possible. As of September 30, 2016, the only bonds that remain outstanding are the Series 2015 Bonds in the principal amount of $285.0 million.

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.
- MBBA utilizes a General Engineering Consultant (HDR Engineering).
- MBBA held a public hearing, adopted its annual budget by resolution, and presented the budget to the Okaloosa County Board of County Commissioners for approval.
- MBBA utilizes a nationally recognized Traffic and Revenue Consultant (Jacobs).
- Debt service coverage ratios for FY 2016 exceed bond requirements.
- As of September 30, 2016, MBBA has fully funded the Debt Service Reserve Fund.

Website Compliance

The 2014 Legislature passed, and Governor Scott signed into law, Senate Bill 1632 that significantly amended Chapter 189, Florida Statutes (Uniform Special District Accountability Act). A new Section 189.069, Florida Statutes, requires special districts to maintain an official internet website by October 1, 2015. The website must contain information including contact information and the term and appointing authority for each member of the governing body, public purpose, fiscal year, the district's charter and statutes under which it operates, service area and services provided, fees and charges imposed and collected, adopted code of ethics, budget, and complete audit report. Effective October 1, 2016, House Bill 479, passed by the 2016 Legislature, further amended Chapter 189, Florida Statutes. MBBA management indicated that it conducted a review of its website to ensure compliance with the statutory requirements.

Summary

The Commission's review of MBBA was conducted with the cooperation and assistance of MBBA and relied heavily on documentation and input provided by MBBA Staff.

The MBBA Board is the governing body responsible for oversight of MBBA. MBBA entered into a Lease-Purchase Agreement with the Department, whereby the Department maintains and operates the System and remits all tolls to MBBA. The payment of operations and maintenance by the Department from sources other than tolls constitute the Department's rental and purchase payments for the System. The terms of the lease run concurrently with the bonds. When the bonds mature and are fully paid, the Department will acquire full ownership of the System. After debt service payments, current year budgeted costs of operations and maintenance are being paid back to the Department.

MBBA met or exceeded 9 of the 13 applicable management objectives established for performance measures. The four performance measure objectives not met include the state highway system maintenance rating program (MRP) overall rating and the MRP safety characteristics - signing, striping and lighting. Although MBBA did not meet the authority objective for the state highway system MRP overall rating, it exceeded the minimum maintenance condition rating standard established for the Department.

Operating indicator trend analysis showed that FY 2016 infrastructure assets remained relatively stable. In FY 2016, construction in progress decreased $0.4 million while infrastructure assets increased $0.6 million, primarily due to the completion of various easement restoration projects. FY 2016 total operating revenues increased $6.7 million, or 32.3 percent, over FY 2015 while total operating expenses increased $0.3 million, or 6.9 percent. The $6.7 million revenue increase in FY 2016 is primarily due to an increase in toll revenue attributed to a toll increase implemented on the Mid-Bay Bridge and Spence Parkway on October 1, 2015. Toll collection expenses for FY 2016 increased 1.6 percent, or $0.1 million, with 1.2 percent fewer toll transactions on the system. Routine maintenance and administrative expenses decreased 26.0 percent and 8.3 percent, respectively, over FY 2015 levels. A $0.5 million increase in FY 2016 renewal and replacement (preservation) expenses accounted for the majority of the overall increase in total operating expenses. As previously noted, total toll transactions decreased 1.2 percent over FY 2015 levels. Cash transactions decreased 8.0 percent, while ETC transactions increased 1.2 percent. Factors influencing ETC transactions and revenue include the January 2014 opening of the AET Spence Parkway and SunPass toll rate that is less than the cash and TOLL-BY-PLATE rate on MBBA facilities.

In the area of governance, the FY 2016 independent financial statement audit reflected an unmodified opinion and no recommendations for improvement were noted in the Auditor's Management Letter. MBBA's Legal Counsel serves as its Ethics Officer and instructs MBBA on compliance and provides on-going support and training related to Florida Sunshine Law on an as-needed basis as questions and concerns arise. MBBA management indicated that it conducted a review of its website to ensure compliance with the new posting requirements as provided in Chapter 189, Florida Statutes. MBBA adopted a Procurement Policy in October 2015 and updated it in January 2016 and again in December 2016 (FY 2017). The policy formalizes procurement activities and establishes delegated procurement authority thresholds.

To address untenable debt service requirements as a result of unrealized traffic projections, the MBBA Board approved a plan to refinance and restructure all of its outstanding debt to take advantage of lower interest rates. In June 2015, MBBA issued $285.0 million in Series 2015 Bonds ($227.0 million in Series 2015A First Senior Lien Revenue Bonds, $24.5 million in Series 2015B First Senior Lien Taxable Revenue Bonds, and $33.5 million in Series 2015C Second Senior Lien Revenue Bonds) to refund all of its outstanding bonds. Required debt service coverage on the Series 2015 Bonds is 1.50 on the First Senior Lien Bonds, and 1.30 on the Second Senior Lien Bonds. The maturity of the bonds remains 2040 and results in a present value savings of $3.4 million. The restructuring significantly reduced the amount of the previously planned toll increase.

In August 2015, the MBBA Board approved a new toll rate schedule for the Mid-Bay Bridge and Spence Parkway that went into effect on October 1, 2015. For the Mid-Bay Bridge, the two-axle vehicle cash toll rate increased from $3.00 to $4.00, while the SunPass toll rate increased from $2.00 to $3.00. For the Spence Parkway, the two-axle vehicle TOLL-BY-PLATE toll rate increased from $1.50 to $2.00, while the SunPass toll rate increased from $1.00 to $1.50. A brand new two-axle toll rate for frequent commuters who have greater than 40 SunPass transactions per month on the Mid-Bay Bridge or Spence Parkway was instituted in response to public comments. The rates were set at the same rates as the previous toll schedule ($2.00 and $1.00, respectively) to effectively result in no change in toll rates for frequent users.

Based on the Commission's review of MBBA policies and procedures, Florida Statutes, Financial Statements, Bond Covenants and other documentation provided by MBBA, 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 MBBA for refinancing/restructuring its outstanding debt and encourages MBBA to develop and pursue action plans to help meet established performance measure objectives. The Commission acknowledges with appreciation the assistance of the MBBA Board and staff in providing the resources necessary to conduct this review and to complete this report.

TRANSIT AUTHORITIES

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Transit Authorities

Introduction

Legislation passed in 2007, 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, Florida Statutes. The Commission is 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. In 2009, the Commission's responsibility was further expanded to include the authority created under Chapter 349, Florida Statutes, and was further expanded in 2014 to include the Mid-Bay Bridge Authority re-created pursuant to Chapter 2000-411 Laws of Florida. Of the 13 authorities under Commission oversight, three are transit authorities, formally known as the Central Florida Regional Transportation Authority (CFRTA, dba LYNX), the Jacksonville Transportation Authority (JTA) and the South Florida Regional Transportation Authority (SFRTA).

Other authorities subject to monitoring by the Commission may ultimately operate public transit systems, but because of their stage of development they 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:

JTA Compressed Natural Gas (CNG) Bus.

- Background of the authority
- Performance measures results for fiscal year (FY) 2016
- Operating indicators for FY 2014 through FY 2016
- Governance assessment
- Summary

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.

While all three transit authorities share identical performance measures, several of the measures are 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 and JTA provide fixed-route bus service and are required to track safety incidents, while SFRTA provides commuter rail service and is mandated to track reportable incidents as defined by the Federal Railroad Administration. Based on those differences, the performance measure established

Tri-Rail Train.

for CFRTA and JTA 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.

JTA directly operates an automated guideway (Skyway) in addition to fixed-route bus service. Although JTA does not currently operate toll roads, pursuant to the Better Jacksonville Plan and JTAMobilityWorks Program, the Authority constructs roads, bridges and interchanges that are then turned over to the Department of Transportation (Department) or to the City of Jacksonville for maintenance and operation. Therefore, 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 A.

Performance measures and operating indicators established by the Commission for CFRTA, JTA, and SFRTA are presented in Tables 34, 35 and 36.

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. Specific governance areas that are reported include ethics, conflicts of interest, audits, public records/open meetings, procurement, consultant contracts, and compliance with bond covenants. Governance areas are detailed in each authority's section of this report.

The individual reports for the three "Transit Authorities" are presented after Table 36, beginning with the Central Florida Regional Transportation Authority (CFRTA, dba, LYNX).

Table 34
Florida Transportation Commission
Transit Authority Performance Measures
Bus, Automated Guideway and Rail
FY 2016

Performance Measure	*Detail*
Unlinked Passenger Trips per Revenue Hour	Passenger trips divided by revenue hours
Operating Expense per Revenue Mile	Operating expenses divided by revenue miles
Operating Expense per Revenue Hour[1]	Operating expenses divided by revenue hours
Operating Expense per Passenger Trip	Operating expenses divided by annual ridership
Operating Expense per Passenger Mile	Operating expenses divided by passenger miles
Farebox Recovery Ratio	Passenger fares divided by operating expenses
Revenue Miles between Safety Incidents[1]	Annual revenue miles divided by safety incidents
Major Incidents[2]	FRA reportable incidents
Revenue Miles between Failures	Revenue miles divided by revenue vehicle 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	% 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: "departures < 5 minutes late and 1 minute early" for CFRTA; "departures < 6 minutes and 1 minute early" for JTA's Bus; "successful cycles divided by scheduled cycles" for JTA's Skyway; and "< 6 minutes late" for SFRTA.

Table 35
Florida Transportation Commission
Transit Authority Operating Indicators
Bus, Automated Guideway and Rail
FY 2016

Operating Indicator	*Detail*
Operating Expense per Capita (Potential Customer)	Annual operating budget divided by service area population
Average Headway	Average time (minutes) for vehicle to complete its portion of total route miles one time
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 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
Vehicle Miles Between Failures	Vehicles miles divided by revenue vehicle system failures
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 trips 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 divided by service area population
Average Age of Fleet	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

[1]Operating indicator specific to SFRTA.

Table 36
Florida Transportation Commission
Transit Authority Performance Measures and Operating Indicators
JTA Highway Operations
FY 2016

Performance Measure	*Detail*	*Objective*
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	***Detail***	
Property Acquisition		
Right-of-Way	# Projects requiring ROW acquisition # Parcels needed to be acquired for projects # Parcels acquired via negotiations # Parcels acquired via condemnation # Parcels acquired with final judgements ≤ one half the range of contention	

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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 343.61, 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.

CFRTA is authorized to issue revenue bonds through the Division of Bond Finance of the State Board of Administration. In addition, the 2010 Legislature amended Section 343.64(2)(q), Florida Statutes, that allows CFRTA to borrow up to $10 million in any calendar year to refinance all or part of the costs or obligations of the authority, including, but not limited to, obligations of the authority as a lessee under a lease.

Highlights

- LYNX met or exceeded 5 of the 12 fixed route objectives established for performance measures. The seven measures not met were Passenger Trips per Revenue Hour, Operating Expense per Revenue Mile, Operating Expense per Passenger Trip, Operating Expense per Passenger Mile, Farebox Recovery Ratio, Revenue Miles versus Vehicle Miles, and On-Time Performance.

- The 7.1 percent decrease in average weekday ridership in FY 2016 negatively impacted performance results. LYNX attributed this decrease in ridership to the continued effect of the decline in fuel prices and the general improving economy.

- FY 2016 operating expenses increased $0.6 million, or 0.6 percent, while operating revenues decreased $3.0 million, or 7.0 percent, over FY 2015.

- Phase 1 (32.5 miles) of the SunRail commuter rail system opened for service on May 1, 2014. LYNX is providing fixed route feeder bus service and complementary paratransit service to the 12 SunRail stations. The Phase 2 South 17-mile segment is expected to be up and running by mid-2018.

- The CFRTA Board conducted a national search and selected Edward L. Johnson as their new CEO, effective May 9, 2016. Mr. Johnson had previously worked for LYNX in various capacities.

- In April 2016, Nopetro opened the nation's largest public-private compressed natural gas (CNG) fueling facility. The public-private partnership between Nopetro and LYNX includes the fueling infrastructure, LYNX maintenance facility improvements, CNG bus fleet conversion and a revenue sharing component.

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) and other applicable Florida Statutes.

The governing body of LYNX, consists of five voting members. The chairs of the county commissions of Orange, Osceola, and Seminole Counties, or another member of the commission designated by the county chair, each serves 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, serves on the board for the full extent of his or her term. The District Five Secretary of the Florida Department of Transportation (Department), or his or her designee, also serves on the Board as 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 37
Central Florida Regional Transportation Authority
Current Board Members

Name	*Appointment*	*Position*
Viviana Janer	Osceola County Commissioner	Chair
Lee Constantine	Seminole County Commissioner	Vice Chair
Steve Martin, P.E.	District Five Secretary	Secretary
Buddy Dyer	Mayor of Orlando	Board Member
Teresa Jacobs	Orange County Mayor	Board Member

The board of directors (Board) generally meets on a bi-monthly basis to conduct Authority business. Responsibility for managing day-to-day operations rests with the Chief Executive Officer (CEO). John Lewis resigned his position as LYNX CEO, effective August 31, 2015. Susan Black, who served as LYNX General Manager, was named by the Board as Interim CEO until a permanent CEO could be selected. After conducting a national search, the Board negotiated a contract with Edward L. Johnson to be the new LYNX CEO, effective May 9, 2016. Mr. Johnson has more than 20 years of experience in the transportation industry including 13 prior years with LYNX. During his previous tenure at LYNX, he served as the Interim CEO, Chief Administrative Officer, Chief of Staff, and the Manager of Operations and Development.

LYNX provides transportation services to the general public in the Orlando metropolitan area and throughout Orange, Osceola, and Seminole Counties in the form of fixed route bus service, bus rapid transit, paratransit service, NeighborLink (Flex) service and carpools/vanpools. In FY 2016, LYNX also provided fixed route service on one route in Lake County and fixed route service on two routes in Polk County. LYNX operates within a service area of 2,500 square miles that is home to approximately 2.1 million residents. The FY 2016 annual operating budget totaled approximately $128.6 million, an increase of 1.0 percent from the previous year. Approximately 26.3 million passenger trips were provided for LYNX fixed route services in FY 2016.

LYNX receives significant financial support from its funding partners. For FY 2016 operating funding, the Orange County Commission approved $41.4 million for LYNX (a 1.2 percent increase from FY 2015), the Seminole County Commission approved $6.4 million for LYNX (the same as FY 2015), and the Osceola County Commission approved $5.5 million in funding for LYNX (the same as FY 2015).

Over the past few fiscal years, LYNX, through the effective leadership of its Governing Board, has continued to enhance public transportation in Central Florida. LYNX, contracted with Nopetro for a Compressed Natural Gas (CNG) bus maintenance facility retrofit. Nopetro designed, built, operates and maintains a fast-fill CNG fueling station on land owned by Nopetro adjacent to the LYNX facility on John Young Parkway. The CNG fueling facility opened in April 2016. In FY 2017, LYNX purchased excess property that is contiguous to the LYNX Operations Center on John Young Parkway and continues design and phasing work to address capacity constraints and will ultimately relocate its paratransit and NeighborLink operations and maintenance to this new site.

Also in FY 2016, LYNX and several local funding partners worked together to secure funding and establish agreements to begin the SR 436 Transit Corridor Study. This study is expected to take 18 months to complete and will evaluate application of several premium transit service options to potentially serve the corridor from Orlando International Airport to SR 434 in Seminole County. LYNX LYMMO Lime Line began limited service in January 2016 and is fully operational. The new Lime Line will increase mobility in Orlando's urban core, connect to other existing transit options such as SunRail and Bike Share and provide another affordable transportation alternative to using a car. In September 2015, the LYNX Board also authorized the conversion of the Cigna Health Insurance Plan from a fully-insured to a self-insured plan for employee health insurance beginning January 1, 2016. LYNX staff believes that modifying the insurance to self-insurance will provide long-term financial benefits and would also allow for plan stability over continuing with a fully-insured plan.

LYNX continued to provide several human service agencies with operating funding from the Federal Transit Administration Job Access and Reverse Commute and New Freedom grants to pay for fifty percent of new or expanded transportation service or service for job access. Agencies receiving funding under these programs included the Opportunity Center, Quest, Osceola Mental Health, Osceola Council on Aging, Primrose Center, Bright Start Pediatrics and Meals on Wheels.

LYNX Downtown LYMMO Service.

Other FY 2016 LYNX projects include: consideration of the use of mobile fare collection to enhance customer service and reduce the cost of fare operations; completing a comprehensive on-board Origin and Destination survey of its services to better understand passenger's characteristics and travel patterns allowing LYNX to modify existing services to fit actual travel patterns; completion of the construction of the Poinciana Walmart Bus Transfer Facility expansion project; continued construction on the Parramore Bus Rapid Transit project; and installation of 52 bus shelters throughout the tri-county service area.

On August 9, 2012, the Board ratified the Transit Development Plan (TDP) major update, containing capital and service improvements necessary to meet projected demands for public transportation throughout Central Florida from FY 2013 through FY 2022. In September 2016, LYNX completed its update to the TDP for the period from FY 2017 through FY 2026. This serves as a progress report of the major TDP update and identifies FY 2016 achievements and updates future year plans and services. The TDP's are currently posted on the Authority's website www.golynx.com.

LYNX management indicated that in the future, LYNX will be engaging in a number of transit technology projects including real-time transit information, wi-fi on buses and mobile fare collection. Additionally, LYNX will be completing a major update of its TDP, which will include a Route Optimization Study (ROS) of the existing LYNX family of services designed to improve service efficiencies and connect users to emerging destinations. The TDP and ROS, called *FORWARD,* will encapsulate a regional vision for creating enhanced, dynamic, transit mobility options to support the Orlando metropolitan area as an innovative "Next City."

SunRail

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 Bob Dallari, Seminole County Commissioner; Vice-Chair Viviana Janer, Osceola County Commissioner; Secretary Pat Patterson, Volusia County Council Member; Teresa Jacobs, Mayor of Orange County; and Buddy Dyer, Mayor of the City of Orlando. Pursuant to an Interlocal Operating Agreement, the duties of the governing board are in an advisory capacity to the 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. 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 website: www.corporate.sunrail.com.

SunRail Station Adjacent to LYNX Central Station.

SunRail is a 61.5 mile commuter rail system that will extend from the DeLand station in Volusia County to the Poinciana station in Osceola County. Phase 1, a 32.5-mile segment from the DeBary station in Volusia County to the Sand Lake station in Orange County, opened for service on May 1, 2014, and features 12 stations. Phase 2 South, a 17-mile segment from Sand Lake Road to Poinciana, features four additional stations and is expected to be up and running by mid-2018. The Phase 2 North expansion is a 12-mile segment that will extend service from the City of DeBary to the City of Deland and will add one station to the existing rail system. Because Federal funding has not yet been committed to Phase 2 North, construction has not yet started. SunRail currently runs 36 train trips per day, Monday through Friday excluding holidays, on 30 minute intervals during the morning and evening peak hours, and less frequently during the mid-day.

LYNX will be responsible for the provision of fixed route feeder bus service and complementary paratransit service to SunRail stations, while the Department will assist in funding additional fleet buses as well as providing an incremental operating subsidy for the first seven years of service. LYNX has worked closely with the Department and Votran to develop a SunRail Fare Policy, Equipment, and Implementation Plan to assist with the seamless operation and implementation of the SunRail project. LYNX has collaborated with the Department on the SunRail Feeder Plan, which generally outlines how certain existing routes will change to serve SunRail stations within the LYNX service area, how schedules will likely change, how operating costs will be affected, and how many additional buses will be necessary to meet the needs as outlined in the Plan. In order to avoid duplicative procurement efforts and to assure consistency and interoperability between LYNX and SunRail systems, a joint solicitation between LYNX and the Department was released for the purchase of Fare Collection System Equipment.

In November 2012, the CFRTA Board authorized an agreement with Rida Development Corporation for the joint use and/or development of a 60 foot strip of CFRTA land located adjacent to the LYNX Central Station (LCS) in Orlando and to the east side of the new SunRail station at the LCS. The LCS will be incorporated into the design and construction of Rida's proposed multiuse Transit Oriented Development (TOD) project that will occupy an entire city block. In addition to the connectivity to public transportation, the development will include a mix of residential, retail, office, hotel and meeting space, and will include green space and a pedestrian breezeway for easy access for SunRail and LYNX patrons.

In April 2014, the CFRTA Board approved to enter into an Interlocal Agreement with the Department to use the Smart Card System as a method of cashless fare collection on the LYNX fixed route services and paratransit services; the Department's SunRail commuter rail service; and for patron transfer among both transportation systems. The Department is responsible for operation of the central system and the clearinghouse that will recognize revenue when a fare is presented to a fare device and transmit the necessary data in order to properly deposit revenue to the appropriate Department or LYNX bank accounts. However, each party is responsible for the provision of fare card customer service, including managing card sales, customer inquiries, account management, refunds, and other services that may be provided to their customers. The Board also approved to enter into a Joint Participation Agreement with the Department for feeder bus service that will provide access to SunRail stations.

Compressed Natural Gas (CNG)

In November 2014, the CFRTA Board finalized negotiations on the CNG Unsolicited Proposal from Nopetro. Under the 20 year Fuel Purchase Agreement, Nopetro will design, build, operate and maintain a fast-fill CNG fueling station on land owned by Nopetro adjacent to the LYNX facility on John Young Parkway; train LYNX employees on CNG fueling and CNG bus maintenance procedures; and provide LYNX with royalty payments on all third party sales made at the station. LYNX ordered 35 CNG buses and anticipates purchasing a total of 150 CNG buses over the first five year period pursuant to the terms of the agreement. Currently, LYNX has received, and placed into revenue service, all of the 35 CNG buses that were ordered. While a CNG bus is more expensive than a normal diesel bus, it also runs much cleaner and has substantially reduced fuel costs. LYNX indicated that the price of CNG may be consistently lower than diesel by approximately $1.50 per diesel gallon equivalent. For the first 15 years of the agreement, LYNX is obligated to purchase from Nopetro annually a minimum volume of CNG fuel, which equates to what the initial 35 CNG buses are estimated to use in the calendar year. Pricing for the CNG fuel is based on the New York Exchange commodity price, a volume based compression fee (indexed to CPI) to compensate Nopetro for all of its costs and expenses, and an employee adder charge for Nopetro employees who man the fueling station and fill up the LYNX buses. A separate construction contract was entered into for renovations to the LYNX facilities at John Young Parkway so that CNG buses can be maintained and serviced there. The facility, which is the nation's largest public-private partnership (P3) CNG fueling facility, opened in April 2016.

Unless otherwise indicated, all statistics and performance measures in the following section of this document refer only to LYNX fixed route service and do not include LYNX paratransit services, NeighborLink (Flex) services or commuter services.

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.

In 2016, the Commission convened a Charrette on Transportation Authority Performance Measures to gain input from the authorities and to consider any enhancements or changes to FY 2016 performance measures, management objectives and operating indicators. As a result, numerous changes were approved by the Commission and are incorporated in this report. A summary of specific changes is provided in the Introduction section of this report.

FY 2016 results, as reported by LYNX, are provided in Table 38. Results for the last five fiscal years are included in Appendix A. LYNX performance data used for this report represent information collected during FY 2016, which spans from October 1, 2015 through September 30, 2016 (LYNX reports on a federal fiscal year). LYNX was successful in achieving 5 of the 12 objectives for performance.

Passenger Trips per Revenue Hour

Passenger trips per revenue hour was reclassified from an operating indicator to a performance measure in FY 2016. The relationship between passenger trips and revenue hours is commonly referred to as the "load factor" and reflects the service effectiveness of the system. LYNX passenger trips per revenue hour of 23.7 was less than the objective of greater than 26.9 by 3.2 (11.9 percent) and decreased from the 26.0 passenger trips per revenue hour reported in FY 2015. FY 2016 passenger trips decreased 7.3 percent while revenue hours increased 1.5 percent from FY 2015.

The significant 7.3 percent decrease in passenger trips (ridership) in FY 2016 can be attributed to the continued effect of the decline in fuel prices as well as the general improving economic conditions in Florida. The decrease in passenger trips negatively impacted numerous performance measures including passenger trips per revenue hour, operating expense per passenger trip,

Table 38
Central Florida Regional Transportation Authority
Summary of Performance Measures
FY 2016[1]

Performance Measure	*Detail*	*Objective*	*Actual Results*	*Meets Objective*
Unlinked Passenger Trips per Revenue Hour	Passenger trips divided by revenue hours	>26.9	23.7	X
Operating Expense per Revenue Mile	Operating expenses divided by revenue miles	<$6.23	$6.41	X
Operating Expense per Revenue Hour	Operating expenses divided by revenue hours	<$88.18	$87.59	✓
Operating Expense per Passenger Trip	Operating expenses divided by annual ridership	<$3.53	$3.69	X
Operating Expense per Passenger Mile	Operating expenses divided by passenger miles	<$0.55	$0.65	X
Farebox Recovery Ratio	Passenger fares divided by operating expenses	>27.6%	25.5%	X
Revenue Miles between Safety Incidents	Annual revenue miles divided by safety incidents	>124,513	134,915	✓
Revenue Miles between Failures	Revenue miles divided by revenue vehicle system failures[2]	>10,500	11,833	✓
Revenue Miles versus Vehicle Miles	Revenue miles divided by vehicle miles[3]	>.90	0.896	X
Customer Service	Average time from complaint to response	14 days	6 days	✓
Customer Service	Customer complaints divided by boardings	<2 per 5,000 boardings	0.8	✓
On-time Performance	% trips end to end on time "departures < 5 minutes late and 1 minute early"	>80%	78.8%	X

[1] Fiscal Year 2016 represents 12 months of data from October 1, 2015 through September 30, 2016.

[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.

operating expense per passenger mile, and the farebox recovery ratio (a decrease in passenger fare revenue).

Operating Expense per Revenue Mile

The relationship between operating expenses and revenue miles provides a measure of the cost efficiency related to the provision of service. LYNX operating cost per revenue mile of $6.41 was higher than the objective of $6.23 by $0.18 (2.9 percent) but decreased from the $6.51 reported in FY 2015. FY 2016 operating expenses increased 0.6 percent while revenue miles increased 2.2 percent from FY 2015.

The slight 0.6 percent increase in FY 2016 operating expenses is primarily attributed to increases in fringe benefits as well as a general increase among various operating cost components, offset by a significant decline in fuel costs due to lower fuel prices. LYNX identified the following activities to reduce operating costs moving forward:

- Restructuring service to eliminate service inefficiencies
- Increasing recruitment efforts for bus operators and mechanics to reduce overtime costs
- Run-cutting (rescheduling operators' shifts) for improved efficiency and reducing overtime
- Continually reviewing fuel prices and utilizing "hedging" options to curb price volatility

Other measures to assist with operating cost reductions include the fuel hedging program, CNG buses and the successful negotiation of the supervisors union contract. Beginning in July 2011, LYNX entered into several fuel hedging contracts with a counterparty to cover a significant portion of planned fuel purchases for current and future FY's. The objective is to smooth out the fluctuation in fuel prices and to limit the extent to which the price paid for fuel could increase during the FY. As of September 30, 2016, the maturity dates of the open contracts are September 2017. As previously noted, LYNX ordered and placed into service 35 CNG buses and anticipates purchasing a total of 150 CNG buses over the first five year period of the CNG contract. LYNX indicated that the price of CNG may be consistently lower than diesel by approximately $1.50 per diesel gallon equivalent.

Operating Expense per Revenue Hour

The relationship between operating expenses and revenue hours provides a measure of the cost efficiency of the service provided relative to the time expended in the provision of the service. LYNX operating cost per revenue hour of $87.59 met the objective of less than $88.18 per hour by $0.59 (0.7 percent). FY 2016 operating expenses increased 0.6 percent while revenue hours increased 1.5 percent. Improvement was noted from the $88.43 reported in FY 2015.

Operating Expense per Passenger Trip

The relationship between operating expenses and passenger trips provides a measure of the cost efficiency to transport passengers. The lower the cost per passenger trip, the more cost efficient the operation is. The LYNX operating cost per passenger trip of $3.69 was higher than the objective of less than $3.53 by $0.16 (4.5 percent). This compares to $3.40 reported for FY 2015. FY 2016 operating expenses increased 0.6 percent over FY 2015, while ridership (passenger trips) decreased 7.3 percent, thereby negatively impacting FY 2016 results.

Operating Expense per Passenger Mile

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 $0.65 exceeded the objective of less than $0.55 by $0.10, and was higher than the $0.59 reported for FY 2015. Passenger miles decreased 7.6 percent in FY 2016, while operating expenses increased 0.6 percent.

LYNX indicated that improvement in performance related to this objective would be difficult due to the operating costs associated with the long distance of non-revenue 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. In December 2010, LYNX took a major step with respect to meeting this objective by opening a satellite operating facility in the southern portion of its service area in the City of Kissimmee. This facility reduces the amount of non-revenue travel associated with operations in Osceola County. LYNX is interested in pursuing a similar opportunity in the northern portion of its service area in Seminole County.

Farebox Recovery Ratio

The farebox recovery ratio was reclassified from an operating indicator to a performance measure in FY 2016. This measure reflects the proportion of operating expenses covered by passenger fares and is a National Transit Database efficiency measure. The LYNX farebox recovery ratio of 25.5 percent fell short of the objective of greater than 27.6 percent. This compares to 27.5 percent reported for FY 2015. FY 2016 operating expenses increased 0.6 percent over FY 2015, while passenger fare revenue decreased 6.9 percent, thereby negatively impacting FY 2016 results.

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. LYNX achieved the greater than 124,513 revenue miles between safety incidents objective with 134,915 revenue miles between safety incidents reported in FY 2016 (8.4 percent above the target). In FY 2016, revenue miles increased 2.2 percent, while safety incidents remained the same at 112.

LYNX Articulated Bus.

LYNX policies require a criminal record and driving record background check for any prospective employee who will operate LYNX vehicles (buses and paratransit vehicles). Driving records are checked annually for all current employees. All safety sensitive employees are subjected to mandatory random drug testing under Federal law. Safety sensitive employees involved in a collision with injuries are tested for drugs and alcohol. In addition, safety training is provided during each new hire orientation. In May 2012, the CFRTA Board authorized the implementation of Revised Substance Abuse Program Policies for Non-Safety Sensitive Positions as well as For Safety Sensitive Positions.

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 achieved the performance measure objective of greater than 10,500 revenue miles between revenue vehicle system failures with 11,833 revenue miles between failures reported in FY 2016. This compares to 12,055 revenue miles between failures reported in FY 2015. In FY 2016, revenue miles increased 2.2 percent, while revenue system vehicle failures increased 4.1 percent (from 1,227 in FY 2015 to 1,277 in FY 2016).

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 just missed meeting the performance measure objective of greater than 0.900 with 0.896 reported for FY 2016. This compares to the 0.898 reported for FY 2015.

LYNX continues to explore ways to improve fixed-route services in order to better serve its customers. LYNX plans to improve service during the upcoming fiscal year through continued evaluation of route performance, service modifications and implementing alternative vehicle sizes resulting from the route evaluation. LYNX will also continue to determine the applicability of Flex services to allow greater community penetration of public transit, while at the same time, making corridor routes more efficient by eliminating their deviation into neighborhoods.

Customer Service – Average Time from Complaint to Response

LYNX achieved the performance measure objective of timely response to customer complaints within 14 days of receipt of the complaint with actual response time of 6 days reported in FY 2016. Significant improvement was noted from the 20 day response time reported in FY 2015. Customer complaints decreased 6.6 percent in FY 2016 (from 4,509 in FY 2015 to 4,212 in FY 2016). The decrease in average time for response to customer complaints in FY 2016 is attributed to fixing customer complaint tracking system issues that were identified in FY 2015.

Customer Service – Number of Complaints per Boarding

LYNX achieved the performance objective of less than two complaints per 5,000 boardings with 0.8 complaints.

On-time Performance

LYNX reported 78.8 percent on-time performance, falling short of the on-time performance objective of greater than 80 percent of trips end-to-end on-time. On-time is defined as less than five minutes late and one minute early arriving at a fixed route schedule time point. This compares to 80.8 percent on-time performance reported in FY 2015.

LYNX implemented steps to increase its on-time performance throughout the service area by adjusting the scheduled times of existing routes to better reflect the actual route running times documented for the route by its AVL system. The agency also implemented the use of pull-out bus relief for poorly-performing routes instead of car relief to insure a route starts on-time. LYNX has also initiated a program of bus stop consolidation starting with its highest ridership routes to reduce the number of stops a bus has to make along its route.

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. As previously noted, numerous changes to operating indicators were approved by the Commission in 2016 and are summarized in the Introduction section of this report. FY 2016 operating indicators, as reported by LYNX are provided in Table 39. In order to observe current trends, operating indicators for FY 2014 and FY 2015 are also provided. Results for the last five fiscal years are included in Appendix A.

FY 2016 operating expenses increased $0.6 million, or 0.6 percent, while operating revenues decreased $3.0 million, or 7.0 percent, over FY 2015. LYNX logged 2.1 million, or 7.3 percent, fewer passenger trips and the average trip length remained unchanged at 5.7 miles in FY 2016. As a result, passenger miles decreased by 12.4 million to 149.7 million (a decrease of 7.6 percent). FY 2016 revenue miles and revenue hours increased 2.2 percent and 1.5 percent, respectively, from FY 2015. Average headway decreased from 26.7 minutes in FY 2015 to 25.6 minutes in FY 2016 and the average fare remained unchanged at $0.94. Average weekday ridership decreased 7.1 percent (from 88,600 in FY 2015 to 82,353 in FY 2016). LYNX attributed this decrease in ridership to the continued effect of the decline in fuel prices and improved economic conditions.

LYNX management indicated that fixed route ridership continues to fall nationally. In 2016, the overall cost for gas was significantly lower than the peak cost of $4.11 per gallon in 2008. Other factors affecting transit ridership may include the modal shift of some customers from LYNX bus services to SunRail for at least a portion of their weekday commute and the increase in auto sales year over year. Nationally, just as in Florida, transit agencies have experienced a decrease in ridership as a result of the increase in active transportation and the use of transportation network companies. Most major metropolitan areas such as Los Angeles, Phoenix, Washington, DC and New York have experienced declining ridership caused by several factors in addition to low fuel prices. Many large metro areas are in the middle of major construction projects (i.e. I-4 Ultimate in Orlando and Penn Station in New York City) which are impacting modal choice.

The average age of the fleet increased from 5.6 years to 5.8 years and the operating spare ratio of 16.9 percent allows the Authority flexibility in terms of providing expanded service in the future. The unrestricted cash balance decreased $5.1 million (from $42.3 to $37.2 million) and LYNX committed 43 percent of capital investment to system preservation and 57 percent to system expansion. Investments in system expansion include funding for rolling stock, bus rapid transit, passenger amenities, technology, security, facilities, support equipment and ARRA projects.

Intermodal Connections

LYNX currently provides intermodal connections that include connections to airports, circulator bus systems, park and ride lots, and the new SunRail Commuter Rail system. The LYNX Central Station SunRail Station is an Intermodal Connection which is served by 32 LYNX fixed routes and one LYNX Bus Rapid Transit route. The Church Street SunRail Station is an Intermodal Connection served by one LYNX Bus Rapid Transit route. The Kissimmee Intermodal Station is an Intermodal Connection with AMTRAK and the Greyhound bus line which is served by nine LYNX fixed routes and one LYNX NeighborLink route.

Airport Connections

Six LYNX fixed routes provide direct service to Orlando International Airport. In Osceola County, one route runs adjacent to the Kissimmee Municipal Airport. In Seminole County, one route runs adjacent to the Orlando Sanford International Airport.

Table 39
Central Florida Regional Transportation Authority
Summary of Operating Indicators
FY 2014 through FY 2016

Operating Indicator	*Detail*	*Actual 14 Results*	*Actual 15 Results*	*Actual 16 Results*
Operating Expense per Capita (Potential Customer)	Annual operating budget divided by service area population	$49.22	$48.08	$47.21
Average Headway	Average time (minutes) for vehicle to complete its portion of total route miles one time	27.3	26.7	25.6
Service Area Population	Approximation of overall market size	1,960,634	2,003,626	2,052,373
Service Area Population Density	Persons per square mile based on service area population and size	772.5	789.5	808.7
Operating Expense	Spending on operations, including administration, maintenance, and operation of service vehicles	$96,499,805	$96,340,963	$96,893,730
Operating Revenue[1]	Revenue generated through operations of transit authority	$41,301,500	$42,734,827	$39,742,629
Total Annual Revenue Miles	Miles vehicles operated in active service[2]	14,464,800	14,791,484	15,110,465
Total Annual Revenue Hours	Hours vehicles operated in active service	1,059,575	1,089,453	1,106,199
Vehicle Miles Between Failures	Vehicles miles divided by revenue vehicle system failures[3]	9,883	13,424	13,210
Total Revenue Vehicles[4]	Vehicles available to meet annual maximum service requirement	296	308	319
Peak Vehicles	Vehicles operated to meet annual maximum (peak) service requirements	248	252	265
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	16.2%	18.2%	16.9%
Annual Passenger Trips[6]	Passenger boardings on transit vehicles	28,868,418	28,327,951	26,259,736
Average Trip Length	Average length of passenger trip, generally derived through sampling	5.6	5.7	5.7
Annual Passenger Miles	Passenger trips multiplied by average trip length (in miles)	161,663,141	162,035,880	149,680,495
Weekday Span of Service (hours)	Hours of transit service on a representative weekday from first service to last service for all modes	23.0	23.0	23.0
Average Fare	Passenger fare revenues divided by passenger trips	$0.95	$0.94	$0.94
Passenger Trips per Revenue Mile	Passenger trips divided by revenue miles	2.00	1.92	1.74
Passenger Trips per Revenue Hour	Passenger trips divided by revenue hours	27.2	26.0	23.7
Passenger Trips per Capita	Passenger trips divided by service area population	14.7	14.1	12.8
Average Age of Fleet	Age of fleet (in years) average	5.9	5.6	5.8
Unrestricted Cash Balance	End of year cash balance from financial statement	$35,228,849	$42,316,042	$37,237,563
Weekday Ridership	Average ridership on weekdays	92,049	88,600	82,353
Capital Commitment to System Preservation	% of capital spent on system preservation	51.0%	77.0%	43.0%
Capital Commitment to System Expansion	% of capital spent on system expansion	49.0%	23.0%	57.0%
Intermodal Connectivity	Intermodal transfer points available	6	6	6

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

[2]Active service refers to vehicle availability to pick up revenue passengers.

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

[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 a transit vehicle.

Circulator Connections

The University of Central Florida (UCF) Superstop is located centrally on campus and serves as a transfer point between six LYNX fixed routes and the UCF-provided circulators serving the campus, surrounding apartments and businesses.

The Walt Disney World Resort complex has the Disney Springs Transfer Center and the Transportation and Ticket Center. These locations serve as transfer points for nine LYNX fixed routes to the Disney World Transportation Circulator system.

Park & Ride Connections

LYNX provides service to three Park & Ride locations: the Econlockhatchee Park & Ride Lot on SR 50 in Orange County, the Chuluota Park & Ride Lot on SR 50 in Orange County, and the Kissimmee/St. Cloud Turnpike Park & Ride Lot at US 192 and Shady Lane in Osceola County.

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.

Ethics and Conflict of Interest

On January 22, 2009, the LYNX 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 III, Chapter 343, Florida Statutes. The Authority elected to apply certain provisions of the State Code of Ethics, Part III of Chapter 112, Florida Statutes. "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

LYNX Headquarters.

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 no ethics or conflict of interest violations during the past year and no Memorandum of Voting Conflict (Form 8B) were provided.

Audit

The CFRTA Board amended its Bylaws in September 2014 by re-designating the Audit and Oversight Committee as the Oversight Committee and established the Finance and Audit Committee and the Risk Management Committee. The Finance and Audit Committee is responsible for recommending to the Oversight Committee and Authority staff financial policies, goals and budgets that support the mission, values and strategic goals of the Authority, and for overseeing the annual audit of CFRTA's financial statements. CFRTA Board members, or their designated representatives, comprise the Oversight Committee membership which reviews matters prior to making recommendations to the CFRTA Board for official action. Detailed minutes of the Committee and the Board meetings are posted on the LYNX website www.golynx.com along with a schedule of future meetings.

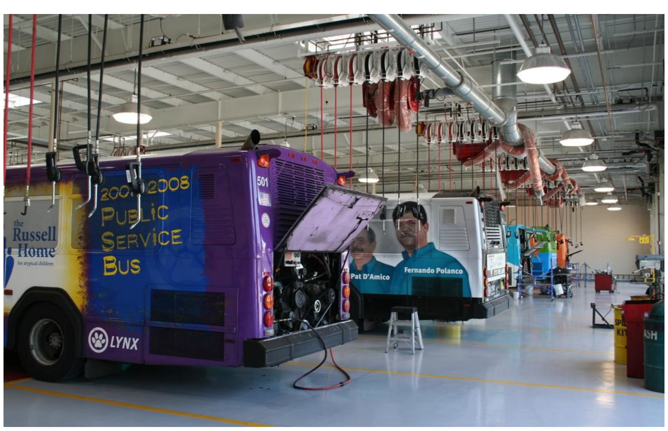
LYNX Operations Center.

An annual independent audit of the Central Florida Regional Transportation Authority's financial statements for the fiscal year ended September 30, 2016 was performed. The Independent Auditor's Report (dated March 15, 2017) indicated that the financial statements were prepared in conformity with GAAP and received an unmodified 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 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 for Each Major Program and State Financial Assistance Project and on Internal Control Over Compliance Required by Uniform Guidance and Chapter 10.550, Rules of the Auditor General indicated no issues related to compliance, internal control, findings or questioned costs required to be reported under applicable standards. The Independent Auditor's Management Letter did not have any findings or recommendations for improvement.

The United States Code, Chapter 53 of Title 49, requires the Federal Transit Administration (FTA) 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 17 different areas. The final FY 2016 Triennial Review Report was submitted to CFRTA in May 2016. The report indicated that no deficiencies were found with FTA requirements in 13 areas. The report did identify deficiencies in the areas of Facilities Maintenance, Americans with Disabilities Act (ADA), Procurement, and Drug-Free Workplace/ Drug and Alcohol Program as described below:

- Facilities Maintenance - LYNX's Facility/ Equipment Maintenance Program was found to be lacking or inadequate and the FTA requested that LYNX identify mission critical and safety items and to provide periodic inspection and preventative maintenance.

- Americans with Disabilities Act (ADA) - ADA deficiencies were found in the complementary paratransit eligibility determination process and no-show policy. FTA requested that LYNX submit revised procedures that provide for a written explanation to denied paratransit applicants and to submit a revised no-show policy.



LYNX Operations Maintenance Center.

- Procurement - Procurement deficiencies identified include no verification that excluded parties are not participating, lack of independent cost estimate; lack of required cost/price analysis; and responsibility determination deficiencies. The FTA requested that LYNX submit procurement procedures 2 CFR 200, FTA C4220.1F "third party contracting," master agreement, and checklists.

- Drug-Free Workplace/Drug and Alcohol Program - It was determined that the FTA drug and alcohol testing program was not applied to all sensitive positions, random testing is below the required level, and that the post-accident determination was improper. The FTA requested that LYNX submit evidence that the contractor has developed and implemented the drug and alcohol testing program, that LYNX submit procedures to ensure that the required level is met in the future and document a process for making a proper post-accident determination including a procedure to document the decision-making process and a training schedule for supervisors.

FTA advised CFRTA on May 19, 2017, that corrective actions taken by the Authority had satisfactorily resolved all findings and that the report is closed.

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 applies to all officers, managers, employees or agents of the Authority and members of the 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, LYNX established Administrative Rule 2, Board Governance (Bylaws). On July 28, 2010 and September 25, 2014, the Board amended and restated the Bylaws. The Bylaws delineate the rules that govern the affairs and conduct of the business of LYNX including the authority and composition of the Board, meetings 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 website. An agenda must be prepared prior to each meeting. LYNX is also subject to the provisions of Section 189.015, Florida Statutes and Chapter 286, Florida Statutes, for open meetings.

LYNX implemented a Public Participation Program Policy, effective September 2008, which applies to all officers, employees, and agents of LYNX. "It shall be 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 and notices of public meetings available on the LYNX website, and public meeting notices published in the Orlando Sentinel newspaper. Based on this limited review, it appears that LYNX is operating within procedure and statute.

Procurement

On May 22, 2014, the LYNX Board amended and restated 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 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, short-term bus service agreements, and financially exigent agreements. Board approval is required for all major contracts over $150 thousand, and the governing board does have the authority when it approves the contract to delegate authority. If the Board does not specifically authorize staff to exercise options for major contracts, options must go before the Board for approval. Minor contracts are defined as contracts with a value of $150 thousand or less that are approved in the budget. Minor contracts may be approved by the CEO or delegated by the CEO to the Chief Financial Officer (CFO) and/or the General Manager (GM) (value of $150 thousand or less), any Senior Officer including the Director of Procurement (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 $3 thousand or less) and must be noticed to the 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, GM and the 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 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 is required to be provided as information items to the Board at its next meeting.

Contracts involving emergency purchases must be reported to the 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 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.

Board approval is required for contracts with vendors to supply fuel to the Authority. The selection of vendors is by the competitive bid process and different vendors can be selected for different types of fuels to be purchased. For example, fuel contracts are either based upon the Oil Price Information Service (OPIS) pricing, U.S. Gulf Coast Platts Index, or spot market pricing. Board approval of the fuel contracts and their execution does not constitute any obligation by LYNX to purchase fuel but allows LYNX to purchase fuel, if it chooses, in accordance with the terms therein. If the Board approved contract utilizes OPIS or spot market pricing, the CEO, other Senior Officer, or the Director of Procurement is authorized to purchase fuel under the contract provided the fuel is for the present use of the Authority (used within seven days). If the Board approved fuel contract utilizes future contracts, the CEO is authorized to purchase fuel under the contract provided that the price for the fuel is within the Board approved budget for fuel purchases for that particular year. 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 Board at its next scheduled meeting. The CEO may also approve financially exigent agreements if the agreement or renewal is less than $150 thousand. If the dollar value of the agreement is $150 thousand or more, the Chairman of the Board first consents to the entry into the agreement, or the renewal of the existing agreement. 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, Administrative Rule 6, Dispute Resolution, 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 a list of all “General Consulting” contracts and those sub contracts that exceeded $25 thousand in FY 2016. As indicated in Table 40, 10 sub consultants were used by the general consulting firms for a total cost of $7.5 million in FY 2016.

Compliance with Bond Covenants

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

Table 40
Central Florida Regional Transportation Authority
Summary of General Consultant Sub Consultant Activity
FY 2016

Consulting Contract	*Description*	*Sub Consultants >$25k*
AECOM Technical Services, Inc.	**Construction Management, Engineering and Inspection**	
Ardaman & Associates, Inc.	Material Testing	$78
Dix Hite and Partners, Inc.	Landscape Design	$26
Balfour Beatty	**Construction Management, Engineering and Inspection**	
JCB Construction, Inc.	General Construction Services	$2,597
BrightView	Parramore BRT Landscape and Streetscape Construction	$2,210
Florida Industrial Electric	Signalization & Electrical	$1,560
Central Florida Underground, Inc.	Utilities	$763
HDR Engineering, Inc.	Transit Signal Priority (TSP) Design	$56
Cardno, Inc.	ISRP Implementation & Health, Safety/Engineer of Record	$158
Twin City Welding	Shelter Installation	$33
Jacobs Engineering	**Construction Management, Engineering and Inspection**	
Tindale Oliver & Associates, Inc.	Mobility Manager Framework Transition for Paratransit and NeighborLink Services	$58
Total Sub Consultants >$25k		$7,539

Loans Payable

On June 9, 2004, the Authority entered into a State Infrastructure Bank (SIB) Loan Agreement, allowing draws of up to $7.6 million 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 two percent, thereafter. LYNX committed its FTA 5307 grant funds as the source to fund the payment obligations of the loans, pursuant to the SIB Loan Agreement. Loans payable activity for fiscal year ended September 30, 2016 is as follows:

Table 41
Central Florida Regional Transportation Authority
Loans Payable
September 30, 2016

Loan	Beginning Balance	Payments	Ending Balance	Amounts Due Within One Year
SIB	$ 1,610,507	$ 797,282	$ 813,225	$ 813,225
Total	$ 1,610,507	$ 797,282	$ 813,225	$ 813,225

Website Compliance

The 2014 Legislature passed, and Governor Scott signed into law, Senate Bill 1632 that significantly amended Chapter 189, Florida Statutes (Uniform Special District Accountability Act). A new Section 189.069, Florida Statutes, requires special districts to maintain an official internet website by October 1, 2015. The website must contain information including contact information and the term and appointing authority for each member of the governing body, public purpose, fiscal year, the district's charter and statutes under which it operates, service area and services provided, fees and charges imposed and collected, adopted code of ethics, budget, and complete audit report. Effective October 1, 2016, House Bill 479, passed by the 2016 Legislature, further amended Chapter 189, Florida Statutes. LYNX management indicated that it conducted a review of its website to ensure compliance with the new statutory requirements.

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, bus rapid transit, 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 fixed route objectives established for performance measures. The seven fixed route measures that were not met include: passenger trips per revenue hour, operating expense per revenue mile, operating expense per passenger trip, operating expense per passenger mile, farebox recovery ratio, revenue miles versus vehicle miles, and on-time performance.

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. FY 2016 operating expenses increased $0.6 million, or 0.6 percent, while operating revenues decreased $3.0 million, or 7.0 percent, over FY 2015. LYNX logged 2.1 million, or 7.3 percent, fewer passenger trips and the average trip length remained unchanged at 5.7 miles in FY 2016. As a result, passenger miles decreased by 12.4 million to 149.7 million (a decrease of 7.6 percent). FY 2016 revenue miles and revenue hours increased 2.2 percent and 1.5 percent, respectively, from FY 2015. Average headway decreased from 26.7 minutes in FY 2015 to 25.6 minutes in FY 2016 and the average fare remained unchanged at $0.94. Average weekday ridership decreased 7.1 percent (from 88,600 in FY 2015 to 82,353 in FY 2016). LYNX attributed this decrease in ridership to the continued effect of the decline in fuel prices. The average age of the fleet increased from 5.6 years to 5.8 years and the operating spare ratio of 16.9 percent allows the Authority flexibility in terms of providing expanded service in the future. The unrestricted cash balance decreased $5.1 million (from $42.3 to $37.2 million) and LYNX committed 43 percent of capital investment to system preservation and 57 percent to system expansion.

In the area of governance, John Lewis resigned his position as Chief Executive Officer (CEO) of LYNX, effective August 31, 2015. Susan Black, who served as General Manager for LYNX, was named by the Board as Interim CEO until a permanent CEO could be selected. After conducting a national search, the Board negotiated a contract with Edward L. Johnson to be the new LYNX CEO, effective May 9, 2016. Mr. Johnson has more than 20 years in the transportation industry including 13 prior years with LYNX.

The FY 2016 Independent Auditor's Report expressed an unmodified opinion on CFRTA's financial statements. No issues related to compliance, internal control, findings or questioned costs were reported by the auditors. In the Independent Auditor's Management Letter, the auditors did not have any findings or recommendations for improvement.

The Federal Transit Administration (FTA) FY 2016 Triennial Review of LYNX indicated that no deficiencies were found with FTA requirements in 13 of the 17 areas examined. The report did identify deficiencies in the areas of facilities maintenance, Americans with Disabilities Act (ADA), procurement, and drug-free workplace/drug and alcohol program. FTA advised CFRTA on May 19, 2017, that corrective actions taken by the Authority had satisfactorily resolved all findings and that the report is closed.

Phase 1 of the SunRail commuter rail system opened for service on May 1, 2014. This 32.5-mile segment runs from the DeBary station in Volusia County to the Sand Lake station in Orange County, and features 12 stations. LYNX entered into a Joint Participation Agreement with the Department for feeder bus service that will provide access to SunRail stations. Phase 2 South, a 17-mile segment from Sand Lake Road to Poinciana, features four additional stations and is expected to be up and running by mid-2018. LYNX also entered into an Interlocal Agreement with the Department to use the Smart Card System as a method of cashless fare collection on the LYNX fixed route services and paratransit services, SunRail, and for patron transfer between transportation systems for seamless interoperability. LYNX is in the process of implementing the use of mobile payments to enhance customer service and reduce the cost of fare operations.

In April 2016, Nopetro opened the nation's largest public-private Compressed Natural Gas (CNG) fueling facility. The public-private partnership between Nopetro and LYNX includes the fueling infrastructure, LYNX maintenance facility improvements, CNG bus fleet conversion and a revenue sharing component. The facility is located adjacent to the LYNX Operations Center and maintenance facility.

Based on the Commission's review of LYNX policies and procedures, Florida Statutes, financial statements, and other documentation provided by LYNX, 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 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.

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Jacksonville Transportation Authority (JTA)

Background

The Jacksonville Transportation Authority (JTA or Authority) is an agency of the State of Florida, created under Chapter 349, Florida Statutes. Originally created to construct and operate tolled limited access and bridge facilities, in 1971, 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, mass transit facilities, and appurtenances to both highway and transit functions. The 2009 Florida Legislature further authorized the Authority to expand its service area outside of Duval County with the respective county's consent.

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, community shuttle, paratransit service, an automated people mover, trolleys, *Game Day Xpress* stadium shuttle service and St. Johns River Ferry operations. JTA also implements roadway projects under its own authority and work plans. JTA's current road program, JTAMobilityWorks, is a $100.6 million work program consisting of 13 roadway projects and 13 mobility corridors, as defined by the LOGT ordinance. The mobility corridors include multiple projects broken into Transit Enhancements and Complete Streets programs. Previously, pursuant to its role under the Better Jacksonville Plan, JTA was responsible for 32 roadway projects totaling more than $800 million.

Highlights

- JTA met or exceeded six of the 12 objectives established for performance measures for bus. The six measures not met were Passenger Trips per Revenue Hour, Operating Expense per Revenue Mile, Operating Expense per Revenue Hour, Farebox Recovery Ratio, Revenue Miles Between Safety Incidents, and On-Time Performance.

- JTA's Skyway met or exceeded five of the 11 applicable performance measures. The six measures not met were Operating Expense per Revenue Mile, Operating Expense per Revenue Hour, Operating Expense per Passenger Trip, Operating Expense per Passenger Mile, Revenue Miles Between Safety Incidents, and Customer Complaint Response Time.

- For Highways, JTA met or exceeded all four of the applicable performance measures.

- JTA suspended fares on the Skyway system beginning January 2012. A Skyway Modernization Program is currently underway to examine capital, operating and financial plans for the continued operation of the Skyway.

- JTA's Route Optimization Initiative (ROI), implemented in December 2014, consisted of restructured routes to make them more frequent and direct, improved spacing between bus stops to reduce travel time, and realigned hours of operation to reflect commuting patterns. Changes continue to positively impact JTA operations.

- The City of Jacksonville extended the existing six cent Local Option Gas Tax (LOGT) set to expire on August 31, 2016, for another 20 years. Through an Interlocal Agreement (ILA), the City dedicated five cents to JTA projects and services. In January 2015, JTA issued $97.5 million (par value) in Senior Lien Local Option Gas Tax Revenue Bonds payable from a pledge of the five cent LOGT.

Chapter 349, Florida Statutes, provides that JTA 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 (the City) 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 (see Table 42). All members with the exception of the District Secretary shall be residents and 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.

Table 42
Jacksonville Transportation Authority
Current Board Members

Name	*Appointment*	*Position*
Isaiah Rumlin	Mayor's Appointee	Chairman
Kevin Holzendorf	Mayor's Appointee	Vice-Chairman
Ari Jolly	Governor's Appointee	Secretary
Denise Wallace	Governor's Appointee	Treasurer
Greg Evans, P.E.	District Two Secretary	Board Member
Scott McCaleb	Governor's Appointee	Board Member
Jeanne Miller	Mayor's Appointee	Board Member

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 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.

The Authority employs a Chief Executive Officer (CEO) who may hire staff, permanent or temporary and may organize the staff of the Authority into departments and units. The CEO may appoint Vice Presidents, Directors, Managers, Supervisors and other staff as he finds to be in the best interests of the Authority for providing transportation facilities and services to Northeast Florida. The Board establishes the compensation of the CEO, who serves at the pleasure of the Board. JTA indicated that all employees of the Authority are exempt from the provisions of Florida Statutes, Chapter 110, Part II (Career Service System). 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 hiring and management of bus operators, mechanics and certain other employees who support the transit functions of JTA. JTA is the sole shareholder of JTM. The transactions of JTM are blended with the primary government, JTA, and are included in the expenses of JTA's enterprise funds. JTA indicated that JTM enjoys sovereign immunity - Keck v. Eminsur, 104 So. 3d 359 (Fla. 2012).

JTM employees are covered under two union contracts (one for bus operators and another for maintenance employees). Bus operators are covered under a contract with Amalgamated Transit Local Union No. 1197 and the JTM. In the fall of 2014, JTM began negotiating a new labor agreement with the Amalgamated Transit Local Union No. 1197. The existing contract was extended as negotiations continued. The new labor agreement with ATU No. 1197 and the JTM went into effect on July 13, 2015 and will remain in effect until September 30, 2017.

Maintenance employees are covered under a contract between the International Association of Machinists (IAM) District Lodge 112 Local No. 759 and JTM. In the fall of 2014, JTM negotiated a new labor agreement with the IAM for a three-year term, effective on November 3, 2014. This contract expires on November 5, 2017.

Better Jacksonville Plan

JTA entered into Interlocal Agreements (ILA) with the City in 2000 for the purpose of constructing the roadway and infrastructure projects of the Better Jacksonville Plan (BJP), as defined in the ILAs. Pursuant to these agreements, JTA pledged its Charter County Transportation Sales 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 BJP. All bonds are revenue obligations, and there is no guarantee by the JTA or the City, nor any other JTA revenues or assets pledged for the bonds. JTA has completed all transportation projects for which funding was available under the BJP. However, construction activities have significantly ramped up for projects identified in the JTAMobilityWorks Program described in a separate section of the report that follows.

Beach Boulevard Bridge Arches.

The ILAs continue in effect until all of the bonds have been paid in full or defeased in accordance with their terms. In March 2012, the City of Jacksonville issued $209.4 million in Transportation Refunding Revenue Bonds, Series 2012 ($151.7 million in Series 2012A and $57.7 million in Series 2012B) in order to achieve interest cost savings on debt service. The Series 2012A Bonds refunded the City of Jacksonville, Transportation Revenue Bonds, Series 2001 and the Series 2012B Bonds refunded the State of Florida, Full Faith and Credit, JTA, Senior Lien Refunding Bonds, Series 1997. JTA worked closely with the City and the Division of Bond Finance of the State Board of Administration to execute the transaction. As previously noted, JTA has pledged its Charter County Transportation Sales Surtax revenues to pay the debt service on transportation and infrastructure revenue bonds issued by the City to fund transportation projects under the BJP. However, as a result of the new Series 2012 Bond issue, there is no longer a full faith and credit pledge of the State of Florida.

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 remaining 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.

Blueprint for Transportation Excellence/ Blueprint 2020

JTA has identified strategic initiatives in a long-range, 20-year plan branded the Blueprint for Transportation Excellence (BTE). The BTE sets the course for JTA to employ industry best practices to modernize its technology, improve service performance, build ridership, meet customer demands, drive economic vitality in Northeast Florida and establish building blocks for future expansion. JTA launched Blueprint 2020, a subset of the BTE, which includes initiatives which could be implemented within the next five years.

- On-Time Transit Operations (OTTO) has improved service reliability by focusing on key routes, assigning route owners to monitor and develop solutions to performance issues, and implementing an education and outreach strategy focused on both internal and external stakeholder roles in improving service reliability.

- TransPortal is a One Call/One Click virtual transportation resource center to help potential customers in the 13-county region navigate the full spectrum of transportation options - from buses and taxis to car and van pools, volunteer driver programs, taxis, intercity bus service such as Greyhound and Megabus, passenger rail, and social service and not-for-profit agency transportation services.

- JTA implemented an Enterprise Resource Planning (ERP) system, also known as project FireFly, in May 2014. The new Oracle software system centralizes JTA's data in one location and allows different departments to share information with each other, thus streamlining processes in Financial, Procurement, Maintenance, and HR operations by centralizing data, reducing paper and eliminating manual tasks.

- The Route Optimization Initiative (ROI) redesigned JTA's Fixed Bus Route and Community Shuttle service to better serve existing customers and attract new customers. ROI went into effect on December 1, 2014.

- Customers now have the ability to receive information about bus arrival times on their smart phones and computers as an alternative to printed schedules as part of the Real-Time Passenger Information (RTPI) system.

- The First Coast Flyer Bus Rapid Transit (BRT) is a new premium service with high frequency and limited stop service along some of Jacksonville's busiest corridors in the north, southeast, east and southwest quadrants of the city and connecting with downtown. Three of the five corridors are operational, including the North (Green Line), Downtown and Southeast Corridors (Blue Line) and two other corridors are in design.

- JTA is transitioning its fleet to include 100 new buses which are powered by Compressed Natural Gas (CNG). CNG buses are quieter and have reduced emissions compared to traditional diesel buses. CNG fuel is also substantially less expensive. As a result, JTA implemented the CNG program through a public private partnership that allows immediate operational savings, no outlay of JTA capital funds, and the construction of a public access fueling station to serve as a catalyst for other fleets to convert to CNG. In December 2014, JTA moved its administrative headquarters from Myrtle Avenue to Downtown Jacksonville and construction started on the CNG fueling facilities, transforming the Myrtle Avenue campus to a full operations and maintenance campus. Construction of the CNG fueling facilities are complete and operational. Currently, JTA has 46 CNG buses in service, including 24 BRT buses and 22 Fixed Route buses.

CNG Fueling Station.

- JTAMobilityWorks is a strategic road and mobility projects initiative that supports auto, bus, bicycle and pedestrian traffic in the Jacksonville region. As part of JTAMobilityWorks, JTA concluded discussions with the St. Johns River Ferry Commission and assumed operations and maintenance of the St. Johns River Ferry on March 31, 2016. JTA is addressing immediate capital needs through the replacement of the ferry slipwall and fender system, seawalls, terminal bridges and terminal area enhancements. Under the FTA's FY 2013 Section 5307 Passenger Ferry Grant Program, the fender/slipwall replacement project was allocated approximately $4 million, with $1 million in state funding used as the non-federal match. In October 2015, the JTA submitted a grant application to FTA for $6 million and received notification in March 2016 that the $6 million grant was awarded. This requires a non-federal match of $1.5 million. Additionally, JTA has worked with the Department to secure $837 thousand in previously appropriated FHWA funds. The additional grant funds will be used to address improvements to the seawalls and complete the replacement of the fenders, slipwalls and terminal bridges.

- JTA's Regional and Fixed Guideway Transit efforts include working with the Northeast Florida Regional Transportation Commission to develop a Regional Transit Action Plan. JTA has also conducted planning for regional commuter rail and is moving forward with the Jacksonville Regional Transportation Center to connect local, regional and intercity services. JTA has also completed a Skyway Technology Assessment and developed the Skyway Modernization Program which recommends the development of the Ultimate Urban Circulator program or U^2C.

- As part of a Transit Oriented Development program, JTA is looking to partner with the City of Jacksonville and the private sector to promote development that will increase ridership, generate additional revenue and promote economic activity in Jacksonville.

Because JTA has completed a significant portion of the Blueprint 2020 initiatives, JTA is currently updating its strategic plan.

JTAMobilityWorks Program/JTA Series 2015 Bonds

In May 2014, the City of Jacksonville enacted an ordinance extending for a period of 20 years the levy and collection of the existing six cent LOGT set to expire on August 31, 2016. The City and the JTA subsequently executed an ILA whereby the City has agreed, commencing September 1, 2016, to dedicate five cents of the six cent LOGT to JTA. The ILA dedicates the five cent LOGT, in part, to the development and construction of roadway projects managed by the JTA as outlined in the ILA (the JTA Project List).

The projects listed on the JTA Project List, subsequently renamed JTAMobilityWorks Program, must be constructed in the order as prioritized in the JTA Project List and City Council approval is required for project budgets that fluctuate more than 20 percent from estimated construction costs provided on the list. JTAMobilityWorks includes a total of 27 projects, 13 road projects and 14 “mobility corridors.” The Mobility Corridors are high frequency transit corridors where JTA will develop projects to improve transit access, and bicycle and pedestrian mobility.

The City’s Transportation Sales Tax allocation is first pledged to pay debt service on bonds issued by the City to fund transportation projects under the BJP. Any residual amounts remaining after debt service payments will be allocated to the JTA to defray in whole or in part the mass transit subsidy amount provided by the City for that particular period. Once no City bonds are outstanding, the remaining Transportation Sales Tax collections will be allocated by the City to the JTA for payment toward the mass transit subsidy amount. The City share of the Duval County Constitutional Gas Tax is first pledged to pay debt service on bonds issued by the City to fund transportation projects under the BJP. The Constitutional Gas Tax will only be utilized for bond amounts if the Transportation Sales Tax is not sufficient to fulfill the required debt service amounts for that period. Subsequent to payment of debt service on the City bonds, the City will retain 50 percent of the surplus fuel tax funds and provide to the JTA the remaining 50 percent.

In January 2015, the JTA issued $97.5 million (par amount excluding original issue premium) in Senior Lien Local Option Gas Tax Revenue Bonds, Series 2015, which have a final maturity date of August 1, 2036 (30 days prior to the expiration of the 20 year LOGT extension). The Series 2015 Bonds represent JTA’s first direct debt issuance. Bond proceeds will finance or reimburse JTA for a portion of the costs associated with acquiring, constructing and equipping certain roadway and transit improvements of the JTA Project List as set forth in the ILA; fund capitalized interest through December 1, 2016; fund a deposit to the debt service reserve fund; and fund bond issuance costs. Approximately $100.6 million of the bond proceeds will fund identified JTA projects as part of the JTAMobilityWorks Program. Bonds are payable from a pledge of and first lien on five cents of the six cent LOGT levied by the City of Jacksonville and received by the JTA pursuant to the ILA, effective September 1, 2016. All bonds are revenue obligations, and there is no guarantee by the JTA, the City, or the state nor are any other JTA revenues or assets pledged for the bonds.

Work on the JTAMobilityWorks projects began during FY 2015. The St. Augustine Road/ Greenland Road Intersection Improvements and the Soutel Transit Hub projects have been completed. Thirty percent design plans for

First Coast Flyer - Bus Rapid Transit.

Parramore Road were completed in March 2017 to reflect changes made to the adjacent roadway design by a private developer. A request for proposals (RFP) for design-build services was issued for the Kernan Boulevard project in May. Design is complete and a construction bid was awarded for the Collins Road project. A design-build contract award for Girvin Road was approved by the JTA Board in September 2015 and the project is slated for completion in July 2018. Design and construction are underway on the Complete Streets and Transit Enhancements portions of the mobility corridor projects. Notably, design work is proceeding on the Mandarin Road project and preliminary plans have been completed for a TURBO roundabout on the University/Merrill project with a formal Department public hearing to be held in August. RFP's for final design services on the remaining JTAMobilityWorks roadway projects have been issued, including for Alta Drive, San Pablo Road and a bundled procurement for Parramore Road, McDuff Phase III, Southside/Atlantic intersection and Tinseltown intersections. A project development and environmental study is underway for the Collins Road project from Blanding Boulevard to Pine Verde Lane. The intent is to have all remaining JTAMobilityWorks projects underway during 2017. Professional services to acquire new right-of-way (ROW) for these projects is included in these procurements. JTA has encountered unresolved ROW acquisitions of temporary construction easements on the Girvin Road and the Collins Road projects and has followed legal counsel advice to re-acquire selected parcels.

First Coast Flyer Bus Rapid Transit

JTA's First Coast Flyer Bus Rapid Transit (BRT) program is a premium transit service using existing arterial roadways. The BRT will include: enhanced service with increased frequency and limited stops; BRT superstops that include a real-time passenger information system, security cameras and off-board ticket vending machines; low-floor branded (dedicated BRT) CNG buses; segments of dedicated (bus only) lanes; transit signal priority and queue jumps at selected intersections.

The proposed service operates with 10-minute headways during weekday peak periods; 15-minute headways during weekday off-peak periods; and 30-minute headways on weekends. With fewer stops and more frequent service, BRT provides a premium service on more heavily traveled corridors permitting customers to move more efficiently to other parts of the City. The BRT system funded share for the first three phases is 80 percent federal, 10 percent state, and 10 percent local. The East Corridor will be funded with 50 percent federal share and JTA has applied for 80 percent federal funding for the Southwest Corridor.

The BRT system is being developed in five phases: Downtown Transit Service Enhancements, North Corridor, Southeast Corridor, East Corridor and Southwest Corridor. The Downtown Transit Service Enhancements was an FTA New Starts Exempt project. The North and Southeast corridors are FTA New Starts, Very Small Starts projects. Under the

FTA's FY 2014 Section 5309 Fixed Guideway Capital Investment Grants (CIG), the North Corridor BRT was allocated $18.9 million and the Southeast Corridor was allocated $19.1 million. Previously, $7.7 million in federal funding had been appropriated for the North Corridor.

The first three phases of the BRT system (North, Downtown and Southeast Corridors) have been completed and the remaining two phases are in various stages of design. The 9.4-mile North Corridor BRT (Green Line) began revenue service in December 2015 and operates between the Rosa Parks Station near downtown and I-295 along Lem Turner and includes 18 branded stations and 8 CNG buses. The 11.1 mile Southeast Corridor BRT from Downtown to Avenues Mall/Avenues Walk with 7 stations and 10 CNG buses was approved for construction in May. Revenue service began in December 2016 following construction of five stations. Design is continuing on the final two stations, which include the Avenues Walk Park-n-Ride and University Hub. The next corridor to be advanced is the East Corridor BRT at 18.5 miles with 21 stations and 19 CNG buses. Final design is underway on the East Corridor, and revenue service is expected to begin in December 2018. The East Corridor is funded in the FY 2017 federal budget and a grant agreement is anticipated in late 2017. Sixty percent design is complete for the Southwest Corridor.

Route Optimization Initiative

In FY 2014, JTA prepared for transforming the way it does business through its ROI. The entire route system was restructured for the first time in 30 years. The ROI required a comprehensive evaluation and overhaul of JTA's Fixed Route Bus and Community Shuttle system operations and infrastructure. The ultimate goal was to improve service effectiveness to increase ridership. The initiative consisted of restructuring routes to make them more frequent and direct; improving spacing between bus stops to reduce travel time; realigning hours of operation to reflect commuting patterns; installing new signage; developing a new route naming protocol; implementing Real Time Passenger Information system-wide; adding community liaisons; and providing end-to-end route supervision with a team of Service Delivery Managers, all designed to deliver more appealing services to existing and potential customers. ROI required one-time implementation costs for planning, outreach and education, new signage, and installation of new ADA compliant stops.

In August 2014, the JTA Board approved the ROI changes that were implemented on December 1, 2014 and included:

- Improved frequency and span of service:
  - ◊ Routes with 30 minute frequency increased from two to 20
  - ◊ 10 routes have 15 minute frequency for the first time in JTA history
  - ◊ Routes operating after 11:00 p.m. doubled from 11 to 22
  - ◊ Routes operating after midnight increased from three to 16
  - ◊ Weekend service runs more frequently
- Implemented customer service improvements, increased route supervision, enhanced system branding, safety and security, created new protocol for route naming and adopted new operator dress code
- Installed 2,900 new bus stop signs
- Launched Real-Time Passenger Information system-wide
- Installed more than 200 Community Shuttle map kiosks

Jacksonville Regional Transportation Center

The Jacksonville Regional Transportation Center (JRTC) will connect local, regional and intercity modes of transportation, including the First Coast Flyer bus rapid transit system, fixed bus routes, the Skyway/U^{2}C, Greyhound and other intercity carriers, ride share, bike share and future Amtrak and Commuter Rail service. The project includes a new Intercity Bus Terminal (IBT), JTA Administration Building and Bus Transfer Facility. Construction of the project is being completed in two phases. Both phases of the JRTC are being designed to meet LEED certification requirements.

Phase I includes the approximately 10,000 square foot Intercity Bus Terminal (IBT) which is currently under construction. It will feature ticketing offices, a cafeteria, restrooms, nine bus bays and parking areas for use by Greyhound and other intercity carriers. The IBT is scheduled to be completed in January 2018.

Phase II includes an approximately 40,000 square foot Administration Building and will feature a bus transfer facility with an enclosed passenger waiting area, ticket vending machines, operator lounge, public restrooms, lost and found area and customer service. The bus transfer facility will feature a pedestrian friendly and ADA accessible single continuous platform along the bus bays with a covered canopy, benches and other passenger amenities. The Administration Building will house JTA's administrative offices, board room and conference rooms. Notice-to-Proceed for Phase II construction was issued on June 30, 2017 and the estimated completion date is November 2019.

The JRTC is funded with a total budget of $57.3 million for Phases I and II. Funding for the project is provided through a combination of federal, state and local funding sources.

Skyway Modernization Program

JTA's Automated Skyway Express (Skyway) is a driverless downtown people mover. It is a 2.5 mile bi-directional system with 8 stations and a 25,000 square foot operations and maintenance facility. Current Skyway vehicles are not used elsewhere, are no longer supported or reproduced by the manufacturer (Bombardier), and are past due for an overhaul to extend their service life. The technology employed on the Skyway is out of date, parts are outdated and difficult to find, and proprietary equipment limits vendor selection. The total cost of the Skyway was approximately $186 million which includes state, federal and local funding. If JTA does not continue to operate the Skyway for its useful life, it is subject to paying back the remaining value of the investment to grant-making agencies. Default on a federal grant would be considered in future funding requests of the FTA.

As such, JTA initiated a study to assess the condition of the vehicles, operating system and infrastructure of the Skyway and develop options addressing the needs of the Skyway in preparation for the mid-life overhaul of the Skyway vehicles. In 2015, the JTA Board established a Skyway Subcommittee and Advisory Group to consider four options:

- Overhaul vehicles
- Replace vehicles
- Decommission and replace Skyway with streetcar, trolley, bus rapid transit or personal rapid transit
- Decommission Skyway, replace with streetcar,

trolley, bus rapid transit, or personal rapid transit and repurpose Skyway infrastructure as elevated bicycle and pedestrian path

Given the significant impact on the community, the JTA issued a survey regarding the available options for the Skyway. This survey was available until December 4, 2015. Of the over 1,600 responses that were received, 80 percent answered in favor of the Skyway, supporting the option to replace the vehicles and expand the system.

On December 10, 2015, the JTA Board approved Resolution No. 2015-30 supporting the continued operation of the Skyway and development of a Skyway Modernization Program to replace existing vehicles and evaluate future extensions. JTA staff reported quarterly to the Board and provided the final Skyway Modernization Program to the Board in December 2016.

The Skyway Modernization Program recommends replacing the existing vehicles with next generation autonomous shuttles. This would allow for greater service frequency, operational flexibility and cost effective extensions to existing and emerging development. The new technology would allow extensions at-grade which would enable the system to reach nearby neighborhoods like San Marco, Springfield and Riverside in a manner that is sensitive to context of the areas. The proposed system plan also includes a new river crossing for transit, bikes and pedestrians that would connect the Northbank by the Sports Complex and proposed District development on the Southbank. The proposal recommended by the Skyway Master Plan is being called the Ultimate Urban Circulator or U^{2}C Program.

In February, the JTA Board authorized the development of U^{2}C. An industry forum was held in May 2017 with over 100 participates from engineering, vehicle and financing firms represented to determine the “state of the industry” and educate the industry about the U^{2}C program. JTA is working to develop the test track in late 2017 to operate various autonomous vehicles to determine which is the most appropriate for the U^{2}C application.

Performance Measures

Pursuant to the Commission’s 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 public and freight moving through communities that are critical to the overall economic well-being and quality of life in Florida.

The JTA was an active participant in the development of performance measures and in establishing objectives to measure its performance. In 2016, the Commission convened a Charrette on Transportation Authority Performance Measures to gain input from the authorities and to consider any enhancements or changes to FY 2016 performance measures, management objectives and operating indicators. As a result, numerous changes were approved by the Commission and are incorporated in this report. A summary of specific changes is provided in the Introduction section of this report. The JTA performance data used for this report represents information collected during FY 2016, which spans from October 1, 2015 through September 30, 2016 (JTA reports on a federal fiscal year).

JTA has undergone significant leadership changes since the current CEO assumed the position in December 2012. Leadership has been focused on assessing and improving JTA practices and overall performance and has dramatically improved the major data reporting processes, data accuracy, and data integrity used in performance reporting. The Authority has invested time and resources in developing and implementing its new performance management system. The JTA Enterprise Metrics Management System (JEMMS) is a comprehensive performance management solution designed to manage outcome-oriented metrics that feed into scorecards for each Division and Department, as well as the overarching Authority dashboard. Minimums, targets, and stretch goals are incorporated for each area of the organization and multi-level analytics provide insight into agency performance.

Performance Measures—Bus

The JTA was successful in achieving six of the 12 objectives for performance. FY 2016 results, as reported by the JTA, are provided in Table 43. Results for the last five fiscal years are included in Appendix A.

Since 2009, JTA has introduced Community Shuttle routes to improve transit access in areas that may not support a fixed route service. These routes provide flexible, route-deviation neighborhood circulators using smaller buses. Originally, the JTA contracted with a private provider to operate the service but on October 29, 2012 Community Shuttle operations were brought in house. Community Shuttle performance data is no longer reported in the National Transit Database (NTD) as Purchased Transportation (PT) services and is included in the performance measures established by the Commission for directly operated fixed route bus service.

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

Passenger Trips per Revenue Hour

Passenger trips per revenue hour was reclassified from an operating indicator to a performance measure in FY 2016. The relationship between passenger trips and revenue hours is commonly referred to as the “load factor” and reflects the service effectiveness of the system. JTA passenger trips per revenue hour of 18.5 was less than the objective of greater than 19.1 by 0.6 (3.1 percent) and slightly decreased from the 18.8 passenger trips per revenue hour reported in FY 2015. FY 2016 passenger trips decreased 1.1 percent while revenue hours increased 0.8 percent from FY 2015. JTA’s peer transit agencies have generally seen a decrease in ridership due to low gas prices, economic conditions and the emergence of ride sourcing services like Uber and Lyft. JTA’s reduction in bus ridership compares favorably with the industry. The increase in revenue hours is largely due to the introduction of the First Coast Flyer Green Line in December 2015.

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, for a given population density and related factors. The JTA’s operating cost per revenue mile of $7.99 did not meet the objective of less than $7.64 by $0.35 (4.6 percent). FY 2016 operating costs increased by 1.5 percent, or $1.0 million, while annual revenue miles increased by 2.4 percent. This compares favorably to the operating cost per revenue mile of $8.06 reported in FY 2015. Again, while JTA did not meet the Commission established target, holding the increase in operating costs below the increase in revenue miles is a positive trend in light of

Table 43
Jacksonville Transportation Authority
Summary of Performance Measures - Bus
FY 2016[1]

Performance Measure	*Detail*	*Objective*	*Actual Results*	*Meets Objective*
Unlinked Passenger Trips per Revenue Hour	Passenger trips divided by revenue hours	>19.1	18.5	X
Operating Expense per Revenue Mile	Operating expenses divided by revenue miles	<$7.64	$7.99	X
Operating Expense per Revenue Hour	Operating expenses divided by revenue hours	<$106.99	$112.35	X
Operating Expense per Passenger Trip	Operating expenses divided by annual ridership	<$6.23	$6.08	✓
Operating Expense per Passenger Mile	Operating expenses divided by passenger miles	<$1.18	$1.01	✓
Farebox Recovery Ratio	Passenger fares divided by operating expenses	>17.6%	15.5%	X
Revenue Miles between Safety Incidents	Annual revenue miles divided by safety incidents	>227,975	146,023	X
Revenue Miles between Failures	Revenue miles divided by revenue vehicle system failures[2]	>10,500	11,104	✓
Revenue Miles versus Vehicle Miles	Revenue miles divided by vehicle miles[3]	>.90	0.91	✓
Customer Service	Average time from complaint to response	14 days	6 days	✓
Customer Service	Customer complaints divided by boardings	<2 per 5,000 boardings	1.7	✓
On-time Performance	% trips end to end on time "departures < 6 minutes late and 1 minute early"	>80%	78.5%	X

[1] Fiscal Year 2016 represents 12 months of data from October 1, 2015 through September 30, 2016.

[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.

increasing cost pressures related to wages and benefits.

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. The JTA's operating cost per revenue hour of $112.35 missed the objective of less than $106.99 by $5.36 (5.0 percent). The increase in FY 2016 operating costs (1.5 percent) more than offset an increase in annual revenue hours (0.8 percent) resulting in a decrease in efficiency over FY 2015. Similar to the previous measure, the increase in operating costs per revenue hour is modest in light of increasing cost pressures related to wages and benefits.

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 JTA achieved the performance measure objective of less than $6.23 operating expense per passenger trip with $6.08 reported in FY 2016 (2.4 percent below the target). FY 2016 operating costs increased by 1.5 percent while passenger trips decreased by 1.1 percent.

Operating Expense per Passenger Mile

An evaluation of the relationship between operating expenses and passenger miles provides a particularly relevant measure of the general cost efficiency of the service provided. The JTA achieved the operating expense per passenger mile objective of less than $1.18 with actual results of $1.01 reported in FY 2016. This compares to $0.98 reported in FY 2015. In FY 2016, operating costs increased 1.5 percent while annual passenger miles decreased 1.9 percent. The decline in passenger miles is attributed to both a 1.1 percent decrease in passenger trips coupled with a decrease in average trip length (from 6.1 miles to 6.0 miles).

Farebox Recovery Ratio

The farebox recovery ratio was reclassified from an operating indicator to a performance measure in FY 2016. This measure reflects the proportion of operating expenses covered by passenger fares and is a National Transit Database efficiency measure. The JTA farebox recovery ratio of 15.5 percent fell short of the objective of greater than 17.6 percent. This compares to 15.8 percent reported for FY 2015. FY 2016 operating expenses increased 1.5 percent over FY 2015, while passenger fare revenue decreased 0.5 percent, thereby negatively impacting FY 2016 results. JTA is considering various means to increase farebox recovery. This includes strategic cost containment, ridership initiatives and fare modification. JTA has evaluated fare modifications but current conditions such as low fuel costs have resulted in decreasing ridership making it untimely for a fare increase. JTA has determined the most prudent path will be to focus initially on cost containment measures and increasing ridership to boost revenues in advance of any fare modification.

Revenue Miles between Safety Incidents

The span of revenue miles between incidents is a measure of safe customer service. In FY 2016, JTA's revenue miles between safety incidents of 146,023 miles missed the objective of greater than 227,975 miles (35.9 percent below the target). This compares favorably to the 105,651 miles reported in FY 2015. Over the five-year reporting period, revenue miles between safety incidents ranged from a low of 94,216 in FY 2013 to a high of 146,023 in FY 2016. The number of safety incidents reported by JTA over the same five -year period ranged from a low of 59 in FY 2012 to a high of 93 in FY 2013.

The JTA contends that the baseline target is no longer realistic due to several factors including better and more comprehensive reporting of incidents and the inclusion of Community Shuttle service in the reporting. In addition, minor incidents at the Rosa Parks Station (the systems major hub) were not included prior to FY 2013 when this performance measure objective was originally established for the JTA. Although this transit performance measure was considered for revision by the Commission in 2016 at its Charrette on Transportation Authority Performance Measures, it was decided to maintain this measure and to replace it in the future with an alternative measure that clearly defines a "safety event."

While JTA has made tremendous improvement in FY 2016, this measure still shows JTA as not meeting the performance objective and JTA continues to recommend this target be modified. Since 2013, JTA has experienced a 10 percent reduction in preventable and non-preventable collisions. This reduction was recognized by JTA's selection as the American Public Transit Association Gold Award Recipient for Bus Safety as well as the Department's Excellence in Bus Safety Award in 2015 for which JTA has received national recognition.

JTA continues to improve safety through the use of innovative technologies such as the LYTX Drive Cam System and Bus Simulator. The agency has also rolled out extensive public awareness efforts such as the "Keep It in Your Pocket" campaign to combat distracted driving with the public. JTA's Safety and Security Department is utilizing recommendations from its 2017 FTA Voluntary Bus Safety Review Report which focused on taking steps to implement the Safety Management System process for bus operations. JTA is also developing action items from the results of employee comments made during a 2017 JTA Safety and Security System Wide Focus Group to properly tailor its efforts on mitigating identified hazards, threats and vulnerabilities. JTA is also working with the Department and the FTA to ensure use of best practices in identifying and mitigating risky behaviors for injury and accidents, as well as studying trends of occurring injuries and accidents to ensure the JTA is focusing on the most effective solutions for prevention.

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. The JTA achieved the performance measure objective of greater than 10,500 revenue miles between revenue vehicle system failures with 11,104 revenue miles between failures reported in FY 2016 (5.8 percent above the target). This compares to 12,908 revenue miles between failures reported in FY 2015.

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). The JTA exceeded the performance measure objective of greater than 0.90 for FY 2016 with 0.91, indicating highly effective use of the fleet.

Customer Service – Average Time from Complaint to Response

JTA's average response time to customer complaints of 6 days from receipt of the complaint met the performance measure objective of less than 14 days in FY 2016. Improvement was noted from the 7-day complaint response time reported for FY 2015.

Customer Service – Number of Complaints per Boarding

The JTA achieved the performance objective of less than two complaints per 5,000 boardings with a ratio of 1.7 complaints reported in both FY 2016 and FY 2015. The actual number of customer complaints increased from 3,891 in FY 2015 to 3,991 in FY 2016 (2.6 percent increase).

On-time Performance

The JTA nearly achieved the on-time performance objective of greater than 80.0 percent of trips end-to-end on-time with 78.5 percent on-time performance. This compares favorably to the 75.0 percent on-time performance reported in FY 2015. On-time is defined as departures less than six minutes late and one minute early. The JTA has made significant progress in on-time performance showing annual increases during the five-year reporting period (from 66.0 percent in FY 2012 to 78.5 percent in FY 2016). JTA has made tremendous strides in improving on-time performance while preserving safe operations. JTA reports that it is on track to meet this objective in FY 2017.

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. As previously noted, numerous changes to operating indicators were approved by the Commission in 2016 and are summarized in the Introduction section of this report. FY 2016 operating indicators for bus, as reported by the JTA, are provided in Table 44. In order to observe current trends, operating indicators for FY 2014 and FY 2015 are also provided. Results for the last five fiscal years are included in Appendix A.

Based on the operating indicators presented, the JTA weekday ridership decreased 1.6 percent while revenue service hours increased 0.8 percent. The JTA logged 2.4 percent more revenue miles than in FY 2015. Operating expenses increased 1.5 percent while operating revenue slightly decreased by 0.4 percent. Because the JTA logged 1.1 percent fewer passenger trips and the average trip length decreased by 0.1 miles, passenger miles decreased by 1.9 percent. Average headway increased from 23.4 minutes to 23.9 minutes, while the average fare remained virtually unchanged at $0.94.

The average age of the fleet increased to 6.7 years. The JTA's spare ratio as of year-end FY 2016 was 21.1 percent, compared to 14.3 percent reported for FY 2015. The significant increase in the FY 2016 spare ratio is attributed to the delivery of 23 new vehicles in FY 2016, which permitted the JTA to get very near its spare ratio goal of 20 percent. The amount is slightly higher than 20 percent due to a larger number of trolleys than service requires. The unrestricted cash balance decreased to $3.6 million in FY 2016 and the JTA committed all of its capital investment to system preservation. Service area population and population density increased 2.0 percent over FY 2015. The JTA provides three intermodal connections.

FY 2016 operating expenses increased 1.5 percent while operating revenues slightly decreased by 0.4 percent from FY 2015.

Average weekday ridership decreased 1.6 percent while revenue service hours increased 0.8 percent.

Passenger trips decreased 1.1 percent in FY 2016, and the average trip length decreased 0.1 miles, resulting in a 1.9 percent decrease in passenger miles.

The average fare remained virtually unchanged at $0.94.

Table 44
Jacksonville Transportation Authority
Summary of Operating Indicators - Bus
FY 2014 through FY 2016

Operating Indicator	*Detail*	*Actual 14 Results*	*Actual 15 Results*	*Actual 16 Results*
Operating Expense per Capita (Potential Customer)	Annual operating budget divided by service area population	$66.34	$68.91	$68.55
Average Headway	Average time (minutes) for vehicle to complete its portion of total route miles one time	29.2	23.4	23.9
Service Area Population	Approximation of overall market size	985,050	1,001,311	1,021,375
Service Area Population Density	Persons per square mile based on service area population and size	1,231	1,255	1,280
Operating Expense	Spending on operations, including administration, maintenance, and operation of service vehicles	$65,350,740	$69,004,946	$70,011,559
Operating Revenue[1]	Revenue generated through operations of transit authority	$12,078,657	$12,078,038	$12,029,681
Total Annual Revenue Miles	Miles vehicles operated in active service[2]	8,736,870	8,557,699	8,761,357
Total Annual Revenue Hours	Hours vehicles operated in active service	609,595	618,327	623,183
Vehicle Miles Between Failures	Vehicles miles divided by revenue vehicle system failures[3]	15,291	14,245	12,209
Total Revenue Vehicles[4]	Vehicles available to meet annual maximum service requirement	171	175	190
Peak Vehicles	Vehicles operated to meet annual maximum (peak) service requirements	158	150	150
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	7.6%	14.3%	21.1%
Annual Passenger Trips[6]	Passenger boardings on transit vehicles	11,037,817	11,634,258	11,508,138
Average Trip Length	Average length of passenger trip, generally derived through sampling	6.8	6.1	6.0
Annual Passenger Miles	Passenger trips multiplied by average trip length (in miles)	75,053,198	70,387,261	69,048,828
Weekday Span of Service (hours)	Hours of transit service on a representative weekday from first service to last service for all modes	22.5	22.5	22.5
Average Fare	Passenger fare revenues divided by passenger trips	$1.01	$0.94	$0.94
Passenger Trips per Revenue Mile	Passenger trips divided by revenue miles	1.26	1.36	1.31
Passenger Trips per Revenue Hour	Passenger trips divided by revenue hours	18.1	18.8	18.5
Passenger Trips per Capita	Passenger trips divided by service area population	11.2	11.6	11.3
Average Age of Fleet	Age of fleet (in years) average	7.3	6.3	6.7
Unrestricted Cash Balance	End of year cash balance from financial statement	$8,300,473	$7,161,530	$3,623,334
Weekday Ridership	Average ridership on weekdays	37,015	38,116	37,522
Capital Commitment to System Preservation	% of capital spent on system preservation	100%	100%	100%
Capital Commitment to System Expansion	% of capital spent on system expansion	0%	0%	0%
Intermodal Connectivity	Intermodal transfer points available	3	3	3

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

[2]Active service refers to vehicle availability to pick up revenue passengers.

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

[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 a transit vehicle.

Performance Measures—Skyway

The JTA was successful in achieving five of the 11 applicable performance measure objectives. FY 2016 results, as reported by the JTA, are provided in Table 45. Results for the last five fiscal years are included in Appendix A.

Passenger Trips per Revenue Hour

Passenger trips per revenue hour was reclassified from an operating indicator to a performance measure in FY 2016. The relationship between passenger trips and revenue hours is commonly referred to as the "load factor" and reflects the service effectiveness of the system. JTA passenger trips per revenue hour of 75.9 exceeded the

Table 45
Jacksonville Transportation Authority
Summary of Performance Measures - Skyway
FY 2016[1]

Performance Measure	*Detail*	*Objective*	*Actual Results*	*Meets Objective*
Unlinked Passenger Trips per Revenue Hour	Passenger trips divided by revenue hours	>70.7	75.9	✓
Operating Expense per Revenue Mile	Operating expenses divided by revenue miles	<$27.04	$39.56	X
Operating Expense per Revenue Hour	Operating expenses divided by revenue hours	<$364.46	$418.39	X
Operating Expense per Passenger Trip	Operating expenses divided by annual ridership	<$4.30	$5.51	X
Operating Expense per Passenger Mile	Operating expenses divided by passenger miles	<$6.00	$6.72	X
Farebox Recovery Ratio	Passenger fares divided by operating expenses	N/A	N/A	N/A
Revenue Miles between Safety Incidents	Annual revenue miles divided by safety incidents	>41,348	15,020	X
Revenue Miles between Failures	Revenue miles divided by revenue vehicle system failures[2]	>10,500	16,522	✓
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	19 days	X
Customer Service	Customer complaints divided by boardings	<2 per 5,000 boardings	0.04	✓
On-time Performance	Successful cycles divided by scheduled cycles	>98%	99.3%	✓

[1] Fiscal Year 2016 represents 12 months of data from October 1, 2015 through September 30, 2016.

[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.

objective of greater than 70.7 by 5.2 (7.4 percent) and decreased from the 87.6 passenger trips per revenue hour reported in FY 2015. FY 2016 passenger trips decreased 9.8 percent while revenue hours increased 4.0 percent from FY 2015.

Operating Expenses

FY 2016 operating expenses increased by $711 thousand, or 12.2 percent, over FY 2015 primarily due to aging and obsolescence of vehicle and wayside equipment and maintenance and inspection costs for the Skyway system. Due to the obsolescence of the Skyway vehicles it has become increasingly difficult to obtain parts and equipment, further contributing to the increase in operating expenses.

The JTA did not achieve four operating expense-related objectives (per revenue mile, per revenue hour, per passenger trip, and per passenger mile) in FY 2016. The JTA has implemented several cost containment efforts, which include the following:

- In July 2015, the JTA sent one of the Skyway technicians to obtain specialized training with Bombardier related to repairs for the Auxiliary Power Units (APUs) and inverters. Test equipment obtained from Bombardier allows the Authority to test the motors prior to installing them into the trains, thereby reducing staff time needed to replace motors.
- The JTA is currently in the operating phase of motor rebuilds from a local source. Further cost containment efforts will focus on enhancing maintenance planning, upgrading infrastructure, and strengthening inventory management to improve productivity and reduce costs.

The cost to operate and maintain the current system is an important consideration as JTA looks to modernize the Skyway. Currently, the aging system is increasingly costly to maintain. As the system is modernized and expanded, a key objective will be to improve on cost efficiency.

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. The JTA's operating cost per revenue mile of $39.56 exceeded the objective of less than $27.04 by $12.52 (46.3 percent). A 12.2 percent increase in operating costs, coupled with a 1.9 percent decrease in annual revenue miles, resulted in an increase in operating cost per revenue mile of $4.96 in FY 2016.

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. The JTA's operating cost per revenue hour of $418.39 exceeded the objective of less than $364.46 by $53.93 (14.8 percent). A 12.2 percent increase in operating costs more than offset a 4.0 percent increase in annual revenue hours, resulting in an increase in operating cost per revenue hour of $30.69 in FY 2016.

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 JTA fell short of the performance measure objective for operating cost per passenger trip of less than $4.30 with actual results of $5.51 reported in FY 2016. This compares to the $4.43 operating cost per passenger trip reported in FY 2015. A 12.2 percent increase in operating costs coupled with a 9.8

percent decrease in passenger trips, resulted in an increase in operating costs per passenger trip of $1.08 in FY 2016. While initial growth in passenger trips (ridership) in FY 2013 can be attributed to the complementary fares on the Skyway system that began on January 30, 2012, Skyway ridership continued to grow in FY 2014 and FY 2015. This can be attributed to increased economic activity in Downtown Jacksonville, better coordination between the fixed route service and Skyway service and special events. The JTA indicated that the 9.8 percent decrease in ridership in FY 2016 is attributed to a decrease in special events as well as the overall general decline in transit ridership nationwide. Specifically related to events, the JTA had previously seen significant increases due to events like the One Spark Festival which generated 71,372 trips in FY 2014 and 82,227 trips in FY 2015. In FY 2016, this event was limited to one day and only generated 10,617 trips.

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 operating cost per passenger mile of $6.72 fell short of the objective of less than $6.00 by $0.72 (12.0 percent). This compares to the cost per passenger mile of $5.21 reported in FY 2015. In FY 2016, operating costs increased 12.2 percent, while passenger miles decreased 13.0 percent, thereby increasing the operating cost per passenger mile by $1.51.

The 13.0 percent decrease in FY 2016 passenger miles is a result of the previously noted 9.8 percent decrease in passenger trips coupled with a decrease in the average trip length on the Skyway (from 0.9 miles in FY 2015 to 0.8 miles in FY 2016).

Farebox Recovery Ratio

The farebox recovery ratio was reclassified from an operating indicator to a performance measure in FY 2016. This measure reflects the proportion of operating expenses covered by passenger fares and is a National Transit Database efficiency measure. Because the JTA suspended fares on the Skyway system beginning in January 2012 this performance measure is not currently applicable.

The JTA is seeking to better utilize the Skyway by integrating it with its fixed route service. An advantage of the elevated Skyway system is separation from ambient traffic, which significantly improves travel speeds in the Downtown core. The JTA's Route Optimization Initiative includes more routes terminating at the Skyway stations where bus passengers use the Skyway to complete their trips within the downtown core, including the Rosa Parks transfer hub.

On January 30, 2012, the JTA suspended fares for ninety days on the Skyway service. This was necessary because the STAR Card electronic fare payment system on the JTA buses was not compatible with the existing Skyway fare collection system. This 90 day period allowed JTA to evaluate a resolution to the system incompatibility issues and to evaluate a permanent complementary fare for Skyway. The Board subsequently approved numerous extensions to the complementary fare. Significant ridership increases have occurred since the complementary fare was approved. As previously noted, a Skyway Modernization Program is currently underway to examine the capital, operating and financial plans for the continued operation of the Skyway.

FY 2012 operating revenues declined 25.4 percent over FY 2011 primarily due to the partial year's impact of the Skyway complementary fares policy implemented in January 2012. FY 2013 operating revenues declined 9.7 percent over FY 2012 to $195 thousand and have remained virtually unchanged since FY 2013. Operating revenues consist primarily of parking revenues since no fare revenue is currently being collected on the Skyway. Patronage of JTA lots remains stable and the City continues their efforts to revitalize the Downtown area which includes improving parking options.

Revenue Miles between Safety Incidents

The span of revenue miles between incidents is a measure of safe customer service. In FY 2016, the JTA's revenue miles between safety incidents of 15,020 miles fell below the objective of greater than 41,348 miles (63.7 percent below the target). This compares unfavorably to the 56,114 miles reported in FY 2015. The decrease in revenue miles between safety incidents in FY 2016 is attributed to the significant increase in the number of Skyway safety incidents reported by the JTA. Safety incidents increased from 3 in FY 2015 to 11 in FY 2016. The JTA indicated that the increase in safety incidents is due to aging elevator and escalator issues which is now being addressed by the Skyway Modernization Program.

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 Skyway's electrical, computer or mechanical systems) is a measure of maintenance effectiveness in keeping the system in good condition. A significant number of revenue miles between system failures can serve to reinforce customer confidence in Skyway on-time performance.

The JTA achieved the performance measure objective of greater than 10,500 revenue miles between revenue vehicle system failures with 16,522 revenue miles between failures (57.4 percent above the target). In FY 2016, revenue miles decreased 1.9 percent from FY 2015 and revenue vehicle system failures decreased 50.0 percent (from 20 in FY 2015 to 10 in FY 2016). The JTA indicated that the significant decrease in revenue vehicle system failures in FY 2016 is attributed to an enhanced preventative maintenance program resulting in 100 percent compliance.

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). The JTA exceeded the performance measure objective of greater than 0.90 for FY 2016 with 0.99, indicating highly effective use of the fleet.

Customer Service – Average Time from Complaint to Response

The JTA fell short of the performance measure objective of timely response to customer complaints within two weeks of receipt of the complaint. In FY 2016, the average response time to customer complaints was 19 days. This compares to the seven day response time reported in FY 2015. The JTA indicated that the significant increase in complaint response time in FY 2016 is attributed to key personnel changes which delayed the complaint response time during the transition period.

Customer Service – Number of Complaints per Boarding

The JTA achieved the performance objective of less than two complaints per 5,000 boardings with an average of 0.04 complaints per 5,000 boardings. The JTA reported and confirmed nine customer complaints in FY 2016.

On-time Performance

The JTA achieved the on-time performance objective of greater than 98 percent of trips end-to-end on-time with 99.3 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 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. As previously noted, numerous changes to operating indicators were approved by the Commission in 2016 and are summarized in the Introduction section of this report. FY 2016 operating indicators for Skyway are provided in Table 46. In order to observe current trends, operating indicators for FY 2014 and FY 2015 are also provided. Results for the last five fiscal years are included in Appendix A.

As previously noted, the JTA's Route Optimization Initiative includes more routes terminating at Skyway stations where bus passengers use the Skyway to complete their trips within the Downtown core. Concurrent with implementation of the STAR Card electronic fare payment system, The JTA suspended fares on the Skyway service beginning January 30, 2012 and is currently examining the capital, operating and financial plans for the continued operation of the Skyway. Significant increases in Skyway utilization were noted after the complementary fare was approved.

The JTA's operating indicators show that operating revenues have declined annually from FY 2007 through FY 2013 and have remained flat since FY 2013. Currently, operating revenues consist of parking fee revenues only. The farebox recovery ratio and average fare for FY 2016 was zero due to the Board decision to suspend fares on the Skyway beginning in January 2012. Operating expenses increased 12.2 percent over FY 2015 primarily due to aging and obsolescence of vehicle and wayside equipment and maintenance and inspection costs for the Skyway system. The JTA logged 129 thousand, or 9.8 percent, fewer passenger trips and the average trip length decreased by 0.1 miles in FY 2016. As a result, passenger miles decreased by 146 thousand to 1.0 million (a decrease of 13.0 percent). The JTA indicated that the 9.8 percent decrease in passenger trips in FY 2016 is attributed to a general decline in overall

JTA has suspended fares on the Skyway since January 30, 2012.

FY 2016 operating expenses increased 12.2 percent, while operating revenues remained virtually flat.

The farebox recovery ratio and average fare for FY 2016 was zero due to suspended fares on the Skyway system. FY 2016 operating revenues are reported as $196 thousand and consist primarily of parking fee revenues.

FY 2016 passenger trips decreased 9.8 percent, and average trip length decreased by 0.1 miles, resulting in a 13.0 percent decrease in passenger miles.

FY 2016 revenue miles decreased 1.9 percent and revenue hours increased 4.0 percent from FY 2015.

Table 46
Jacksonville Transportation Authority
Summary of Operating Indicators - Skyway
FY 2014 through FY 2016

Operating Indicator	*Detail*	*Actual 14 Results*	*Actual 15 Results*	*Actual 16 Results*
Operating Expense per Capita (Potential Customer)	Annual operating budget divided by service area population	$5.72	$5.82	$6.40
Average Headway	Average time (minutes) for vehicle to complete its portion of total route miles one time	5.9	5.8	6.2
Service Area Population	Approximation of overall market size	985,050	1,001,311	1,021,375
Service Area Population Density	Persons per square mile based on service area population and size	1,231	1,255	1,280
Operating Expense	Spending on operations, including administration, maintenance, and operation of service vehicles	$5,637,497	$5,825,143	$6,535,724
Operating Revenue[1]	Revenue generated through operations of transit authority	$195,511	$195,721	$195,811
Total Annual Revenue Miles	Miles vehicles operated in active service[2]	172,126	168,341	165,218
Total Annual Revenue Hours	Hours vehicles operated in active service	15,748	15,025	15,621
Vehicle Miles Between Failures	Vehicles miles divided by revenue vehicle system failures[3]	8,260	8,483	16,654
Total Revenue Vehicles[4]	Vehicles available to meet annual maximum service requirement	10	10	6
Peak Vehicles	Vehicles operated to meet annual maximum (peak) service requirements	5	5	5
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	50.0%	50.0%	16.7%
Annual Passenger Trips[6]	Passenger boardings on transit vehicles	1,188,007	1,315,833	1,186,358
Average Trip Length	Average length of passenger trip, generally derived through sampling	0.7	0.9	0.8
Annual Passenger Miles	Passenger trips multiplied by average trip length (in miles)	843,485	1,118,458	972,814
Weekday Span of Service (hours)	Hours of transit service on a representative weekday from first service to last service for all modes	15	15	15
Average Fare	Passenger fare revenues divided by passenger trips	$0.00	$0.00	$0.00
Passenger Trips per Revenue Mile	Passenger trips divided by revenue miles	6.90	7.82	7.18
Passenger Trips per Revenue Hour	Passenger trips divided by revenue hours	75.4	87.6	75.9
Passenger Trips per Capita	Passenger trips divided by service area population	1.2	1.3	1.2
Average Age of Fleet	Age of fleet (in years) average	15.6	16.6	17.6
Unrestricted Cash Balance	End of year cash balance from financial statement	$112,325	$318,123	$208,950
Weekday Ridership	Average ridership on weekdays	4,459	4,945	4,484
Capital Commitment to System Preservation	% of capital spent on system preservation	100%	100%	100%
Capital Commitment to System Expansion	% of capital spent on system expansion	0%	0%	0%
Intermodal Connectivity	Intermodal transfer points available	3	3	3

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

[2]Active service refers to vehicle availability to pick up revenue passengers.

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

[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 a transit vehicle.

transit ridership as well as the elimination of the One Spark Festival which had generated significant ridership in previous years. FY 2016 revenue miles decreased 1.9 percent and revenue hours increased 4.0 percent from FY 2015. Average weekday ridership decreased 9.3 percent over FY 2015 while average headway increased by 0.4 minutes to 6.2 minutes.

The average age of the fleet is 17.6 years. Skyway's current operating spare ratio of 16.7 percent significantly declined from the 50.0 percent reported in FY 2015. The JTA indicated that in FY 2016 four of the ten Skyway revenue vehicles were not in service due to a communication failure that governs safe automatic movement called "permissive movement." JTA committed all of its capital investment to system preservation.

Performance Measures—Highways

The 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 (State Highway System projects), or the City (other projects), who maintain them. As a result, only some performance measures and operating indicators adopted for toll authorities under Commission oversight were recommended and adopted for the JTA highways.

The JTA managed a variety of road and transit projects during FY 2016. Projects funded by the Local Option Gas Tax included design and construction of the Old St. Augustine Road/ Greenland Road Intersection Improvements, the Soutel Transit Hub and the First Coast Flyer Bus Rapid Transit program. Design plans were progressed for the Kernan Boulevard and Collins Road projects. A required drainage pond site was identified for Kernan Boulevard by Landmark Middle School under the JEA transmission lines. Thirty percent design plans on Parramore Road were progressed including coordination with the adjacent developer project. Construction was initiated on the design-build contract for Girvin Road in March 2016. Planning activities were completed on the Complete Streets and Transit Enhancements portions of the mobility corridor projects with release of a final report in May.

The JTA met or exceeded all four of the adopted performance measures. FY 2016 results, as reported by the JTA, are provided in Table 47. Results for the last five fiscal years are included in Appendix A.

Consultant Contract Management

The JTA achieved the performance measure objective for consultant contract management. The final cost of design and CEI consultant contracts completed during FY 2016 was 14.9 percent below the amount awarded in the original contracts.

Construction Contract Adjustments - Time

The JTA achieved the performance measure objective for construction contract adjustments for time. Both of the construction contracts were completed within 20 percent or the original contract time.

Construction Contract Adjustments - Cost

The JTA achieved the performance measure objective for construction contract adjustments for cost. Both of the construction contracts were completed within 10 percent of the original contract amount meeting the objective of greater than or equal to 90 percent.

Table 47
Jacksonville Transportation Authority
Summary of Performance Measures - Highways
FY 2016

Performance Measure	*Detail*	*Objective*	*Actual Results*	*Meets Objective*
Operations and Budget				
Consultant Contract Management	Final cost % increase above original award	< 5%	-14.9%	✓
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%	✓
Applicable Laws				
Minority Participation[1]	M/WBE and SBE utilization as % of total expenditures (each agency establishes goal/target)	> 90%	146.9%	✓

[1] JTA has established an agency-wide goal of 16.08 percent; actual results represent agency-wide performance.

Minority Participation

The JTA Disadvantaged Business Enterprise (DBE) Program is a comprehensive program developed by the U.S. Department of Transportation (USDOT) which establishes guidelines for participation of firms owned by socially and economically disadvantaged persons in USDOT-assisted contracting. The DBE Program provides opportunities for certified DBE companies by creating a "level playing field" on which these firms can fairly compete for purchasing and contracting dollars. The Program supports the JTA's continuing efforts to remove barriers that may limit participation by these firms in USDOT-assisted contracts, while facilitating their development and increased ability to successfully compete in the general marketplace.

- The JTA is required to use its own DBE program for projects funded by the FTA which is considered a Race Conscious program. This term does not refer to a race-based preference of any type; rather, it allows the JTA to establish DBE participation goals it reasonably expects to achieve on applicable projects based on project specifics, subcontracting opportunities and the number of ready, willing and able DBE businesses in the relevant market area.

- FTA funded projects that do not have assigned DBE goals are defined as Race Neutral, indicating, while DBE participation is encouraged, it is not a mandatory requirement for award. These projects are typically small in scope, dollar amount, and/or require services not provided by DBE firms in the relevant market area.

- Projects funded by the Federal Highway Administration (FHWA) through the Florida Department of Transportation (Department) are administered under a Local Agency Participation (LAP) agreement which requires the JTA to use the Department's Race Neutral DBE program. All contract compliance relating to each LAP agreement is handled through the Department's District Two office. DBE participation on these projects has historically been low because there is no DBE requirement (Race Neutral) for prime contractors.

Effective FY 2014, the JTA established its triennial DBE goal of 16.08 percent on an agency-wide basis. The JTA reported achieving 23.62 percent (or $16.5 million) DBE participation in FY 2016. Actual DBE participation of 23.62 percent represents 146.89 percent of the Authority's DBE goal of 16.08 percent, exceeding the performance measure objective.

Additional information on the Federal Disadvantaged Business Program may be found at www.fta.dot.gov under the heading "Civil Rights."

Operating Indicators—Highways

FY 2016 operating indicators, as reported by the JTA, are provided in Table 48. Also, to assist in trend analysis, FY 2014 and FY 2015 operating results are provided. Results for the last five fiscal years are included in Appendix A.

Right-of-Way

The general consensus at the Commission's 2016 Charrette on Transportation Authority Performance Measures was that the previous right-of-way operating indicators did not provide a realistic representation of how expansive an authority's right-of-way program is nor did they provide a realistic representation as to how efficiently and effectively the authority is operating. As such, a new set of operating indicators were established beginning in FY 2016. In general, the indicators were changed from a dollar value focus to the number of parcels acquired.

In FY 2016, the JTA re-acquired some temporary construction easements on the Girvin Road project as recommended by legal counsel. Right-of-way parcel acquisitions will be required on the remaining JTAMobilityWorks projects and those services will be included in the professional services solicitations. In March 2016, JTA acquired approximately four acres of land near the intersection of Philips Highway and Southside Boulevard. This property referred to as "Avenues Walk" was selected and acquired for the location as a transit hub along the Southeast corridor. The purchase price of Avenues Walk was $3,441,300.

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.

Table 48
Jacksonville Transportation Authority
Summary of Operating Indicators - Highways
FY 2014 through FY 2016

Indicator	*Detail*	*Actual 14 Results*	*Actual 15 Results*	*Actual 16 Results*
Property Acquisition				
Right-of-Way	# Projects requiring ROW acquisition	N/A	N/A	1
	# Parcels needed to be acquired for projects	N/A	N/A	24
	# Parcels acquired via negotiations	N/A	N/A	18
	# Parcels acquired via condemnation	N/A	N/A	0
	# Parcels acquired with final judgements ≤ one half the range of contention	N/A	N/A	0

Ethics and Conflict of Interest

On June 30, 2011, the JTA Board revised its ethics policy by adopting a Code of Conduct applicable to all full-time, part-time and temporary employees of JTA and JTM and to members of the JTA Board. The Code of Conduct was further revised in September 2013. The Code of Conduct serves as the basis for the ethics program and the Ethics Officer develops formal ethics procedures which are reviewed annually. The Code of Conduct appears to be comprehensive and includes areas such as the JTA Code of Conduct, Core Values, Business and Financial Records, Company Assets, Conflict of Interest, Other Employment, Offering and Acceptance of Business Courtesies, Proper Relationships with Suppliers, Environmental Compliance Code, Training, Appropriate Business Conduct and Ethical Decision Making. Employees are required to comply with applicable laws including Chapter 112, Part III, Florida Statutes (Code of Ethics for Public Officers and Employees). In May 2014, the JTA Board also approved and adopted the JTA Supplier Code of Conduct applicable to all suppliers, consultants, contractors, and all non-employees doing business with the JTA.

In September 2016, the City of Jacksonville provided a broad overview of government ethics to the JTA Board members at their Board retreat. Training included ethics, conflicts of interest, Sunshine law and public records. Board members are also required to complete a conflict of interest questionnaire.

During orientation, all new JTA and JTM employees are required to sign an acknowledgement indicating each employee has reviewed the Code of Conduct, and all existing employees are required to annually re-affirm that they have read, understood and will comply with the Code of Conduct. The signed acknowledgement is retained in each employee's personnel file. The Manager of Investigations serves as the point of contact for internal complaints and ethical concerns and the Authority relies upon this office to ensure compliance with the Employee and Business Code of Conduct.

Additionally, the JTA adopted the City of Jacksonville's Inspector General Procedure. This procedure allows the Office of Inspector General to investigate possible instances of fraud, waste, mismanagement, misconduct and other abuses. Employees of the JTA may report these instances directly to the Office of the Inspector General, in addition to the hotline and online reporting options offered through JTA's internal website.

The JTA reported no ethics violations or conflicts of interest for Board Members during FY 2016. No instances were noted where a Board member abstained from voting on an agenda item due to a conflict of interest and no conflict of interest documentation (State Commission on Ethics Form 8A - Memorandum of Voting Conflict for State Officers) was provided by JTA. Three of five alleged ethics violations by staff were substantiated by the Investigations Manager in FY 2016. Two violations were presented to the Administration for executive review and necessary action, and the third violation resulted in a final written corrective action plan.

Audit

An annual independent audit of JTA's financial statements for the fiscal year ended September 30, 2016 was performed. The Independent Auditor's Report, dated March 24, 2017, indicated that the financial statements were prepared in conformity with GAAP and received an unmodified 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 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 for Each Major Federal Program and State Project and on Internal Control Over Compliance Required by the Uniform Guidance and Chapter 10.550, Rules of the Auditor General indicated no issues related to compliance, internal control, findings or questioned costs required to be reported under applicable standards. Five findings identified by the auditors in FY 2015 were cleared in this FY 2016 report. The Independent Auditor's Management Letter identified four recommendations to improve financial management:

- During the closing of the financial information for year end, the Authority Staff, in advance of year end, should reconcile with the City all interlocal items associated with sales tax, transfers, receivables and joint projects.
- Prepare a crosswalk of the modified accrual financial statement to the full accrual in preparation of government-wide financial statements.
- Reconcile final financial statement information to the budget related to the Skyway and Ferry as both fund level actuals exceeded the budgeted amounts. Overall, the total of actuals of all funds did not exceed the budgeted amounts.
- Enhance accuracy in the preparation of audit support, including roll forward schedules that reconcile to final trial balance amounts.

The JTA is committed to improving the financial reporting process and has developed an aggressive action plan to address the technical skills and resources needed to implement the necessary audit recommendations. In October 2016, the Authority contracted with an outside management and consulting firm and reorganized resources within the accounting team to form a Corporate Accounting and Financial Reporting Department. Collectively, these changes were needed to support the Authority's growth and further improve the financial reporting process.

The JTA created the position of Internal Auditor in August 2013. In September 2013, the JTA Board revised its Bylaws by establishing an Audit Committee to oversee and provide policy recommendations in the areas of audited financial information, systems of internal controls, the audit process and management's process for monitoring compliance with laws and regulations. The Internal Auditor reports indirectly to the CEO and directly to the Vice President of Administration. The Internal Audit position acts as support for management and provides recommendations based on Government Auditing Standards and best business practices. JTA indicated that no final internal audit reports were issued during FY 2016.

Public Records and Open Meetings

The JTA is operating under Chapter 119, Florida Statutes, relating to public records. All public records of the JTA may be inspected and copied during normal business hours at the headquarters of the JTA. The JTA has adopted procedures to ensure compliance with the Public Records Law and to establish consistency in responding to public document requests. The policy directs that all employees, officers, and the JTA Board members comply with Florida's Public Records Law, designates the Ethics and Compliance Officer as the Public Records Custodian and incorporates the definition of public records contained in Chapter 119, Florida Statutes. Detailed guidance is provided for timely responding to public records requests, retention time for public records requests, internal public records request form, and charges for production of records.

The JTA Bylaws (as amended February 23, 2017) require that regular public meetings of the Board and its standing Committees be held concurrently at such dates and times as the Board may designate by written public notice from time to time, and shall be held at its headquarters, or other location designated by the Chairman or applicable committee chair. Special public meetings of the Board may be called by the Chairman or a majority of the Board members. Emergency public Board meetings may be called by the Chairman in accordance with law. The Clerk or Reporting Secretary is required to keep the official minutes of the Board and Committee meetings, transcribe them into writing and have them approved at a Board meeting within two subsequent meetings. The minutes of each meeting of the JTA, 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.

The JTA is also subject to the provisions of Section 349.043, Chapter 286, and Section 189.015, Florida Statutes, for open meetings. Commission staff reviewed notices and agendas of JTA Board meetings posted on its website (www.jtafla.com). The JTA indicated that it advertises its Board meetings in the local newspaper of general circulation (Florida Times Union) consistent with the requirements of Section 189.015, Florida Statutes. Commission staff reviewed an example of a Florida Times Union advertisement for Board meetings provided by the JTA. From this limited review, it appears JTA has been operating within procedure and statute.

Procurement

On April 28, 2016, the JTA Board amended Procurement Rule (Rule No. 002) which provides standards, procedures and methods for procurement by the JTA of goods and services of all types to support the JTA's statutory responsibilities and powers. Open competition is required, and the Procurement Rule No. 002 applies to all procurements of goods and services (including construction) and to solicitation and award of agreements under which the JTA receives revenues or other compensation for use of its assets or services.

Approved procurement methods include: competitive sealed bids, competitive sealed proposals, CCNA process for professional services (qualifications-based selection), two-step procurement, use of competitively procured government contracts, sole source negotiation, small purchases, emergency procurement and procurement of ancillary services. Ancillary services may be procured by JTA's general counsel, general engineering consultant, certified public accountant, financial advisor, and other professionals specified in Rule No. 002.

Once a contract is executed by the CEO (or designee), the following individuals have authority to execute Purchase Orders and Work Orders that fall within their approval authority as set forth below, including without limitation, the purchase of goods or services which are components of a larger scale (approved) procurement, all within the budget limitations applicable to such procurements or as provided in Rule No. 002. The following individuals may also renew contracts in accordance with their terms and conditions (provided such renewal is within the scope of the original procurement). Contract renewals shall not be effective until approved by the Senior Manager, Contracts, Procurement and Inventory and the Vice President of the User Department (or designees). To the extent procurement authority is not specified to a JTA employee as noted below, such authority is vested solely in the JTA Board.

- Procurements over $100 thousand require approval by the Board, or as delegated by the Board. When a continuing contract is approved by the Board, the Senior Manager, Project Development and Construction has authority to approve all work orders that fall within the scope and term of the continuing contract.

- Procurements between $35 thousand and $100 thousand require approval of the CEO (or designee).

- Procurements between $10 thousand and $35 thousand require approval of the Vice President of the User Department (or designee).

- Procurements up to $10 thousand require approval of the User Department's Manager; except that procurements at or below $1 thousand may be approved by the Maintenance Supervisor or other Supervisor when allowed by the applicable Vice-President.

- Procurements of inventory parts up to $35 thousand require approval of the Inventory Manager (or designee). Procurements of inventory parts $35 thousand and up require approval of the Senior Manager, Contracts, Procurements and Inventory (or designee).

The term procurement in this section includes all change orders; except that construction change orders that do not exceed 10 percent of the contract value may be approved by the Vice President of the User Department. In addition to the above approval thresholds, all procurements that are funded by a grant also require the approval of the Manager of Capital Programming and Grants Management, Controller and Chief Financial Officer.

Consultant Contract Reporting

The JTA utilizes General Engineering Consultant (GEC) services providers, selected through a competitive procurement process. The contracts are typically work-order based where individual assignments are negotiated on an as-needed basis. Funds are encumbered separately for each individual work order. As indicated in Table 49, 29 sub consultant contracts greater than $25 thousand were used by the General Engineering Consulting firms for a total cost of $4.0 million in FY 2016.

Compliance with Bond Covenants

As previously noted, in January 2015, the JTA issued $97.5 million (par amount that excludes $20.2 million in original issue premium) in Senior Lien Local Option Gas Tax Revenue Bonds, Series 2015. Bonds are payable from a pledge of and first lien on five cents of the six cent LOGT levied by the city of Jacksonville and received by the JTA pursuant to the ILA, effective September 1, 2016. All bonds are revenue obligations, and there is no guarantee by the JTA, the City, or the state nor are any other JTA revenues or assets pledged for the bonds.

Website Compliance

The 2014 Legislature passed, and Governor Scott signed into law, Senate Bill 1632 that significantly amended Chapter 189, Florida Statutes (Uniform Special District Accountability Act). A new Section 189.069, Florida Statutes, requires special districts to maintain an official internet website by October 1, 2015. The website must contain

Table 49
Jacksonville Transportation Authority
Summary of General Consultant Sub Consultant Activity
FY 2016

Consulting Contract	*Description*	*Sub Consultants >$25k*
HDR Engineering, Inc.	**Engineering Management Services**	
Baker Klein Engineering	CEI Services	$30
Birchfield & Humphrey	Eminent Domain Attorneys	$93
C&ES	CEI Services & Architectural and Engineering Design	$338
Ghiotto & Associates, Inc.	Survey - Parramore Rd.	$37
HNTB	Computer Modelling - Commuter Rail Model	$25
K&J Safety & Security Services, Inc.	Safety & Security Certification	$161
Pierlott & Associates, Inc.	Consulting for FTA Reporting	$25
Protor Rail Transit Consulting Services	Consulting for Skyway Modernization	$47
RSG, Inc.	Computer Modeling - Transit Modeling Enhancements	$41
The McCormick Agency, Inc.	Public Outreach - JTA Mobility	$28
TransPro Consulting, LLC	Financial Support - JTA Fare Support Svcs	$35
Turknett Robinson Group	Staffing Support - JTA Executive Staff	$310
Reynolds, Smith & Hills, Inc.	**Engineering Management Services**	
Aerostar SES, LLC	Various Projects	$89
Cambridge Systematics, Inc.	Transportal Enhancement	$87
Clary Consulting, LLC	Ferry; Mobility Works; Skyway Assessment; Capital Plan 2016	$219
Eisman & Russo, Inc.	Old St Augustine Rd.; ASTIM Bus Stop Amendment	$237
FIT Engineering	Biannual Inspection	$111
Kimley-Horn and Associates, Inc.	BRT Tech Support; CAD/AVL Program Oversight	$583
Landmark Engineering, Inc.	Armsdale Road Improvement	$118
Lea + Elliot, Inc.	Capital Plan 2016; Skyway Oversight; System/Operating Plan	$176
Lerch Bates, Inc.	Skyway Elevators & Escalators	$118
Mosaic Urban Partners, LLC	Real Estate Advisory	$186
Parsons Brinckerhoff, Inc.	System/Operating Plan	$65
Peggy Malone & Associates, Inc.	BRT North Corridor	$52
Randy Farwell	System/Operating Plan	$28
Resource Systems Group, Inc.	Transit Model Enhancement; Onboard Rider Survey; System/Operating Plan	$240
The NDN Companies	O'Steen Amendment; Groundwater Tank Amendment	$71
The Ohmega Group, LLC	Skyway Fire Alarm	$43
Turknett Robinson Group, LLC	Executive Initiative & Other Various Projects	$421
Total Sub Consultants >$25k		$4,014

information including contact information and the term and appointing authority for each member of the governing body, public purpose, fiscal year, the district's charter and statutes under which it operates, service area and services provided, fees and charges imposed and collected, adopted code of ethics, budget, and complete audit report. Effective October 1, 2016, House Bill 479, passed by the 2016 Legislature, further amended Chapter 189, Florida Statues. JTA management indicated that it conducted a review of its website to ensure compliance with the new statutory requirements.

Summary

The Jacksonville Transportation Authority (JTA) is a multi-modal public transportation authority operating within Duval County and portions of three adjacent counties. The JTA continues to expand its service parameters and relies on fare revenues, federal and state grants, local option sales surtax revenues and contractual payments of local option gas taxes to fund transit and highway operations.

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

In 2016 JTA was recognized by the American Public Transit Association as the Outstanding Public Transit System in North America for mid-sized systems and the top transit system in the state by the Florida Public Transit Association.

The JTA met or exceeded 6 of the 12 objectives established for performance measures for bus. The six measures not met include: passenger trips per revenue hour, operating expense per revenue mile, operating expense per revenue hour, farebox recovery ratio, revenue miles between safety incidents, and on-time performance. The JTA met or exceeded 5 of the 11 applicable performance measures for Skyway. The six measures not met include: operating expense per revenue mile, operating expense per revenue hour, operating expense per passenger trip, operating expense per passenger mile, revenue miles between safety incidents and customer complaint response time. The JTA met or exceeded all four of the applicable performance measures for Highways.

The 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. FY 2016 operating expenses increased 1.5 percent while operating revenues slightly decreased by 0.4 percent from FY 2015. Weekday ridership decreased 1.6 percent while revenue service hours increased 0.8 percent. The JTA logged 2.4 percent more revenue miles in FY 2016. Because the JTA logged 1.1 percent fewer passenger trips, and the average trip length decreased by 0.1 miles, passenger miles decreased by 1.9 percent. Average headway increased from 23.4 minutes to 23.9 minutes, while the average fare remained virtually unchanged at $0.94. The JTA's spare ratio increased from 14.3 percent in FY 2015 to 21.1 percent in FY 2016. The increase in the spare ratio is attributed to the delivery of 23 new vehicles in FY 2016, which permitted the JTA to get very near its spare ratio goal of 20 percent.

Concurrent with implementation of the STAR Card electronic fare payment system, the JTA suspended fares on the Skyway system beginning January 30, 2012. In addition, the JTA's Route Optimization Initiative (ROI) includes more routes terminating at Skyway stations. As a result, significant increases in Skyway utilization have occurred since the complementary fare was approved. Because of suspending fares on the Skyway system, operating revenue has remained virtually unchanged since FY 2013 and consists of parking fee revenues only. The farebox recovery ratio and average fare for FY 2016 was zero due to the suspended fares on the Skyway system. Operating expenses increased 12.2 percent over FY 2015 primarily due to aging and obsolescence of vehicle and wayside equipment and maintenance and inspection costs for the Skyway system. The JTA logged 129 thousand, or 9.8 percent, fewer passenger trips and the average trip length decreased by 0.1 miles in FY 2016. As a result, passenger miles decreased by 146 thousand to 1.0 million (a decrease of 13.0 percent). The JTA indicated that the 9.8 percent decrease in passenger trips in FY 2016 is attributed to a decrease in special events as well as the overall general decline in transit ridership nationwide. Specifically related to events, the JTA had previously seen significant increases due to events like the One Spark Festival which generated 71,372 trips in FY 2014 and 82,227 trips in FY 2015. In 2016, this event was limited to one day and only generated 10,617 trips. FY 2016 revenue miles decreased 1.9 percent and revenue hours increased 4.0 percent from FY 2015. Average weekday ridership decreased 9.3 percent over FY 2015 while average headway increased by 0.4 minutes to 6.2 minutes. The average age of the Skyway fleet is 17.6 years and the current operating spare ratio of 16.7 percent significantly declined from the 50.0 percent reported in FY 2015. The JTA indicated that in FY 2016 four of the ten Skyway revenue vehicles were not in service due to a communication failure that governs safe automatic movement called "permissive movement." A Skyway Modernization Program is currently underway to examine the capital, operating and financial plans for the continued operation of the Skyway.

In the area of Governance, the FY 2016 Independent Auditor's Report expressed an unmodified opinion on JTA's financial statements. No issues related to compliance, internal control, findings or questioned costs were reported by the auditors. In the Independent Auditor's Management Letter, the auditors identified four recommendations to improve financial management. In October 2016, the Authority contracted with an outside management and consulting firm and reorganized resources within the accounting team to form a Corporate Accounting and Financial Reporting Department. Collectively, these changes were needed to support the JTA's growth and further improve the financial reporting process.

Through the JTA's ROI its Fixed Route Bus and Community Shuttle system operations and infrastructure were redesigned for the first time in 30 years. The initiative consisted of restructuring routes to make them more frequent and direct; improving spacing between bus stops to reduce travel time; realigning hours of operation to reflect commuting patterns; installing new signage; developing a new route naming protocol; increasing route supervision; implementing technology system-wide to provide customers with real-time bus arrival information; adding community liaisons; and providing end-to-end accountability; all designed to deliver more appealing services to existing and potential customers. ROI changes were implemented on December 1, 2014 and continue to positively impact the JTA operations. JTA was recognized as a 2017 Transportation Excellence Award Winner by the Federal Highway Administration for ROI.

Other JTA achievements include: opening of the 11.1-mile Bus Rapid Transit (BRT) Southeast Corridor in December 2016 as part of its First Coast Flyer BRT program; implementing a Compressed Natural Gas (CNG) program whereby the JTA has placed 46 new CNG buses in revenue service and plans to expand the CNG fueled fleet to 100 vehicles; and developing the Ultimate Urban Circulator (U^2C) as recommended by the Skyway Modernization program. Construction of the Jacksonville Regional Transportation Center is underway. JTA has taken over operations of the St. Johns River Ferry and is continuing upgrades to the fenders, slipwalls, seawalls and terminal bridges.

JTA has completed all transportation projects for which funding was available under the BJP. However, construction activities have significantly ramped up for projects identified in the JTAMobilityWorks Program funded by the extension of the gas tax. In May 2014, the City of Jacksonville (the City) enacted an ordinance extending for a period of 20 years the levy and collection of the existing six cent Local Option Gas Tax (LOGT) set to expire on August 31, 2016. The City and the JTA subsequently executed an Interlocal Agreement (ILA) whereby the City has agreed, commencing September 1, 2016, to dedicate five cents of the six cent LOGT to the JTA. In January 2015, the JTA issued $97.5 million (par amount that excludes $20.2 million in original issue premium) in Senior Lien Local Option Gas Tax Revenue Bonds, Series 2015, which have a final maturity date of August 1, 2036 (30 days prior to the expiration of the 20 year LOGT extension). This is the JTA's first direct debt issuance and bond proceeds will fund development and construction of roadway projects of the JTA Project List as set forth in the ILA. Bonds are payable from a pledge of and first lien on the five cents LOGT received by the JTA, effective September 1, 2016. All bonds are revenue obligations, and there is no guarantee by the JTA, the City, or the State nor are any other JTA revenues or assets pledged for the bonds. The City's Transportation Sales Tax and Duval County Constitutional Gas Tax is first pledged to pay debt service on bonds previously issued by the City to fund transportation projects under the BJP. Any residual amounts remaining after paying debt service on bonds issued by the City will be allocated to the JTA to defray the mass transit subsidy amount provided by the City for that particular period.

Based on the Commission's review of the JTA policies and procedures, Florida Statutes, Financial Statements, and other documentation provided by the 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 the JTA to continue to develop and pursue action plans to help meet established performance measure 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 and its predecessors have operated the Tri-Rail commuter rail passenger service with funding provided by state, county and federal sources. The Florida Department of Transportation (Department), owns the South Florida Rail Corridor (SFRC), on which SFRTA operates the Tri-Rail commuter rail passenger service.

Pursuant to Chapter 343, Florida Statutes, 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 is 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 is authorized to adopt rules necessary to govern operation of a transit system and facilities and to "coordinate, develop, and operate a regional transportation system within the area served." Each county served by SFRTA must dedicate and transfer to SFRTA not less than $2.670 million before October 31st of each fiscal year (FY). These funds may be used for capital, operations, and maintenance. In addition, each county must provide an amount not less than $1.565 million for SFRTA's operations annually before October 31st of each fiscal year. SFRTA must develop and adopt a plan for the operation,

Highlights

- Tri-Rail met or exceeded 6 of the 11 objectives established for performance measures. The five measures not met were Passenger Trips per Revenue Hour, Operating Expense per Revenue Mile, Operating Expense per Passenger Trip, Operating Expense per Passenger Mile and Farebox Recovery Ratio.
- SFRTA assumed responsibility for dispatch and maintenance of the South Florida Rail Corridor (SFRC) on March 29, 2015. In addition to the $30.6 million the Department has annually transferred to SFRTA for operations, the Department will cover 100 percent of annual maintenance costs up to $14.4 million and will also provide an additional $11.5 million in dedicated funding.
- FY 2016 operating revenues increased 2.7 percent while operating expenses increased 23.4 percent, or $17.1 million, over FY 2015 due to additional operating costs incurred by SFRTA for dispatch and maintenance of the SFRC.
- By the end of February 2017, SFRTA relocated its offices to the new Tri-Rail Operations Center (Headquarters) and received a final Certificate of Occupancy in early August 2017.
- The Tri-Rail Downtown Miami Link (TRDML) is a new service that will bring Tri-Rail trains directly into downtown Miami at the new All Aboard Florida Miami Central Station. Revenue service on this 8.5-mile extension is planned for early 2018.
- House Bill (HB) 695 amended SFRTA enabling legislation, effective July 1, 2017 (FY 2018). HB 695 prohibits SFRTA from entering into, extending, or renewing any contract that is funded with Department funds without the Department's prior review and written approval. The bill further specifies that those Department funds constitute state financial assistance and that the Department may advance 25 percent of the total funding, with monthly payments over the fiscal year on a reimbursement basis. This reimbursement methodology contrasts to the Department currently disbursing the annual appropriation in quarterly installments.

maintenance, and expansion of the transit system that is reviewed and updated annually. The FY 2014-2023 Transit Development Plan (TDP), adopted in August 2013, is a major update that serves as the strategic guide for public transportation for SFRTA over the next 10 years. This TDP (referred to as "SFRTA Forward Plan"), documents the investments that SFRTA is committed to making over the next five years, as well as its vision for additional priorities and improvements through FY 2023. The FY 2017-2026 TDP serves as the third update to the SFRTA Forward Plan. TDP's are posted on SFRTA's website www.sfrta.fl.gov/transit-development-plan.aspx. 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. However, SFRTA has never issued any bonds.

The governing body of SFRTA consists of ten 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, and three citizens appointed by the Governor. The three citizen appointees must all reside in different counties within the SFRTA service area. Members are appointed to serve four -year 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.

SFRTA is authorized by Chapter 343, Florida Statutes, to coordinate, develop, and implement a

Table 50
South Florida Regional Transportation Authority
Current Board Members

Name	*Appointment*	*Position*
Steven L. Abrams	Commissioner, Palm Beach County	Chair
Bruno A. Barreiro	Commissioner, Miami-Dade County	Vice Chair
Andrew Frey	Governor's Appointee	Board Member
Frank Frione	Governor's Appointee	Board Member
Nick A. Inamdar	Representative, Miami-Dade County	Board Member
Gerry O'Reilly, P.E.	District Four Secretary	Board Member
F. Martin Perry	Representative, Palm Beach County	Board Member
Tim Ryan	Commissioner, Broward County	Board Member
James A. Scott	Governor's Appointee	Board Member
Beth Talabisco	Representative, Broward County	Board Member

regional transportation system in South Florida. Pursuant to its statutory authority, SFRTA provides commuter rail service (Tri-Rail) and offers a free 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 Transit 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 5.5 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 and 30-minute headways 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, and 30 one-way trips on weekends and holidays. SFRTA provides hourly service on the weekends. SFRTA typically operates three-car trains, but does operate some four-car sets during various times of the service day.

Tri-Rail Miami Airport Station/Miami Intermodal Center

The Tri-Rail Miami Airport Station was closed for nearly four years during construction of the new Miami Intermodal Center (MIC) at the Miami International Airport. SFRTA coordinated the temporary relocation of the Miami Airport Station to the Hialeah Market Station (with CSX and the Department) in order to obtain cost savings and to expedite the MIC construction schedule by avoiding active train operations. During this period, Tri-Rail (with the cooperation of Miami Dade Transit) provided free shuttle service to the airport from the Hialeah Market Station. The new Tri-Rail Miami Airport Station opened April 5, 2015. The Station now provides Tri-Rail passengers with a direct connection to the airport terminal by way of a short ride on the MIA Mover. Tri-Rail joins Miami-Dade Transit's Metrorail and Metrobus service which already have access to the station, along with the Rental Car Center, Greyhound, Megabus, taxi service, and future Amtrak service. A final critical step associated with the MIC and Miami Airport Station was executed between the SFRTA Governing Board and the Department. This multi-faceted agreement transfers two SFRTA owned parcels at the MIC to the Department, and also provides SFRTA with a perpetual nonexclusive commuter rail easement for the MIC Rail Corridor.

SFRTA Funding

For several years, SFRTA attempted to secure a dedicated funding source. Finally, House Bill (HB) 1B, legislation passed during a special session of the Florida Legislature, was signed into law by Florida Governor Charlie Crist on December 16, 2009 (Chapter 2009-271, Laws of Florida). The law amended Section 343.58, Florida Statutes, to provide SFRTA with additional dedicated funding for Tri-Rail from the State Transportation Trust Fund (STTF). Effective July 1, 2010 (FY 2011), the Department must annually transfer $13.3 million, and an additional amount of no less than $17.3 million, from the STTF to SFRTA for operating assistance ($30.6 million total annual STTF funding). While the legislation did not establish any new net funding, it filled the gap between what is statutorily required of the counties, and what is needed to run the Tri-Rail service. Subsequent to SFRTA assuming responsibility for maintaining and dispatching the SFRC on March 29, 2015 (FY 2015), Section 343.58(4)(a)1., Florida Statutes, changed the STTF annual funding requirement for Tri-Rail. The Department must now annually transfer $15 million from the STTF to SFRTA for operations, maintenance, and dispatch and an additional amount of no less than $27.1 million for operating assistance ($42.1 million total annual STTF funding). In addition to the $11.5 million annual increase in dedicated funding for assuming dispatch and maintenance of the SFRC, the Department has agreed to cover 100 percent of annual maintenance costs up to $14.4 million. Costs in excess of the $14.4 million will be shared with the Department, based on agreed percentages outlined in the Operating Agreement between the Department and SFRTA.

Tri-Rail Miami Airport Station (Opened April 5, 2015).

HB 599, passed by the 2012 Florida Legislature and signed into law by Governor Rick Scott on April 27, 2012 (Chapter 2012-174, Laws of Florida), again significantly amended Chapter 343, Florida Statutes. The legislation, effective July 1, 2012 (FY 2013): revised membership of the SFRTA governing Board; provided that the Department will cease funding SFRTA operations if an alternate dedicated local funding source is implemented before July 1, 2019; enhanced Department oversight of the SFRTA budget; and limited expansion of the system to Monroe County without Department approval. The SFRTA Board was expanded from 9 to 10 members with a new Board member being appointed by the Governor. The legislation provides that upon commencement of the alternate funding source, the Department will cease funding SFRTA operations and will convey to SFRTA a perpetual commuter rail easement over the South Florida Rail Corridor and all of the Department's right, title, and interest in rolling stock, equipment, tracks, and other personal property owned and used by the Department for the operation and maintenance of the commuter rail operations in the South Florida Rail Corridor. If a new local funding source is not found by July 1, 2019, Tri-Rail's level of operations may be reduced.

Wave Streetcar System

SFRTA was selected by the Department, Broward County, Broward Metropolitan Planning Organization, City of Fort Lauderdale, and Fort Lauderdale Downtown Development Authority to lead The Wave, a planned 2.7 mile (two-way) modern streetcar system that will circulate within the downtown Fort Lauderdale area and connect to regional bus and rail systems. In 2011, SFRTA agreed to become the FTA project sponsor and manager of design and construction. In June 2012, The Wave was awarded an $18 million Transportation Investment Generating Economic Recovery (TIGER) grant by United States Department of Transportation. A FTA Small Starts application has also been submitted and accepted by FTA, with approximately $60 million identified in FTA's budget, subject to future Congressional Appropriations. An Alternatives Analysis/ Environmental Assessment (AA/EA) has been completed and FTA issued a Finding of No

Tri-Rail's New Rail Car.

Significant Impact (FONSI) for the AA/EA in September 2012. The Wave Project has been transferred to the Department for management of the construction phase, while SFRTA remains the project sponsor for the Tiger grant.

New SFRTA Operations Center and Pompano Beach Station

SFRTA received $5.7 million from the FTA Transit Investment in Greenhouse Gas and Energy (TIGGER) III Program to construct Tri-Rail's first LEED Silver certified, sustainable train station. The Pompano Beach Station will feature electric vehicle charging stations, solar panels for station energy generation, upgraded LED lighting and a new pedestrian bridge over the tracks. Upgrades are expected to reduce station operating and maintenance costs, improve station area circulation and access and exhibit landscaping methods that will reduce water consumption and pollution. SFRTA determined that the east parking lot area at the Pompano Beach Station was the preferred location for constructing a new Tri-Rail Operations Center (Headquarters). Along with the Operations Center and new station, the three part project also includes a 450-car parking garage. In December 2014, SFRTA awarded a $39.4 million Design-Build contract for the Operations Center and Pompano Beach Station improvements. Funding for the Operations Center is comprised of $19.3 million from a SIB Loan with the Department, $6.1 million in federal funds and $5.9 million from the county gas tax. A Temporary Certificate of Occupancy (TCO) was issued for the Pompano Beach Station in January 2017 and for the Operations Center in early February 2017. A final Certificate of Occupancy (CO) for the Operations Center was issued in early August 2017. SFRTA relocated its offices late February 2017.

Maintenance and Dispatch of South Florida Rail Corridor

On January 25, 2013, SFRTA approved the terms and conditions of the Amended South Florida Operations and Management Agreement (Amended SFOMA) between the Department and CSXT. On June 13, 2013, SFRTA and the Department formalized an Operating Agreement for SFRTA's use of the SFRC. This agreement was amended on January 12, 2015 to commit additional Department/SFRTA funds above the original $17.4 million. These two agreements transfer the responsibility for dispatch, maintenance, and inspection of the SFRC to the Department, which in turn, through the Operating Agreement, transfers this responsibility to SFRTA. From the purchase of the SFRC by the Department in May 1988, CSXT was assigned responsibility for the dispatch, maintenance, and inspection of the corridor. Control of the dispatching has been a long sought goal of SFRTA in order to maintain a more reliable commuter rail service. In December 2014, the SFRTA Board awarded a contract to Veolia Transportation Maintenance and Infrastructure (VTMI) for Maintenance of Way (MOW) services on the SFRC for a period of seven years, in the lump-sum amount of $161.2 million.

In March 2014, SFRTA signed a Contract with Ansaldo STS for $10.8 million to design, furnish and install a complete, fully functional, Dispatch System and Radio System. The contract also included a redundant Dispatch Backup System located at the West Palm Beach facility. On March 29, 2015, SFRTA assumed the responsibility of the dispatch and maintenance of the SFRC.

Tri-Rail Coastal Link

Since late 2011, SFRTA has worked with its partner agencies on plans to expand Tri-Rail service onto the Florida East Coast (FEC) Railway corridor in an accelerated manner. Now known as the "Tri-Rail Coastal Link" (TRCL), a regional partnership has merged previous study efforts and is pursuing an expansion of the Tri-Rail system onto an 80 mile portion of the FEC corridor (between Downtown Miami and Jupiter). TRCL would create significant new economic development opportunities and offer an important new mobility option that would provide a one-seat ride between the region's major travel markets and downtowns, including Miami, Fort Lauderdale, Boca Raton, and West Palm Beach.

The TRCL Memorandum of Understanding (MOU), which was approved in May 2013, establishes key roles and responsibilities through the remaining phases of the project. The eight parties to the MOU are:

- Broward Metropolitan Planning Organization (MPO)
- Florida Department of Transportation
- Miami-Dade MPO
- Palm Beach MPO
- Southeast Florida Transportation Council (SEFTC)

- South Florida Regional Planning Council (RPC)
- SFRTA
- Treasure Coast RPC

The MOU identifies the Department as the lead agency for the upcoming "Project Development" phase. SFRTA is identified in the MOU as the lead agency for the project's Finance Plan, Engineering, Construction, and Operations. The MOU also identifies a process for FEC corridor access negotiations, noting that it will be a tri-party process including Florida East Coast Industries (FECI)/All Aboard Florida (AAF), the Department, and SFRTA.

In December 2013, the project received approval by the Region's MPOs to submit a request to the Federal Transit Administration (FTA) for entry into the next Project Development phase. A letter formally making this request was jointly signed by the Department and SFRTA and submitted to FTA in the spring of 2014. However, after close coordination with FECI/AAF, FTA, and Federal Railroad Administration (FRA), the Department and SFRTA made the decision to delay the start of Project Development until AAF's Draft Environmental Impact Statement (covering the West Palm Beach to Orlando segment of its project) process was completed. The TRCL Project Development phase is awaiting Department readiness to begin and is not actively underway. The development of a detailed TRCL Finance Plan (led by SFRTA) will take place during the same time frame and in close coordination with the Project Development activities. SFRTA continues to work on an economic and market analysis of proposed station areas, financial plan development, and extensive technical support work on operating scenarios and costs, and technical coordination in other areas. SFRTA is now examining possibilities to implement TRCL incrementally, taking advantage of opportunities as they arise to develop smaller phased projects along the corridor, rather than implementing the entire project in one undertaking. The first of these projects is the Tri-Rail Downtown Miami Link, with the new Miami Central Station scheduled to commence revenue service in early 2018.

Tri-Rail Downtown Miami Link Service/ Downtown Miami Central Station

Although entry into the TRCL Project Development phase has been delayed, numerous coordination activities have taken place among FECI/AAF and SFRTA. Tri-Rail Downtown Miami Link (TRDML) is a new service planned to bring 26 Tri-Rail trains per weekday directly into downtown Miami at the new AAF Miami Central Station on the Florida East Coast (FEC) rail corridor. This service will travel on approximately 8.5-miles of the FEC Corridor between the current Tri-Rail Metrorail Transfer Station on the South Florida Rail Corridor (SFRC), and the new AAF Miami Central Station in Downtown Miami on the FEC corridor.

TRDML will link the two rail corridors and bring Tri-Rail onto the FEC corridor for the first time, allowing for a one-stop ride on the Tri-Rail service from its northernmost station in Palm Beach County to the Tri-Rail side of the Miami Central Station in downtown Miami. By collocating with AAF in the new station, SFRTA will leverage committed freight rail improvements and the AAF infrastructure. The start of TRDML revenue service is planned for early 2018.

The total capital cost of the Tri-Rail Downtown Miami Link and SFRTA's Downtown Miami Station is $69.2 million. In August 2016 (FY 2017), a Loan and Security Agreement in the amount of $48.6 million was entered into between the lender and SFRTA to finance the costs of Miami Central Station. In order to fund a portion of the costs of the station improvements, SFRTA entered into six separate Interlocal Agreements (Revenue Agreements) with agencies and local governments in Miami-Dade County. The aggregate amount of the Revenue Agreements with the local agencies is $44.8 million. In addition, in December 2016 (FY 2017), SFRTA obtained a $22 million, 5-year loan from Bank United, N.A. to finance costs of the TRDML.

Performance Measures

Pursuant to the Florida Transportation Commission's (Commission) expanded role in providing oversight to specific 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 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. In 2016, the Commission convened a Charrette on Transportation Authority Performance Measures to gain input from the authorities and to consider any enhancements or changes to FY 2016 performance measures, management objectives and operating indicators. As a result, numerous changes were approved by the Commission and are incorporated in this report. A summary of specific changes is provided in the Introduction section of this report.

SFRTA was successful in achieving 6 of the 11 objectives for performance. FY 2016 results, as reported by SFRTA, are provided in Table 51. Results for the last five fiscal years are included in Appendix A.

Passenger Trips per Revenue Hour

Passenger trips per revenue hour was reclassified from an operating indicator to a performance measure in FY 2016. The relationship between passenger trips and revenue hours is commonly referred to as the "load factor" and reflects the service effectiveness of the system. SFRTA passenger trips per revenue hour of 34.0 was less than the objective of greater than 39.3 by 5.3 (13.5 percent) and decreased from the 36.4 passenger trips per revenue hour reported in FY 2015. FY 2016 passenger trips decreased 1.2 percent while revenue hours increased 5.7 percent from FY 2015.

The 1.2 percent decrease in passenger trips (ridership) in FY 2016 can be attributed to the continued effect of the decline in gas prices and customers using other modes of transportation. SFRTA attributes the 5.7 percent increase in revenue hours to the Miami Intermodal Center (MIC) reopening in April 2015. This added nine minutes to the schedule (six minutes northbound and 3 minutes southbound) thus increasing train revenue hours. The reopening also increased passenger miles traveled by 515,512 or 0.44 percent.

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 $25.07 exceeded the objective of less than $21.16 by $3.91 (18.5 percent), thereby not achieving the objective. A

Table 51
South Florida Regional Transportation Authority
Summary of Performance Measures
FY 2016

Performance Measure	Detail	Objective	Actual Results	Meets Objective
Unlinked Passenger Trips per Revenue Hour	Passenger trips divided by revenue hours	>39.3	34.0	X
Operating Expense[1] per Revenue Mile	Operating expenses divided by revenue miles	<$21.16	$25.07	X
Operating Expense per Passenger Trip	Operating expenses divided by annual ridership	<$17.64	$21.25	X
Operating Expense per Passenger Mile	Operating expenses divided by passenger miles	<$0.53	$0.77	X
Farebox Recovery Ratio	Passenger fares divided by operating expenses	>22.5%	14.6%	X
Major Incidents	FRA reportable incidents for rail	Zero	0	✓
Revenue Miles between Failures	Revenue miles divided by revenue vehicle system failures[2]	>41,863	69,145	✓
Revenue Miles versus Vehicle Miles	Revenue miles divided by vehicle miles[3]	>.93	0.97	✓
Customer Service	Average time from complaint to response	14 days	10 days	✓
Customer Service	Customer complaints divided by boardings	<2 per 5,000 boardings	1.2	✓
On-time Performance	% trips end to end on time < 6 minutes late	>80%	83.5%	✓

[1] Operating expenses do not include the cost of feeder bus service or capital planning.

[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 yard, driver training and other miscellaneous miles not considered to be in direct revenue service.

23.4 percent increase in operating costs more than offset a 2.6 percent increase in annual revenue miles resulting in an increased operating cost per revenue mile of $4.23 in FY 2016.

The significant $17.1 million, or 23.4 percent, increase in operating expenses is primarily attributed to additional expenses for assuming dispatch and maintenance of the South Florida Rail Corridor (SFRC) on March 29, 2015. For FY 2015, six months of maintenance of way expenses were reported in the operating expenses. For FY 2016, one full year of maintenance of way expenses were including in the operating expenses. The substantial increase in operating expenses in FY 2016 negatively impacted performance results for all measures with an operating expense component such as operating expense per revenue mile, per passenger trip, per passenger mile and farebox recovery ratio.

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 $21.25 exceeded the objective of less than $17.64 by $3.61 (20.5 percent), thereby not achieving the objective. A 23.4 percent increase in operating costs in FY 2016 coupled with a 1.2 percent decrease in passenger trips resulted in an increased cost per passenger trip of $4.23 in FY 2016. The decrease in passenger trips (ridership) can be attributed to a decrease in gas prices and customers using other modes of transportation. The decrease in passenger trips can also be attributed to additional unexpected challenges that SFRTA encountered in taking over the corridor from CSX.

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. SFRTA fell short of achieving the objective of operating costs per passenger mile of less than $0.53 with $0.77 reported in FY 2016. This compares to $0.63 reported in FY 2015. The 23.4 percent increase in operating expenses, partially offset by a 0.4 percent increase in FY 2016 passenger miles, accounted for the significant increase in operating costs per passenger mile.

Farebox Recovery Ratio

The farebox recovery ratio was reclassified from an operating indicator to a performance measure in FY 2016. This measure reflects the proportion of operating expenses covered by passenger fares and is a National Transit Database efficiency measure. The SFRTA farebox recovery ratio of 14.6 percent fell short of the objective of greater than 22.5 percent. This compares to 17.5 percent reported for FY 2015. The 2.7 percent increase in passenger fare revenue in FY 2016 was not sufficient to offset the 23.4 percent increase in operating expenses thereby negatively impacting FY 2016 results.

Major Incidents

The span of revenue miles between major incidents is a measure of safe service operation. 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.

SFRTA is committed to the completion of Positive Train Control (PTC) by December 31, 2018 as required by Federal regulations. PTC will assist in train control, preventing train-to-train collisions, over-speed derailments, incursion into established work zones and movement through a main line switch in the improper position. SFRTA continues to work with CSXT, the Department and Amtrak to unify efforts in this endeavor.

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. SFRTA achieved the revenue miles between failures performance objective for FY 2016 with 69,145 revenue miles between failures, exceeding the objective of greater than 41,863.

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 2016 with 0.97, indicating highly effective use of the fleet.

Customer Service – Average Time from Complaint to Response

SFRTA achieved the performance objective of timely response to customer complaints within 14 days of receipt of the complaint with actual response time of 10 days reported in FY 2016.

Customer Service – Number of Complaints per Boarding

SFRTA achieved the performance objective of less than two complaints per 5,000 boardings with 1.2 complaints reported in FY 2016. This compares to 1.1 complaints per 5,000 boardings, reported in FY 2015.

On-time Performance

SFRTA achieved the on-time performance objective of greater than 80 percent of trips end-to-end on-time with on-time performance of 83.5 percent reported in FY 2016. On-time is defined as less than six minutes late.

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. As previously noted, numerous changes to operating indicators were approved by the Commission in 2016 and are summarized in the Introduction section of this report. FY 2016 operating indicators, as reported by SFRTA, are provided in Table 52. In order to observe current trends, operating indicators for FY 2014 and FY 2015 are also provided. Results for the last five fiscal years are included in Appendix A.

FY 2016 average weekday ridership on Tri-Rail decreased 2.0 percent over FY 2015. SFRTA logged 1.2 percent fewer passenger trips in FY 2016, while the average trip length increased 1.8 percent, resulting in a 0.4 percent increase in passenger miles. FY 2016 revenue hours increased 5.7 percent, while revenue miles increased 2.6 percent. SFRTA reported average headway of 29.5 minutes in FY 2016 compared to 28.6 minutes in FY 2015. The weekday span of revenue service and fleet size remained the same. Operating expenses increased (by 23.4 percent), while operating revenue increased (by 2.7 percent). The average fare increased from $2.98 to $3.09 (a 3.7 percent increase). The service area population remained the same, while passenger trips per capita decreased (by 1.3 percent) at a higher cost (from $13.27 to $16.38 per capita) than was previously the case.

The average number of years since the last rebuild was 14.2 years for locomotives and 15.2 years for coaches. SFRTA's current operating spare ratio is 16.0 percent. SFRTA has taken delivery of all 12 new locomotives. This will position the authority for future service expansion. SFRTA's unrestricted cash balance increased 1.2 percent to $18.3 million and SFRTA committed 82 percent of its capital investment to system preservation and 18 percent to system expansion. SFRTA continued to provide 18 intermodal connections.

Table 52
South Florida Regional Transportation Authority
Summary of Operating Indicators
FY 2014 through FY 2016

Operating Indicator	*Detail*	*Actual 14 Results*	*Actual 15 Results*	*Actual 16 Results*
Operating Expense per Capita (Potential Customer)	Annual operating budget divided by service area population	$11.13	$13.27	$16.38
Average Headway	Average time (minutes) for train to complete its portion of total route miles one time	28.3	28.6	29.5
Service Area Population	Approximation of overall market size	5,502,379	5,502,379	5,502,379
Service Area Population Density	Persons per square mile based on service area population and size	1,238	1,238	1,238
Operating Expense	Spending on operations, including administration, maintenance, and operation of service vehicles	$61,213,969	$73,042,631	$90,135,130
Operating Revenue[1]	Revenue generated through operations of transit authority	$13,100,115	$13,199,536	$13,562,478
Total Annual Revenue Miles	Miles vehicles operated in active service[2]	3,422,858	3,505,483	3,595,531
Total Annual Revenue Hours	Hours vehicles operated in active service	113,915	117,914	124,669
Vehicle Miles Between Failures	Vehicles miles divided by revenue vehicle system failures[3]	109,970	54,670	71,323
Total Revenue Vehicles[4]	Vehicles available to meet annual maximum service requirement	50	50	50
Operating Expense per Revenue Hour	Cost of operating an hour of revenue service	$537.37	$619.46	$723.00
Peak Vehicles	Vehicles operated to meet annual maximum (peak) service requirements	42	42	42
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	16.0%	16.0%	16.0%
Annual Passenger Trips[6]	Passenger boardings on transit vehicles	4,400,977	4,292,705	4,241,486
Average Trip Length	Average length of passenger trip, generally derived through sampling	27.2	27.2	27.7
Annual Passenger Miles	Passenger trips multiplied by average trip length (in miles)	119,706,574	116,761,576	117,277,088
Weekday Span of Service (hours)	Hours of transit service on a representative weekday from first service to last service for all modes	19.5	19.5	19.5
Average Fare	Passenger fare revenues divided by passenger trips	$2.91	$2.98	$3.09
Passenger Trips per Revenue Mile	Passenger trips divided by revenue miles	1.29	1.22	1.18
Passenger Trips per Revenue Hour	Passenger trips divided by revenue hours	38.6	36.4	34.0
Passenger Trips per Capita	Passenger trips divided by service area population	0.80	0.78	0.77
Average Age Since Last Rebuild	Average years since last rebuild for locomotives (9 years)	12.2	13.2	14.2
Average Age Since Last Rebuild	Average years since last rebuild for coaches (12 years)	13.2	14.2	15.2
Unrestricted Cash Balance	End of year cash balance from financial statement	$18,870,967	$18,129,966	$18,344,503
Weekday Ridership	Average ridership on weekdays	14,609	14,176	13,894
Capital Commitment to System Preservation	% of capital spent on system preservation	100%	100%	82%
Capital Commitment to System Expansion	% of capital spent on system expansion	0%	0%	18%
Intermodal Connectivity	Intermodal transfer points available	18	18	18

[1]Operating revenue includes passenger fares, special transit fares, freight tariffs, auxillary transportation revenues, subsidy from other sectors of operations, and non-transportation revenues.

[2]Active service refers to vehicle availability to pick up revenue passengers.

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

[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.

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.

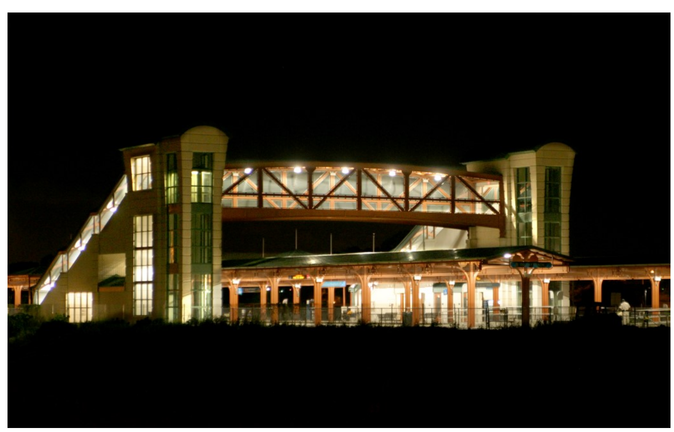
Ethics and Conflict of Interest

SFRTA provided a copy of its Ethics Policy that was approved by the Board on August 26, 2011 and last amended on June 26, 2015 for lobbying requirements. The purpose of the policy is to incorporate the provisions of Chapter 112, Part III, Florida Statutes (Code of Ethics for Public Officers and Employees) and any additional requirements adopted by the SFRTA Board and apply them to the officers and employees of SFRTA. The policy is intended to be comprehensive and includes areas such as voting conflicts, employment of relatives, financial disclosure, gifts and lobbying. SFRTA also included a Standards of Conduct section within the policy that includes areas such as solicitation or acceptance of gifts, doing business with SFRTA, unauthorized compensation, misuse of public position, conflicting employment or contractual relationship, disclosure of certain information, employees holding office and regulating former officers or employees.

According to SFRTA, no ethics or conflict of interest violations or investigations were reported during FY 2016. SFRTA 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 provided. Although SFRTA Board members received Sunshine Law and public records refresher information in 2012, no recent seminars have been provided to Board members or staff in the areas of ethics, conflicts of interest, financial disclosure, Sunshine Law and public records. SFRTA's legal department has developed a program for such training that will be implemented in calendar year 2016. It should also be noted that it is policy that when new Board members join the Authority, SFRTA's General Counsel provides them with a full briefing.

Audit

An annual independent audit of SFRTA financial statements for fiscal year ended June 30, 2016 was performed. The Independent Auditor's Report indicated that the financial statements were prepared in conformity with GAAP and received an unmodified 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



Delray Beach Station at Night.

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 For Each Major Federal Program and State Project; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards and State Projects Required by the Uniform Guidance and Chapter 10.550, Rules of the Auditor General 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, the auditors had no findings or recommendations for improvement.

The Department's Office of Inspector General (OIG) conducted an audit of SFRTA (starting in FY 2015) as a result of concerns raised by the then-District Four Department Secretary regarding the lack of a transparent linkage between SFRTA's approved operating budget and SFRTA's actual expenditures. Additionally, The OIG reviewed the SFRTA's $30.6 million (currently $42.1 million) annual appropriation of state financial assistance. The OIG issued Audit Report No. 14I-4002 on November 10, 2016 (FY 2017). The audit report had two findings and one observation as noted below.

- The auditors found that the Operating Agreement does not fully comply with mandatory provisions required by Section 215.971, Florida Statutes (Agreements Funded with Federal or State Assistance) nor does it contain the procurement provisions outlined in Chapter 287, Florida Statues (Procurement of Personal Property and Services). Because SFRTA is a recipient of state financial assistance, the audit recommendation was for the Department's District Four to execute a revised agreement between the Department and SFRTA with mandatory provisions.

- The auditors found that $153 million of state appropriations was omitted from audit coverage in accordance with the Florida Single Audit Act for fiscal years 2011 through 2015 and recommended that SFRTA reissue Florida Single Audit reports for fiscal years 2011 through 2015 to provide audit coverage for the $153 million in state financial assistance previously omitted.

- The auditors observed that SFRTA did not provide an operating budget-to-actual expenditure report based upon the use of each grant or funding source and recommended that SFRTA provide monthly budget-to-actual reports, by each grant or other funding source, for both its operating fund and capital funds.

SFRTA did not concur with the first two findings that characterize its receipt of annual appropriations from the State Transportation Trust Fund as state financial assistance. SFRTA indicated in their audit response that no agreement is required to transfer the dedicated funds that the State Legislature has mandated must be transferred without conditions to SFRTA. In addition, the dedicated state funds are not "State Financial Assistance" within the meaning of the Single Audit Act. SFRTA did agree to implement the OIG recommendation for comparative budget-to-actual expenditure reports for grants in the operating and capital funds by consolidating all of the information it currently maintains in separate reports. The Department's OIG Audit Report No. 14I-4002 can be found at http://www.fdot.gov/ig/Reports/14I-4002%20Final.pdf.

In recent correspondence with SFRTA, the Department expressed concern regarding SFRTA's accountability for Department-provided state funds used for SFRTA's operation and maintenance costs. This concern was heightened by the decision of the SFRTA Board to award a long-term operations and maintenance contract after unilaterally rejecting all but one of the proposals submitted as the only unconditioned responsive proposal. SFRTA's decision to reject all but the one responsive proposal was affirmed by a Broward County Circuit Court judge who found overwhelmingly in SFRTA's favor. After discussions between SFRTA and the Department on both the OIG issue and the operations and maintenance contract issue, they reached agreement on the compromise language found in HB 695 which was passed by the 2017 Legislature and became effective on July 1, 2017 (FY 2018). HB 695 amended SFRTA's enabling legislation (Chapter 343, Part II, Florida Statutes) and requires SFRTA to obtain the Department's prior review and written approval of SFRTA's proposed expenditures before SFRTA enters into, extends, or renews any contract or other agreement that may be funded, in whole or in part, with funds provided by the Department.

HB 695 further specifies that funds provided to SFRTA by the Department constitute state financial assistance for the purpose of carrying out certain state projects. The Department must provide the funds in accordance with a written agreement to be entered into between SFRTA and the Department. This will allow the Department to review, approve, and audit SFRTA's expenditure of the funds. The agreement must also include such other provisions required by applicable law. The Department is specifically authorized to advance SFRTA 25 percent of the total funding provided in Section 343.58(4), Florida Statutes, at the beginning of each state fiscal year, with monthly payments over the fiscal year on a reimbursement basis and a reconciliation of the advance against remaining invoices in the last quarter of the fiscal year.

Public Records and Open Meetings

Article IV of the SFRTA Bylaws, as amended on March 23, 2012, requires that notice of and public access to all meetings must be given in the manner required by applicable law as well as SFRTA Bylaws. Regular Board meetings are generally held on the fourth Friday of each month at whatever time of day is 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 on the SFRTA website, in 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 is also subject to the provisions of Section 189.015 and Chapter 286, Florida Statutes, for open meetings.

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 verbally, in writing, or 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 and the necessary disclosure about the exempted documents will be provided. 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.

The Commission reviewed agendas and notices of public meetings which are available on the SFRTA website www.sfrta.fl.gov. In addition, a limited review of newspaper advertisements for Board meetings published in the Miami Herald and the Palm Beach Post and SFRTA's Public Records Procedures was performed. From this limited review, it appears that SFRTA is operating within procedure and statute.

Procurement

The SFRTA Board adopted an amended Procurement Policy on March 25, 2011. The Procurement Policy 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 policy, which requires all parties involved in the negotiation, development, performance, or administration of SFRTA contracts to act in good faith. Open competition is required, and the Procurement Policy 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 capital projects are vested in or exercised by the Board. Approval authority for procurement actions and contracts are outlined in Table 53.

Except as otherwise provided in the Procurement Policy, all rights, powers, duties and authority relating to the procurement of supplies, services and capital projects 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. The Executive Director serves as the Principal Contracting Officer. 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 (GEC) contracts to five firms on September 25, 2015. Each contract was awarded for a five-year term in the maximum not to exceed amount of $5 million each. 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 comprised of a

Tri-Rail Train at West Palm Beach Station.

Table 53
South Florida Regional Transportation Authority
Procurement Actions and Contracts Approval Authority

Contracts and Work Orders	*Contract Modifications*
Board Approval Required	
All contracts >$100,000.	Any modification >$100,000.
All other Contract actions not provided for below.	
Executive Director Approval Required	
All contracts less than or equal to $100,000.	Modifications to any Contract involving an increase in the Contract amount, with each increase not to exceed $100,000, and with the combined value of Modifications to any single Contract not to exceed annually budgeted funds.
For Contracts that specify an annual monetary limit, Work Orders issued pursuant to Contracts up to the annual monetary limit either for the Work Order or for the combined value of Work Orders, issued pursuant to any single Contract, not to exceed either the annual monetary limit or annually budgeted funds, whichever is less.	
For Contracts that do not specify an annual monetary limit, Work Orders that do not exceed $100,000, with the combined value of Work Orders issued pursuant to any single Contract not to exceed annually budgeted funds, unless the Contract specifies a different dollar threshold for Work Orders.	
All Work Orders for continuing contracts approved by the Board with the combined value of Work Orders not to exceed the contract amount if specified, or annually budgeted funds, whichever is less.	
Exempt Procurements not to exceed annually budgeted funds.	
General Counsel Approval Required	
The Board delegates to the General Counsel, to the same extent delegated to the Executive Director, all rights, powers, duties and authorities relating to the Procurement of Supplies and Services for the Legal Department.	
All contracts less than or equal to $100,000.	Modifications to any Contract involving an increase in the Contract amount, with each increase not to exceed $100,000, and with the combined value of Modifications to any single Contract not to exceed annually budgeted funds.
For Contracts that specify an annual monetary limit, Work Orders issued pursuant to Contracts up to the annual monetary limit either for the Work Order or for the combined value of Work Orders, issued pursuant to any single Contract, not to exceed either the annual monetary limit or annually budgeted funds, whichever is less.	
For Contracts that do not specify an annual monetary limit, Work Orders that do not exceed $50,000, with the combined value of Work Orders issued pursuant to any single Contract not to exceed annually budgeted funds, unless the Contract specifies a different dollar threshold for Work Orders.	
All Work Orders for continuing contracts approved by the Board with the combined value of Work Orders not to exceed the contract amount if specified, or annually budgeted funds, whichever is less.	
Exempt Procurements not to exceed annually budgeted funds.	
Director of Procurement Approval Required	
$10,000 or less, if such authority is delegated by the Executive Director.	$10,000 or less, if such authority is delegated by the Executive Director.

prime consultant and a number of sub consultants to provide all disciplines required in the solicitation. As indicated in Table 54, five sub consultant contracts greater than $25 thousand were used by the General Engineering Consulting firms for a total cost of $526 thousand in FY 2016.

Compliance with Bond Covenants

SFRTA has no outstanding revenue bonds.

Website Compliance

The 2014 Legislature passed, and Governor Scott signed into law, Senate Bill 1632 that significantly amended Chapter 189, Florida Statutes (Uniform Special District Accountability Act). A new Section 189.069, Florida Statutes, requires special districts to maintain an official internet website by October 1, 2015. The website must contain information including contact information and the term and appointing authority for each member of the governing body, public purpose, fiscal year, the district's charter and statutes under which it operates, service area and services provided, fees and charges imposed and collected, adopted code of ethics, budget, and complete audit report. Effective October 1, 2016, House Bill 479, passed by the 2016 Legislature, further amended Chapter 189, Florida Statutes. SFRTA management indicated that it conducted a review of its website to ensure compliance with the new statutory requirements.

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 funds, 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 6 of the 11 objectives established for performance measures. The five measures not met were passenger trips per revenue hour, operating expense per revenue mile,

Table 54
South Florida Regional Transportation Authority
Summary of General Consultant Sub Consultant Activity
FY 2016

Consulting Contract	*Description*	*Sub Consultants >$25 K*
HNTB Corporation	**General Engineering Consultant**	
Marlin Engineering	Commuter Rail Track & Signal Field Support Services	$99,917
T.Y. LIN International, Inc.	**General Engineering Consultant**	
Kimley-Horn & Associates, Inc.	**General Engineering Consultant**	
LTK Engineering Services	Disc Rotor Action Plan	$203,124
Zyscovich Architects, Inc.	Pompano Beach Construction Administration Services	$73,405
Parsons Brinckerhoff, Inc.	**General Systems Engineering**	
Parsons Transportation Group, Inc.	**General Systems Engineering**	
PACO Group	Positive Train Control Implementation & Project Management	$102,691
SDM Consulting Engineers	Positive Train Control Implementation & Project Management	$47,187
Total Sub Consultants >$25k		$526,324

operating expense per passenger trip, operating expense per passenger mile and farebox recovery ratio. A significant $17.1 million, or 23.4 percent, increase in operating expenses for assuming dispatch and maintenance of the South Florida Rail Corridor (SFRC) on March 29, 2015 negatively impacted performance results for all measures with an operating expense component such as operating expense per revenue mile, per passenger trip, per passenger mile and farebox recovery ratio.

SFRTA continues to provide public transit service to the community it serves and does so with a great deal of consistency over a variety of operating parameters. FY 2016 operating expenses increased 23.4 percent, while operating revenue increased 2.7 percent over FY 2015. The average fare increased from $2.98 to $3.09 (a 3.7 percent increase). FY 2016 average weekday ridership on Tri-Rail decreased 2.0 percent over FY 2015. SFRTA logged 1.2 percent fewer passenger trips in FY 2016, while the average trip length increased 1.8 percent, resulting in a 0.4 percent increase in passenger miles. SFRTA reported average headway of 29.5 minutes in FY 2016 compared to 28.6 minutes in FY 2015. Revenue hours increased 5.7 percent and revenue miles increased 2.6 percent. The weekday span of revenue service and fleet size remained the same. The average number of years since the last rebuild was 14.2 years for locomotives and 15.2 years for coaches. The delivery of new locomotives and rolling stock positions SFRTA for future service expansion. SFRTA committed 82 percent of capital investment to system preservation and 18 percent to system expansion.

In the area of Governance, the FY 2016 annual Independent Financial Statement Audit reflected an unmodified opinion. No issues related to compliance, internal control, findings or questioned costs were reported by the auditors. In the Independent Auditor's Management Letter, the auditors had no findings or recommendations for improvement.

The Department's Office of Inspector General (OIG) conducted an audit of SFRTA and issued Audit Report No. 14I-4002 on November 10, 2016 (FY 2017). The purpose of the audit was to determine if SFRTA was in compliance with the provisions of an Operating Agreement between the Department and SFRTA for the dispatch, maintenance and inspection of the South Florida Rail Corridor (SFRC) and other applicable laws, rules, and regulations. OIG also reviewed SFRTA's $30.6 million (currently $42.1 million) annual appropriation of state financial assistance. The audit report had two findings and one observation as noted below.

- Auditors found that the Operating Agreement does not fully comply with mandatory provisions required by Section 215.971, Florida Statutes and the procurement provisions outlined in Chapter 287, Florida Statutes. Because the auditors considered SFRTA a recipient of state financial assistance, the audit recommendation was for the Department's District Four to execute a revised agreement between the Department and SFRTA with mandatory provisions.

- Auditors found that $153 million of state appropriations was omitted from audit coverage in accordance with the Florida Single Audit Act for fiscal years 2011 through 2015 and recommended that SFRTA reissue Florida Single Audit reports for fiscal years 2011 through 2015 to provide audit coverage for the $153 million in state financial assistance previously omitted.

- The auditors observed that SFRTA did not provide an operating budget-to-actual expenditure report based upon the use of each grant or funding source and recommended that SFRTA provide monthly budget-to-actual reports, by each grant or other funding source, for both its operating fund and capital funds.

SFRTA did not concur with the first two findings that characterize its receipt of annual appropriations from the State Transportation Trust Fund as state financial assistance and that the dedicated state funds are not "State Financial Assistance" within the meaning of the Single Audit Act. SFRTA did agree to implement the OIG recommendation for comparative budget-to-actual expenditure reports for grants in the operating and capital funds by consolidating all of the information it currently maintains in separate reports.

As a result of concerns expressed by the Department regarding SFRTA's accountability for Department-provided state funds used for SFRTA's operation and maintenance costs and the recent decision of the SFRTA Board to award a long-term operations and maintenance contract after unilaterally rejecting all but one of the proposals submitted, the 2017 Legislature passed HB 695 that became effective on July 1, 2017 (FY 2018). HB 695 requires SFRTA to obtain the Department's prior review and written approval of SFRTA's proposed expenditures before SFRTA enters into, extends, or renews any contract or other agreement that may be funded, in whole or in part, with funds provided by the Department. HB 695 further specifies that funds provided to SFRTA by the Department constitute state financial assistance and must be provided in accordance with a written agreement, which will allow the Department to review, approve, and audit SFRTA's expenditures. In addition, the Department is specifically authorized to advance SFRTA 25 percent of the total funding provided in Section 343.58(4), Florida Statutes, at the beginning of each state fiscal year, with monthly payments over the fiscal year on a reimbursement basis and a reconciliation of the advance against remaining invoices in the last quarter of the fiscal year. This reimbursement methodology contrasts to the current methodology of the Department disbursing the annual appropriation in quarterly installments.

Section 343.58, Florida Statutes, requires the Department to annually transfer $30.6 million from the State Transportation Trust Fund (STTF) to SFRTA for operating assistance. As a result of SFRTA assuming responsibility for dispatch and maintenance of the South Florida Rail Corridor (SFRC) on March 29, 2015, the statutory funding requirement for Tri-Rail changed. The Department must now annually transfer $15.0 million from the STTF to SFRTA for operations, maintenance, and dispatch and an additional amount of no less than $27.1 million for operating assistance ($42.1 million total annual STTF funding). In addition to the $11.5 million annual increase in dedicated funding for assuming dispatch and maintenance of the SFRC, the Department has agreed to cover 100 percent of annual maintenance costs up to $14.4 million. Costs in excess of the $14.4 million will be shared with the Department, based on agreed percentages outlined in the Operating Agreement between the Department and SFRTA. SFRTA and the Department are required to cooperate in the effort to identify and implement an alternate dedicated local funding source before July 1, 2019. Upon commencement of the alternate funding source, the Department will cease funding SFRTA operations and will convey to SFRTA a perpetual commuter rail easement over the SFRC and all of the Department's right, title, and interest in rolling stock, equipment, tracks, and other personal property owned and used by the Department for the operation and maintenance of the commuter rail operations in the SFRC. If a new local funding source is not found by July 1, 2019, Tri-Rail's level of operations may be reduced.

In December 2014, SFRTA awarded a $39.4 million Design-Build contract for Pompano Beach Station Improvements and construction of a new Tri-Rail Operations Center (Headquarters) at the east parking lot area of the Pompano Beach Station. The project also includes a 450-car parking garage. Construction is complete and SFRTA relocated its offices in February 2017.

SFRTA has been working with its partner agencies on plans to expand Tri-Rail service onto an 80 mile portion of the Florida East Coast (FEC) Railway corridor (between Downtown Miami and Jupiter). The Tri-Rail Coastal Link (TRCL) would create new economic development opportunities and would provide a one-seat ride between the region's major travel markets and downtowns, including Miami, Fort Lauderdale, Boca Raton, and West Palm Beach. Entry into the TRCL Project Development phase has been delayed and SFRTA is examining possibilities to implement TRCL incrementally by developing smaller phased projects along the corridor rather than implement the entire project in one undertaking.

The first of these projects is the Tri-Rail Downtown Miami Link (TRDML). The TRDML is a new service planned to bring 26 Tri-Rail trains per weekday directly into downtown Miami at the new All Aboard Florida (AAF) Miami Central Station on the FEC rail corridor. This service will travel on approximately 8.5-miles of the FEC Corridor between the current Tri-Rail Metrorail Transfer Station on the South Florida Rail Corridor (SFRC), and the new AAF Miami Central Station in Downtown Miami on the FEC corridor. By collocating with AAF in the new station, SFRTA will leverage committed freight rail improvements and the AAF infrastructure. The start of TRDML revenue service is planned for early 2018.

The total capital cost of the TRDML and SFRTA's Downtown Miami Station is $69.2 million. In August 2016 (FY 2017), a Loan and Security Agreement in the amount of $48.6 million was entered into between the lender and SFRTA to finance the costs of its Downtown Miami Station. In order to fund a portion of the costs of the station improvements, SFRTA entered into six separate Interlocal Agreements (Revenue Agreements) with agencies and local governments in Miami-Dade County. The aggregate amount of the Revenue Agreements with the local agencies is $44.8 million. In addition, in December 2016 (FY 2017), SFRTA obtained a $22 million, 5-year loan from BankUnited, N.A. to finance costs of the TRDML.

Based on the Commission's review of 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.

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 IV, 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) for Northwest Florida (District Three) serves as an ex-officio, non-voting member.

Table 55
Northwest Florida Transportation Corridor Authority
Current Board Members

Name	*Representing*	*Position*
Mr. Robert B. Montgomery	Escambia County	Chairman
Mr. James F. Anders, II	Walton County	Vice Chairman
Mr. J. Carey Scott, III	Bay County	Secretary/Treasurer
Honorable Cheryl K. Sanders	Franklin County	Board Member
Mr. Gordon Sprague	Santa Rosa County	Board Member
Mr. Scott Gaby	Wakulla County	Board Member
Mr. Peter Bos	Okaloosa County	Board Member
Vacant	Gulf County	Board Member
Mr. Phillip Gainer, P.E.	District Three	Ex-Officio

Highlights

- NFTCA adopted a 2016 updated Corridor Master Plan in June 2016 and presented it to governing bodies and legislative delegation members on September 21, 2016 (within the 90-day statutory requirement).
- The NFTCA Board did not meet at least quarterly in either fiscal year or calendar year 2016 as required by statute.
- As part of the 2013 Master Plan update, NFTCA (through its General Planning Consultant) conducted a business case analysis to help select and plan projects by assessing economic benefits, investment plans, and proposing viable funding strategies.
- In July 2010, NFTCA executed a two year agreement with the Department that provides $1.1 million in Federal funding for Authority administration, professional services and regional transportation planning. The agreement was amended in June 2011 to include an additional $1.1 million and also extended the agreement by one year. The last amendment (fifth), approved by the Board in December 2015, extended the agreement to the end of FY 2017 and reallocated the remaining funds over two years between administration and professional services tasks of the NFTCA Work Plan.
- NFTCA's revenues and other financing sources total $83 thousand in FY 2016 and consist of $77 thousand in unused grant funds remaining from the original $2.2 million federal earmarks and $6 thousand in cash reserves. Estimated expenditures of $38 thousand in the FY 2016 budget represents half of the $77 thousand remaining grant funds. The FY 2017 budget reflects the remaining $38 thousand in federal grant funds for administration and professional services.
- Funding for the Authority is nearly exhausted. Administrative services are provided under the General Engineering Consultant service contract. NFTCA has not identified any financially feasible toll projects or new funding sources and is exploring options to minimize expenses.

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, if the project is to be part of the State Highway System (SHS) or the respective county or municipal governing boards. Any 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. Table 56 lists those requirements, as provided in Florida Statutes, and indicates whether those requirements have been met.

As indicated, the NFTCA Board did not meet at least quarterly in either fiscal year (October through September) or calendar year 2016 as required by Section 343.81(3)(c), Florida Statutes.

Table 56
Northwest Florida Transportation Corridor Authority
Statutory Requirements

Subject Area	*Requirement*	*Status*
Public Meetings	Meet at least quarterly and alternate locations. (Section 343.81 (3)(c), Florida Statutes)	Board has met at least once in each county represented since 2005 and alternates meeting locations. The Board did not meet at least quarterly in either fiscal year or calendar year 2016 as statutorily required.
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 2016 Master Plan on June 23, 2016.
	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 2016 Master Plan was presented by September 21, 2016 (90 days after adoption) as required by statute.

The Board met in December 2015, April 2016, June 2016, and last met in October 2016. The NFTCA Board meeting scheduled for October 2015 was cancelled due to a lack of quorum necessary to conduct business.

NFTCA adopted the Corridor Master Plan in April 2007 and has subsequently revised the plan annually culminating with the 2016 Master Plan that was adopted by the NFTCA Board on June 23, 2016. NFTCA provided the Master Plan to the governing bodies and legislative delegation members, as required by Section 343.82(3)(c), Florida Statutes, within the 90-day statutory requirement.

NFTCA may also enter into Public-Private Partnerships for the construction of transportation facilities and sell bonds to finance the construction of transportation facilities. 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. 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.

Current Activities

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 Authority incorporated major updates in the 2013 Master Plan. NFTCA's general consultant (HDR) conducted a business case analysis to help the Authority select and plan transportation projects by assessing their respective economic benefits, developing an investment plan and proposing viable funding strategies. Extensive public outreach to regional planning councils in the eight-county geographic area covered by NFTCA and a series of workshops involving other key stakeholders in the region was conducted. NFTCA coordinated efforts with the local District Three office headquartered in Chipley to identify construction projects in the Department's Five-Year Work Program in order to eliminate duplication, cost inefficiencies, and conflicting priorities. The 2013 Master Plan identifies 36 projects of which 14 are new facilities, 20 involve increasing capacity on existing roadways, and two are multi-modal projects. Relatively minor changes were incorporated in the 2016 Master Plan, as compared to the 2013 Master Plan. Changes to the plan included the deletion of Project #30 (SR 390), and the addition of a supporting statement for Project #26 (Gulf Coast Parkway).

US 98.

Funding for NFTCA was originally restricted only to specific project related costs and did not include administrative expenses. The Federal Highway Administration (FHWA) earmarked $1.1 million to NFTCA to fund a coordinated regional master plan. A Master Plan had already been developed utilizing state funds; however, the plan is updated annually. The Department, working closely with FHWA and NFTCA, developed an agreement whereby the $1.1

million can be used to fund administrative expenses of NFTCA. The two year agreement, executed on July 29, 2010 (Department FM #418947-1-28-90), provides funding for NFTCA administration, professional services and regional transportation planning. This agreement was amended on June 23, 2011, to include an additional $1.1 million provided from a separate federal earmark (Department FM #418947-1-28-01 - Project 2012-2013) that extended the agreement by an additional year. The agreement was amended for a second time on February 14, 2012, to include a new NFTCA Work Plan that also included preparation of a Business Case Analysis. The last amendment to the agreement (fifth), approved by the Board in December 2015, extended the agreement to the end of FY 2017 and reallocated the remaining funds over two years between the administration and professional services tasks of the NFTCA Work Plan.

NFTCA's revenues and other financing sources total $82,924 in the adopted FY 2016 operating budget and consist of $76,782 in unused grant funds remaining from the original $2.2 million federal earmarks, and $6,142 in cash reserves. Total estimated expenditures in the FY 2016 operating budget total $38,391 for administration and professional services which represent half of the $76,782 remaining grant funds. The FY 2017 operating budget reflects the remaining $37,391 in federal grant funds for administration and professional services. The Authority has not currently identified any financially feasible toll projects or new funding sources and is exploring options to minimize expenses.

NFTCA does not employ an Executive Director or any staff. On January 27, 2011, through a competitive negotiated process, the NFTCA Board contracted with a General Planning Consultant (HDR) to perform activities required to manage and update the Regional Master Plan including public

Ochlockonee Bridge-US 98 River Crossing in Franklin County.

outreach, planning studies, other transportation engineering activities, and administrative functions such as work program development, legislation monitoring, progress and expenditure reporting and website maintenance. HDR had previously utilized a sub consultant to provide administrative services including bookkeeping, accounting, public records retention, and assistance with administrative tasks related to public meetings. Halfway through FY 2013, HDR took over the administrative responsibilities and no longer contracts out for these services.

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 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. NFTCA has reported no ethics or conflict of interest violations or investigations in FY 2016. No Board members abstained from voting due to conflict of interest and no Commission on Ethics Form 8B "Memorandum of Voting Conflict for County, Municipal, and Other Local Public Officers" were submitted.

Audit

On November 15, 2007, the NFTCA Board formally adopted a resolution that established an Audit Committee. Because funding for NFTCA was restricted only to specific project related costs that excluded audits, a firm was not engaged to audit NFTCA. 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 financial statement audits at the June 25, 2009 Board meeting. Independent audits of NFTCA financial statements for FY 2014 (and prior years since inception of NFTCA) have been completed.

No independent financial statement audits were performed for FY 2015 and FY 2016. NFTCA indicated that based on the audit threshold set forth in the OMB Circular A-133 (Audits of States, Local Governments and Non-profit Organizations) and Section 215.97, Florida Statues (Florida Single Audit Act), NFTCA determined that the total federal financial assistance expended was not equal to or in excess of the $500 thousand threshold and they are therefore exempt from the single audit requirements. In addition, NFTCA indicated that audit thresholds provided in Section 218.39, Florida Statutes were not met and that no audit was required under the funding agreement with the Department.

Pursuant to Section 218.32(1)(d), Florida Statutes, NFTCA is required to file an Annual Financial Report (AFR) with the Department of Financial Services no later than nine months after the end of the authority's fiscal year. Although NFTCA filed its FY 2016 AFR in August 2017, it exceed the statutory deadline of June 30, 2017.

As previously noted, funding for the Authority is nearly exhausted. Administrative services are provided under the General Engineering Consultant services contract and include the preparation of annual financial statements, when required, as well as financial reports which are presented at each Board meeting for review.

Public Records and Open Meetings

On April 28, 2011, the NFTCA Board adopted a formal policy that it will comply with the various provisions of Florida Statutes in regard to Open Meetings and Chapter 119, Florida Statutes, related to Public Records. A search of the NFTCA website (www.nwftca.com) indicates that notices of meetings are posted in advance of the meeting as well as the agendas and minutes of the meetings. As previously noted, the last time the NFTCA Board met was in October 2016. The NFTCA Board did not meet in February 2017 or May 2017 as scheduled. The next Board meeting is scheduled for August 24, 2017. The website also includes Master Plans and related documents, budgets, and Board member information. Commission staff also conducted a limited review of public meeting notices advertised in various newspapers. It appears that NFTCA complied with open meeting laws as provided in various Florida Statutes.

Although no formal briefings or seminars were provided to the Board in the areas of Sunshine Laws, public records, ethics, and conflicts of interest in FY 2016, Board Members sought guidance from the NFTCA General Counsel as necessary.

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. Because the NFTCA Board no longer meets every month, in January 2012 the Board adopted Resolutions 12-01 and 12-02 and authorized General Counsel to draft Resolution 12-03 relating to the approval of invoices for payment. Resolution 12-01 and 12-02 allows the Executive Committee and the Financial Committee, respectively, to hold a public meeting to approve invoices for those consultants, attorneys, accountants and other service providers and contractors duly hired by the NFTCA Board. Two members of the Committees constitute a quorum, with the concurrence of two members sufficient for approval of an invoice. The Committees report to the full NFTCA Board on any invoice approval or other activity conducted at the next Board meeting. Resolution 12-03 authorizes the Chairman to approve expenditures up to $1,500 between two consecutive public meetings of the Board.

Consultant Contract Reporting

In FY 2016, NFTCA utilized procured services for a General Engineering Consultant and Legal Support. The General Engineering Consultant (HDR) had previously utilized one sub consultant to provide administrative services for the Authority. Halfway through FY 2013, HDR took over the administrative responsibilities and no longer contracts out for these services.

Compliance with Bond Covenants

NFTCA has not issued bonds; therefore, this governance item is not yet applicable.

Website Compliance

The 2014 Legislature passed, and Governor Scott signed into law, Senate Bill 1632 that significantly amended Chapter 189, Florida Statutes (Uniform Special District Accountability Act). A new Section 189.069, Florida Statutes, requires special districts to maintain an official internet website by October 1, 2015 (FY 2016). The website must contain information including contact information and the term and appointing authority for each member of the governing body, public purpose, fiscal year, the district's charter and statutes under which it operates, service area and services provided, fees and charges imposed and collected, adopted code of ethics, budget, and complete audit report. Effective October 1, 2016, House Bill 479, passed by the 2016 Legislature, further amended Chapter 189, Florida Statutes. NFTCA indicated that it conducted a review of its website to ensure compliance with the new statutory requirements.

Summary

The Commission review of NFTCA was conducted with the cooperation and assistance of NFTCA and relied heavily on documentation and assertions provided by NFTCA. The Commission's approach primarily consisted of a review of agendas 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 its statutory responsibilities and the governance criteria established by the Commission, except for required quarterly Board meetings and the timely filing of an Annual Financial Report (AFR) with the Department of Financial Services. The NFTCA Board did not meet at least quarterly in either fiscal year (October through September) or calendar year 2016 as required by Section 343.81 (3)(c), Florida Statutes. In addition, NFTCA filed its AFR with the Department of Financial Services in August 2017, exceeding the deadline of June 30, 2017 imposed by Section 218.32(1)(d), Florida Statutes.

NFTCA adopted a Corridor Master Plan in April 2007 and has subsequently revised the plan annually culminating with the 2016 Master Plan that was adopted by the NFTCA Board on June 23, 2016. The 2016 Corridor Master Plan was presented to governing bodies and legislative delegation members within 90 days after adoption as required by Section 343.82(3)(c), Florida Statues. The 2016 Corridor Master Plan identifies 355 projects of which 14 are new facilities, 20 involve increasing capacity on existing roadways, and two are multi-modal projects.

Independent audits of NFTCA financial statements for FY 2014 (and prior years since inception of NFTCA) have been completed. No audits were performed for FY 2015 and FY 2016. NFTCA indicated that based on the audit threshold set forth in the OMB Circular A-133 (Audits of States, Local Governments and Non-profit Organizations) and Section 215.97, Florida Statutes (Florida Single Audit Act), NFTCA determined that the total federal financial assistance expended was not equal to or in excess of the $500 thousand threshold and they are therefore exempt from the single audit requirements. In addition, NFTCA indicated that audit thresholds provided in Section 218.39, Florida Statutes were not met and that no audit was required under the funding agreement with the Department. Funding for the Authority is nearly exhausted. Administrative services are provided under the General Engineering Consultant services contract and include the preparation of annual financial statements, when required, as well as financial reports which are presented at each Board meeting for review.

In July 2010, NFTCA executed a two year agreement with the Department that provides $1.1 million in Federal funding for Authority administration, professional services and regional transportation planning. As such, in January 2011, NFTCA contracted with a General Planning Consultant to perform activities required to manage and update the Regional Master Plan and provide administrative services. This agreement was amended in June 2011 to include an additional $1.1 million in federal funds and also extended the agreement by an additional year. The agreement was amended for a second time in February 2012 to include a new NFTCA Work Plan that also includes preparation of a business case analysis. In October 2013, the agreement was amended for a third time to include a new NFTCA Work Plan and extended the agreement by an additional year to July 31, 2015. As part of the 2013 Master Plan update, NFTCA conducted a business case analysis to help select and plan transportation projects by assessing their respective economic benefits, developed an investment plan and proposed viable funding strategies. This business case analysis included an extensive public outreach program involving regional planning councils and workshops involving other key stakeholders in the region. The last amendment to the agreement (fifth), approved by the Board in December 2015, extended the agreement to the end of FY 2017 and reallocated the remaining funds over two years between administration and professional services tasks of the NFTCA Work Plan.

NFTCA's revenues and other financing sources total $82,924 in the adopted FY 2016 operating budget and consist of $76,782 in unused grant funds remaining from the original $2.2 million federal earmarks, and $6,142 in cash reserves. Total estimated expenditures in the FY 2016 operating budget total $38,391 for administration and professional services which represent half of the $76,782 remaining grant funds. The FY 2017 operating budget reflects the remaining $37,391 in federal grant funds for administration and professional services. The Authority has not currently identified any financially feasible toll projects or new funding sources and is exploring options to minimize expenses.

The Commission acknowledges with appreciation the assistance of the NFTCA Board, and NFTCA's General Planning Consultant in providing the resources necessary to conduct this review and to complete this report. The Commission encourages NFTCA to conduct Board meetings at least quarterly and to file timely annual financial reports to comply with statutory requirements.

Osceola County Expressway Authority (OCX)

Background

The Osceola County Expressway Authority (OCX) is an agency of the State of Florida, created in 2010 pursuant to Chapter 348, Part V, Florida Statutes. OCX has the right to acquire, hold, construct, improve, maintain, operate, own and lease an expressway system. Additional rights and powers are provided to OCX including the right to establish and collect tolls and other charges for services on the facilities, to sue and be sued, to have eminent domain powers and to issue bonds through the Division of Bond Finance of the State Board of Administration (SBA). OCX may also enter into public-private partnership agreements for the building, operation, ownership or financing of a transportation facility pursuant to the provisions of the Florida Expressway Authority Act (Section 348.0004(9), Florida Statutes).

OCX 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). Compliance with governance of OCX is being assessed primarily in accordance with Chapters 348 and 189, Florida Statutes, although it will include other applicable statutes.

The governing Board of OCX is comprised of six members. Five members, at least one of whom must be a member of a racial or ethnic minority group, must be residents of Osceola County. Three of the five members are appointed by the Osceola County Board of County Commissioners and two members are appointed by the Governor. The sixth Board member is the Florida Department of Transportation (Department) District Five Secretary who serves as an ex-officio, non-voting member. The term of each appointed member is four years, except that the first term of the initial members

Highlights

- In FY 2016, OCX did not employ any staff. Osceola County provided staff assistance and other support to OCX including a website, meeting facilities, legal services, and an acting Executive Director.
- The OCX 2040 Master Plan includes construction of four proposed tolled expressways: the Poinciana Parkway, Southport Connector Expressway, Northeast Connector Expressway and Osceola Parkway Extension.
- Osceola County advanced funds to OCX to provide for operation and startup costs until OCX has a revenue producing project. OCX must repay the County within 15 years of receiving the funds.
- In 2013, OCX contracted with a firm to provide Construction Management/CEI services as well as a Design-Build firm to construct the Poinciana Parkway at a guaranteed price.
- In April 2014, Osceola County issued $69.7 million in Bonds to pay for Poinciana Parkway project costs incurred by OCX. OCX entered into a Lease-Purchase Agreement with Osceola County, whereby OCX will design, construct, operate and maintain the Poinciana Parkway.
- The first segment of the Poinciana Parkway opened to traffic on April 30, 2016 and the remaining segment opened to traffic on November 19, 2016, on-time and within budget.
- Per Statute, governance and control of OCX will transfer to the Central Florida Expressway Authority (CFX) sometime after December 31, 2018. In September 2016, the CFX Board approved an Interlocal Agreement with Osceola County and OCX transferring the lead for the OCX Master Plan development to CFX. CFX began conducting concept, feasibility and mobility studies on the unbuilt OCX Master Plan projects in April 2017.

appointed by the Governor are two years each. The OCX Board met for the very first time on June 21, 2011 at which time the current officers were elected. The officers were subsequently re-elected, most recently in November 2016, to serve in the same capacity. Three members of the Board constitute a quorum, and the vote of three members is necessary for any action taken by the authority.

Table 57
Osceola County Expressway Authority
Current Board Members

Name	Representing	Position
Atlee Mercer	Osceola County BOCC Appointee	Chairman
William L. Folsom	Osceola County BOCC Appointee	Vice-Chairman
Bob Healy, Jr.	Osceola County BOCC Appointee	Secretary/Treasurer
Thomas White	Governor Appointee	Board Member
Vacant	Governor Appointee	Board Member
Steven W. Martin, P.E.	District Five Secretary	Non-Voting Member

Authority Activities

On July 1, 2010, the newly created OCX became subject to Commission oversight. On September 13, 2010, Commission staff made a presentation to a joint meeting with the Osceola County Board of County Commissioners and the Cities of Kissimmee and St. Cloud regarding the Commission and its oversight role of OCX. Various “start-up” challenges relating to funding, policies and procedures, administrative issues and statutory compliance were discussed.

Pursuant to Section 348.9952(4)(c), Florida Statutes, the Department is not required to grant funds for startup costs to the authority. However, the governing body of the county may provide funds for such startup costs. Osceola County has elected to provide staff assistance and other support to OCX during the startup period. Osceola County established a website for OCX (www.osceolaxway.com) and utilized the website to solicit applications for Board appointments. Jeffery Jones, the Strategic Initiatives Director for Osceola County, is the registered agent for OCX under the Special District Program of the Department of Economic Opportunity (Chapter 189, Florida Statutes) and served as the OCX Executive Director and primary liaison with Osceola County until February 2017. In February 2017, Tawny Olore assumed Jeffery Jones’ responsibilities regarding OCX. Osceola County hired her as Executive Director of its new Transportation and Transit Department, effective January 2017.

As previously noted, the OCX Board met for the first time on June 21, 2011. Generally, regular Board meetings are held on the second Tuesday of each month at the Osceola County Administration Building in Kissimmee, Florida. OCX has adopted a Vision Statement and Mission Statement and approved an OCX logo based on logos submitted through an Authority sponsored local contest. Legal services related to construction of the Poinciana Parkway are being provided by Broad & Cassel who is under contract with Osceola County. OCX adopted its own task authorization for services by Broad & Cassel and the County is no longer paying for this. Frank Kruppenbacher, PA is legal counsel for OCX. OCX adopted Bylaws at the August 9, 2011 Board meeting that include the following articles: the authority, purposes and powers, officers, employees and agents, authority meetings, committees, policies and resolutions, books and records, amendments and the effective date of the Bylaws. OCX also adopted a Procurement Policy on November 8, 2011 (amended on June 26, 2012 and November 13, 2012), and a Policy Regarding Public-Private Partnership (P3) Proposals on March 13, 2012.

OCX began creating its first long-range expressway master plan which identified OCX policies, direction and capital projects through the year 2040, based on OCX’s vision and values. In creating the OCX 2040 Master Plan, the Authority utilized the results of various studies and analysis that had already been completed, or are currently underway, by Osceola County or other local partners. Both Osceola County staff and consultants were used to create the OCX 2040 Master Plan. AECOM, already working on the Osceola County Transportation Plan, was used as the design and planning consultant for the OCX 2040 Master Plan. The consultant was paid out of county funds. Through a series of workshops, the OCX Board developed a framework which formed the basis for short-term actions and provides a mechanism to measure the success of projects. The OCX 2040 Master Plan calls for significant improvements to the existing system and construction of new expressways. These improvements will be funded through revenues generated by the toll system and through partnerships with other public agencies and private entities.

OCX conducted two Board workshops on the OCX 2040 Master Plan on March 26, 2012, and met with the public at large and the various affected jurisdictions and organizations such as federal, state, regional, and local agencies. The purpose of these workshops was to coordinate with all the stakeholders on the OCX 2040 Master Plan and to solicit input on where the expressway corridors should be located. On April 10, 2012, the OCX Board reviewed the comments received at the March 2012 workshops. The OCX Board scheduled a public hearing on May 8, 2012 to hear final comments on the draft OCX 2040 Master Plan at which time the Board adopted the plan.

At the August 13, 2013 public hearing, the OCX Board amended the OCX 2040 Master Plan to include two alternatives for the I-4 segment of the Poinciana Parkway Alternative Analysis and eliminated the original "broad brush lines." On August 12, 2014, the 2040 Master Plan was again amended to add a two-mile extension to the Osceola Parkway Extension project, pursuant to Senate Bill (SB) 230.

Osceola County and OCX have endorsed the concept of a limited access expressway system capable of servicing the County's urban growth area and connecting to the larger regional expressway system. As envisioned in the OCX 2040 Master Plan and the County Comprehensive Plan, the expressway system will provide for a seamless connection from I-4 east to the Turnpike and north to SR 417.

The MetroPlan Orlando 2030 Long Range Transportation Plan was amended to change the descriptions and funding source of the Southport Connector Expressway and Poinciana Parkway. This action was necessary to access federal funds for the Project Development and Environment (PD&E) studies for the Southport Connector Expressway and the I-4 Segment of Poinciana Parkway. The following is a description of three of the four expressway components contained in the Master Plan and the current status of these projects. A separate section will be devoted to the Poinciana Parkway (the fourth expressway in the Master Plan) which fully opened to traffic on November 19, 2016 (FY 2017).

- Southport Connector Expressway - The Southport Connector Expressway is located between Cypress Parkway and Canoe Creek Road, covering a distance of approximately 13 miles. The alignment passes through the South Lake Toho Mixed Use District forming the southern edge of the Urban Growth Area and connects the Poinciana Parkway to Florida's Turnpike. This project is being planned as a limited access toll road with a system to system interchange with the Turnpike, and combines roadway and transit elements. Studies completed on the project to date include a Concept Development and Evaluation Study for the SR 417 Southern Extension in May 2008 (Orlando-Orange County Expressway Authority), and a Preliminary Alignment and Feasibility Study for Southport Connector from Cypress Parkway to Canoe Creek Road in November 2009 (Orange County Smart Growth Office). The corridor was adopted as part of the 2011 Osceola County Comprehensive Plan. Funding has been allocated for the PD&E Study through STP-SU federal funds. The Department's District 5 is the project manager and Inwood Consultants Engineers, Inc. has been selected as the project consultants. The PD&E is on hold pending the outcome of the Central Florida Expressway Authority (CFX)

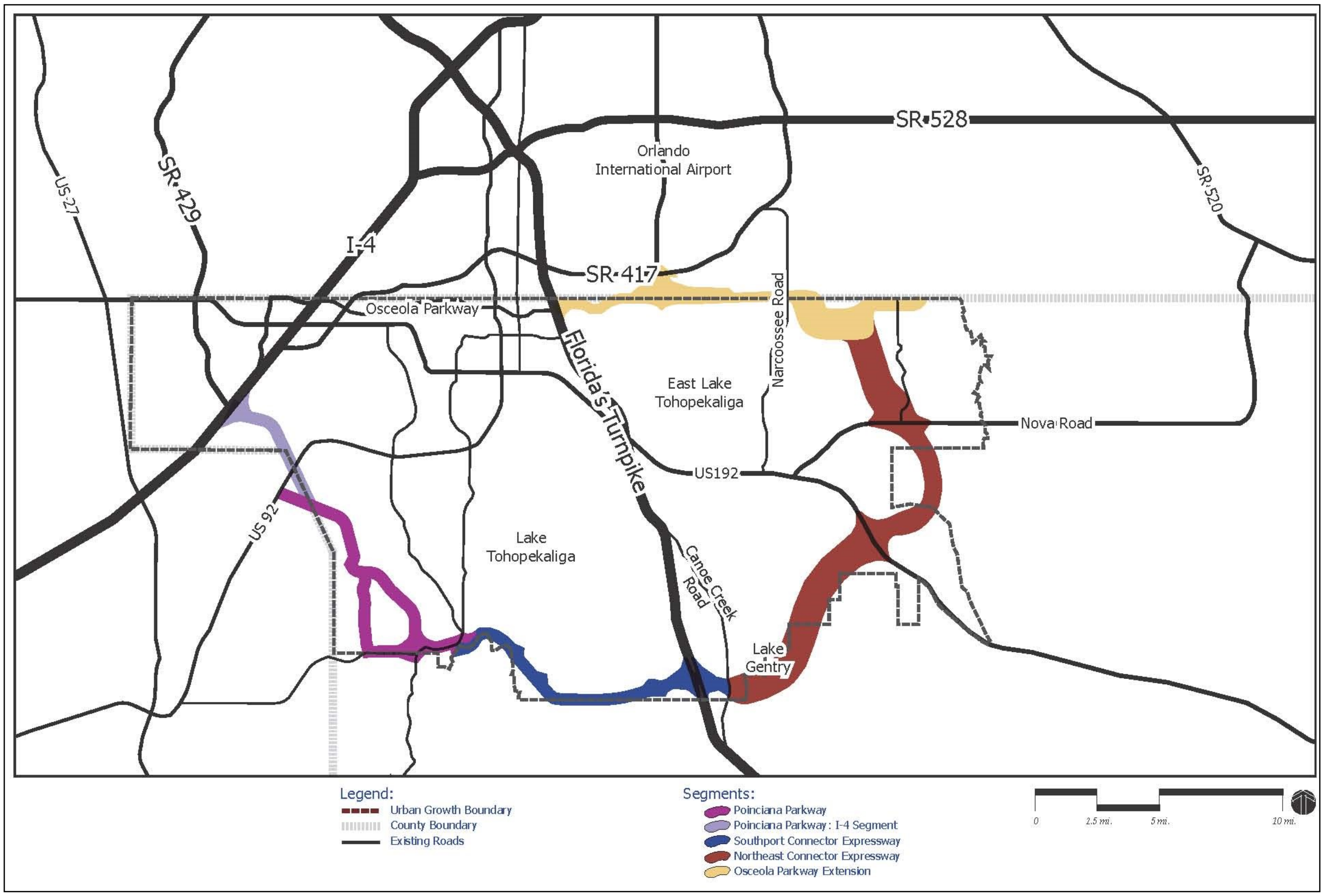

Figure 6: OCX Master Plan 2040 Projects (August 12, 2014).

Concept, Feasibility, and Mobility Studies currently underway.

- Northeast Connector Expressway - The Northeast Connector Expressway extends from the Southport Connector Expressway at Canoe Creek Road, northeast to the Osceola/Orange County line, for a length of approximately 25 miles. (The Northeast Connector Expressway has been known as the Southport Connector East and the SR 417 Southern Extension in studies and discussions.) The roadway is proposed as a limited access toll facility and combines roadway and transit elements. The Northeast Connector will allow for a system-to-system connection to the Osceola Parkway Extension. Potential corridors for this project were originally studied by the Orlando-Orange County Expressway Authority (OOCEA) in 2006. These studies were expanded through a feasibility study conducted by Osceola County in 2009 and 2010. Additional studies conducted include a Concept Development and Evaluation Study for the SR 417 Southern Extension in May 2008 (OOCEA) and a Preliminary Alignment Evaluation for Southport Connector East from Canoe Creek Road to SR 528 in 2010 (Osceola County and Smart Growth Office). Two possible corridors were adopted as part of the 2011 Osceola County Comprehensive Plan. OCX adopted a preferred corridor in the 2040 Master Plan. To date, no funding has been allocated for OCX to conduct a PD&E Study for this project. However, CFX is currently conducting Concept, Feasibility, and Mobility Studies.

- Osceola Parkway Extension - The Osceola Parkway Extension is a nine-mile road segment beginning approximately one mile west of the Simpson Road and Osceola Parkway intersection, and continuing to the Northeast Connector Expressway. This project includes roadway and transit elements that are combined in a common surface transportation corridor. The roadway section is limited access roadway within a 400 foot right-of-way. The road is anticipated to be built as a four-lane roadway with the ability to be expanded to six lanes to include a dedicated transit corridor. Because of the potential for a large part of the roadway to be located in Orange County, there is on-going coordination with Orange County, the City of Orlando, the Greater Orlando Aviation Authority (GOAA), CFX, as well as businesses and homeowners that may be impacted. A number of feasibility studies have been completed that include a Traffic Analysis Report in December 2010 (Osceola County), Financial Analysis in January 2011 (Osceola County), Environmental Analysis in January 2011 (Osceola County) and a Feasibility Study in January 2011 (Osceola County) with a report being issued in March 2012.

  OCX and Florida's Turnpike Enterprise (FTE) have finalized a PD&E Study for the Extension. This is through a funding agreement with the Department and OCX. The study area includes a limited access connection between the Extension and SR 417, to include a system-to-system interchange in the vicinity of the SR 417/Boggy Creek Intersection. In August 2014, the OCX Board added a two-mile extension to the project that would further extend Osceola Parkway from the Northeast Connector Expressway two miles to the east in order to eventually connect a north-south connector up to SR 528. The public kick-off meeting for the study was held in March 2013. As of this date, a preferred alignment has been identified for all three segments. Discussions with property owners is an ongoing process to help ensure potential impacts to their property are minimized and additional development opportunities available to them are identified. The PD&E Study was completed in January 2017 (FY 2017), with the adoption of a Build Alternative by OCX. OCX has secured additional funding from the Department and private property owners that will allow design and right -of-way acquisitions.

Poinciana Parkway

The Poinciana Parkway is a four-lane toll facility approximately 10 miles in length, beginning at Cypress Parkway (CR 580) in the far northwest corner of the Poinciana community and terminating at the intersection of CR 54 and US 17/92. It provides an additional outlet from this

Poinciana Parkway - Crossing Over RCMB Bridge.

community to the rest of Central Florida via the regional road network. The Poinciana Parkway consists of six segments. In October 2012, an Agreement for Development of Poinciana Parkway was reached between Osceola County, Polk County, Avatar Properties and OCX that formally outlines duties and responsibilities of each party. Osceola County agreed to provide planning, engineering, procurement and other staff support to facilitate the design and construction of Poinciana Parkway.

Through the Request for Proposals (RFP) process, in April 2013 the OCX Board selected AECOM, formerly URS Corporation-Southern (URS), as its Construction Management/Construction Engineering and Inspection (CM/CEI) Team to assist in managing the design and construction of the Poinciana Parkway. AECOM prepared the Final Engineering Report and Jacobs Engineering Group, Inc. prepared the Toll Traffic and Gross Toll Revenue Study included in the Official Statement for the Series 2014 Bonds. The OCX Board also selected Jr. Davis Construction Company/UIG Poinciana Parkway, LLC as the Poinciana Parkway Design-Build Contractor in July 2013. In October 2013 OCX entered into a contract with the Design-Build Contractor with a guaranteed price of $68.8 million and in December 2013 OCX provided the contractor with a notice to proceed on the first phase of design and construction in order to take advantage of the winter and early spring dry season. A protest was received regarding the RFP selection process, however, a settlement agreement was reached between OCX and the contractor.

In April 2014, Osceola County issued $69.7 million in Expressway System Senior Lien Series 2014 Bonds to fund the Poinciana Parkway Project: $34.8 million in Revenue Bonds, Series 2014A; $7.4 million in Revenue Capital Appreciation Bonds, Series 2014B-1; and $27.6 million in Revenue Convertible Capital Appreciation Bonds, Series 2014B-2. The Series 2014 Bonds are secured by a pledge upon the net revenues of the expressway system (after operating and maintenance expenses) and neither the full faith and credit of Osceola County, OCX, or the State of Florida is pledged for the payment of the bonds. Sources of funding for the Poinciana Parkway include net proceeds from the Series 2014 Bonds; $37.8 million in developer contributions for right of way, design, engineering and permitting pursuant to the Development Agreement; $20 million from the Osceola County State Infrastructure Bank Loan from the Department (subordinate debt); $6 million contribution from both Osceola and Polk Counties; and a $2 million deposit from Osceola County to the General Reserve Fund. Osceola County also advanced to OCX a portion of the costs of the initial project, including right-of-way and construction costs, prior to the issuance of the Series 2014 Bonds. Bond proceeds will be used to reimburse Osceola County for all or a portion of the amounts it has advanced for initial project costs. OCX has entered into a Lease-Purchase Agreement with Osceola County whereby OCX leased the Osceola County right-of-way from the county and is responsible for designing, constructing, operating and maintaining the tolled portions of the project. Upon expiration of the term of the Lease-Purchase Agreement, Osceola County will convey the Osceola right-of-way to OCX. Standard and Poor's Rating Services has assigned its rating of BBB- (stable outlook) to the Series 2014 Bonds.

Groundbreaking on the Poinciana Parkway occurred in December 2013. The first segment of the toll facility, from US 17/92 to Marigold Avenue, opened to traffic on April 30, 2016, and the remaining segment from Marigold Avenue to Cypress Parkway opened to traffic on November 19, 2016 (FY 2017). The facility features All Electronic Tolling (AET) with travelers paying tolls with a prepaid E-PASS account or Pay-by-Plate (no transponder). Cash is not accepted on the facility. The toll gantry for the first segment is located north of Marigold Avenue with the two-axle vehicle toll rate for E-PASS set at $1.75 and the Pay-by-Plate rate set at $1.95. In accordance with the Official Statement for the Poinciana Parkway bonds, the two-axle toll rate at the Marigold Avenue Toll Plaza was increased to $2.00 for E-Pass and to $2.20 for Pay-by-Plate on January 31, 2017 (FY 2017). The toll gantry for the second segment is located north of KOA Street with toll rates set at $0.50 and $0.70 for E-PASS and Pay-by-Plate, respectively. The OCX Board approved a contract whereby CFX provides for all toll collection activities for the Poinciana Parkway and approved toll-free use of the facility until June 1, 2016 (30 days) to allow customers to get used to the facility. The project was completed on-time and within budget.

As previously noted, tolling of the first segment of the Poinciana Parkway commenced on June 1, 2016, which represents only 30 days of OCX's FY 2016. The facility was not fully opened to traffic until November 19, 2016 (FY 2017). The figure below provides daily traffic counts for the last 12 days of FY 2016 and for the first 30 days of FY 2017. As indicated in Figure 7, actual traffic volumes (vehicles per day) on the Poinciana Parkway exceeded traffic projections utilized in the bond issue. The "Initial Projection" of 1,359 vehicles per day reflects the projection for the first two months of toll operations. The "Ramp Up Projection" of 2,699 vehicles per day represents the anticipated volumes after tolls have been collected for two months. For this time period, actual traffic volumes ranged from a low of 3,503 vehicles per day on June 19th to a high of 5,708 vehicles per day on July 15th.

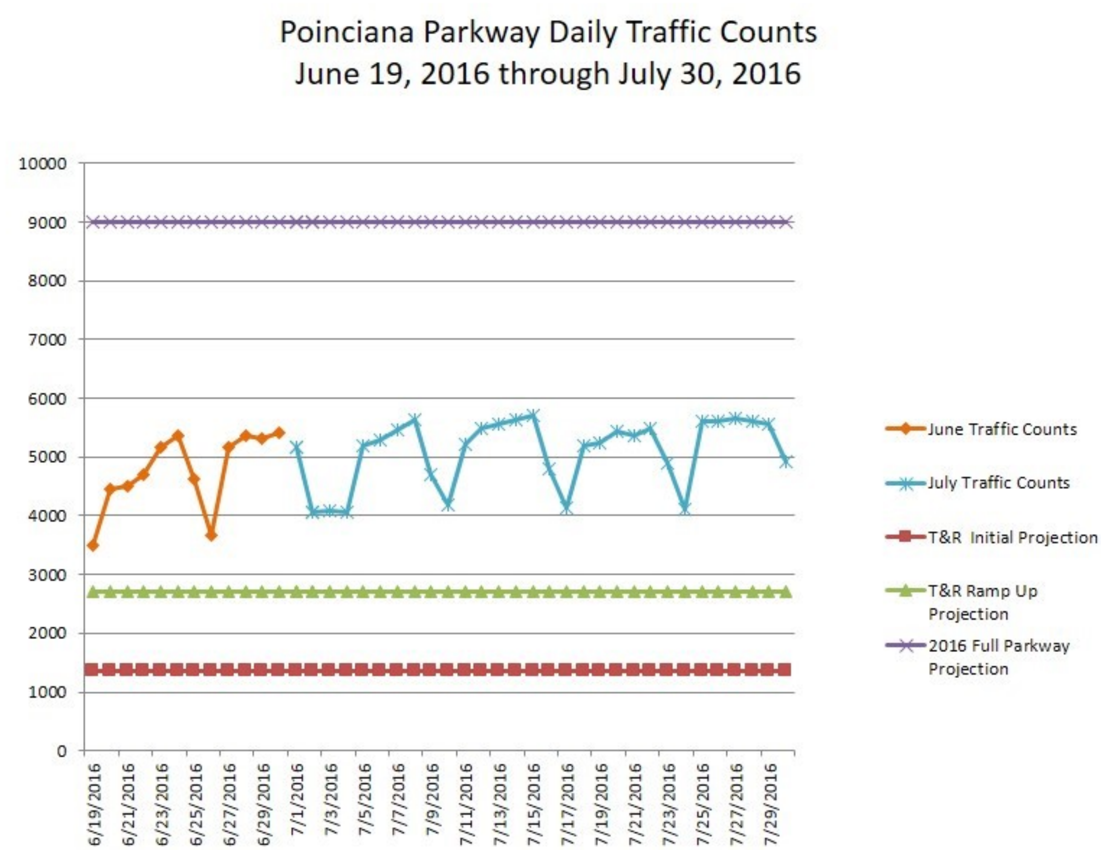

Figure 7: Poinciana Parkway Daily Traffic Counts (June 19 - July 30, 2016).

Performance Measures and Operating Indicators

Since inception, OCX has been classified in this report as an emerging transportation authority since it did not operate any facilities. Therefore, performance measures and operating indicators were not applicable. Because the Poinciana Parkway was only partially open to traffic and tolled for only 30 days in FY 2016, OCX is still being considered an emerging authority in this FY 2016 report. However, OCX will move to the established toll authority section of next year's report and begin reporting performance measures and operating indicators in FY 2017.

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.

Ethics and Conflict of Interest

OCX has not formally adopted an ethics or conflict of interest policy but is subject to compliance with the applicable provisions of the Code of Ethics for Public Officers and Employees set forth in Chapter 112, Part III, Florida Statutes. The OCX Procurement Policy also provides that the Authority will comply with the Osceola County policy with respect to conflicts of interest in connection with the procurement of goods and services. OCX indicated that there have been no reported or investigated violations for ethics or conflict of interest.

OCX indicated that no 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. A review of Sunshine Laws and Ethics was provided to the OCX Board at their December 10, 2013 meeting. In addition, at its June 13, 2017 meeting, the OCX Board received a briefing on the Sunshine Law, Public Records, and Gifts.

Audit

OCX was newly created on July 1, 2010 and the first meeting of the OCX Board was on June 21, 2011. In FY 2012, OCX had not expended any funds and utilized the services of Osceola County; therefore there was no FY 2012 audit requirement. OCX filed an Annual Financial Report with the Department of Financial Services for FY 2011 as required by Section 218.32(d), Florida Statutes. FY 2013 is the first year in which an audit of OCX was conducted.

An annual independent audit of OCX's financial statements for the fiscal year ended June 30, 2016 was performed. The Independent Auditor's Report indicated that the financial statements were prepared in conformity with GAAP and received an unmodified 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 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 Management Letter did not have any recommendations for improvement.

Public Records and Open Meetings

The adopted Bylaws require that notice of all Board meetings be given in a manner required by applicable law. Public access to all meetings must also be afforded in the manner required by applicable law. The Bylaws further provide that OCX must give at least seven days public notice of any regular meeting by posting such notice in the office of the Authority and on the Authority's website or in such publications as may be otherwise designated from time to time by resolution of the Authority. A copy of the preliminary agenda for such meeting shall be made available at the office of the Authority not less than seven days prior to such regular meeting. In addition, the Bylaws require OCX to maintain such books and records as shall be required from time to time under applicable law and shall comply with all applicable law governing access to public records.

Commission staff reviewed agendas and notices of public meetings as posted on OCX's website, and a sample public meeting notice published in the Osceola News-Gazette newspaper for a public hearing for adoption of the FY 2017 amended OCX budget. Beginning in February 2013, regular OCX Board meetings are broadcast live with recordings provided on the OCX website. Based on this limited review, it appears that OCX is operating within procedure and statute.

Procurement

The adopted Bylaws provide that the approval and authorization of the OCX Board is required in order to delegate to a member of the OCX Board, a member of the staff of the Authority or a consultant to the Authority the power to negotiate any matter, issue or contract on behalf of the Authority. OCX adopted a Procurement Policy on November 8, 2011, which was amended on June 26, 2012 and again on November 13, 2012. This policy provides for delegation of expenditure authority of up to $24,999 to the Executive Director. OCX reported $133 thousand in FY 2015 operating expenses primarily for the OCX audit, travel, and legal services. This compares to $770 thousand in operating expenses reported in FY 2016. The significant increase in operating expenses is attributed to additional expenses incurred as a result of the partial opening of the Poinciana Parkway in FY 2016. Additional costs include contracted services for toll collection, legal, mowing, bank fees and marketing as well as depreciation expense.

Consultant Contract Reporting

In FY 2016, OCX utilized AECOM (formerly URS Corporation) for Construction Management/ Construction Engineering and Inspection (CEI) services for the Poinciana Parkway design/build contract. The contract is work order based where individual assignments are negotiated on an as-needed basis. In addition, a $68.8 million contract was awarded to Jr. Davis Construction/UIG Poinciana Parkway, LLC for the design and construction of the Poinciana Parkway. OCX indicated that neither consultant utilized sub consultant contracts greater than $25 thousand in FY 2016.

Compliance with Bond Covenants

OCX has not issued bonds, therefore, this governance item is not applicable. However, OCX must comply with the terms of its Lease-Purchase Agreement with Osceola County included as part of the Series 2014 Bonds issued by Osceola County for the Poinciana Parkway Project.

Website Compliance

The 2014 Legislature passed, and Governor Scott signed into law, Senate Bill 1632 that significantly amended Chapter 189, Florida Statutes (Uniform Special District Accountability Act). A new Section 189.069, Florida Statutes, requires special districts to maintain an official internet website by October 1, 2015. The website must contain information including contact information and the term and appointing authority for each member of the governing body, public purpose, fiscal year, the district's charter and statutes under which it operates, service area and services provided, fees and charges imposed and collected, adopted code of ethics, budget, and complete audit report. Effective October 1, 2016, House Bill 479, passed by the 2016 Legislature, further amended Chapter

189, Florida Statutes. OCX management indicated that it conducted a review of its website to ensure compliance with the new statutory requirements.

FY 2016 Funding

Osceola County and OCX entered into a Contribution Agreement whereby the County has agreed to advance funds to OCX to provide for operation and startup costs until OCX has a revenue producing project. Any funding provided to OCX by the County, including interest, must be repaid by OCX within 15 years of receiving the funds.

OCX finalized grant agreements with the Department in May 2012, whereby the Department provided $2.5 million to the Authority for two PD&E Studies that will be conducted by FTE for the Osceola Parkway Extension and the SR 417 connection to the OCX system. These funds were deposited into an account managed by Osceola County and $2.3 million was subsequently transferred to FTE. In addition, OCX received a $250 thousand contribution in FY 2013 from the Celebration Company (TCC) to partner with OCX to help fund a Preliminary Alignment and Feasibility Study for a specific alignment for the I-4 segment of Poinciana Parkway.

As previously noted, significant funding has been provided in FY 2016 for the design and construction of the Poinciana Parkway. Funding sources include Series 2014 Bond proceeds, developer contributions, SIB loan proceeds, and Osceola and Polk County contributions. Currently, invoices with requisitions for services rendered by the Poinciana Parkway Design-Build Contractor are approved by URS on behalf of OCX and forwarded to OCX for payment processing. The request for payment is made to the bond Trustee. On April 8, 2014, the OCX Board approved a resolution authorizing the Osceola Public Works Director and the Osceola County Engineer to approve invoices submitted for payment from the Design-Build Contractor in addition to the Executive Director. On May 13, 2014, in order to provide prompt payment to the contractor, the OCX Board approved a resolution to forward requisitions to the Trustee for payment without prior Board approval. However, a report will be provided to the Authority Board each month indicating requisitions which have been made to the Trustee.

Central Florida Expressway Authority

In 2014, the area served by the Central Florida Expressway Authority (CFX) was expanded, through SB 230, to include Seminole, Lake, and Osceola Counties in addition to Orange County. There are no toll authorities in Seminole and Lake Counties. OCX started constructing their first project, Poinciana Parkway, in 2014. Governance and control of OCX, including all OCX assets and liabilities, will transfer to CFX sometime after December 31, 2018 when the current and forecasted total annual debt service coverage ratio for OCX's system is equal to or greater than 1.5 times for each year during which any underlying debt obligations related to OCX assets are scheduled to be outstanding. OCX projects must be transferred to CFX as non-system projects. OCX can build the four projects identified in the May 8, 2012, Master Plan that are under construction by December 31, 2018. Excess revenues from OCX assets transferred to CFX are to be used by CFX to satisfy the obligations of OCX and to complete the OCX Master Plan.

When CFX adopted its first Master Plan (CFX 2040 Master Plan) in May 2016, the OCX Master Plan projects were included. In September 2016, the CFX Board unanimously approved an Interlocal Agreement with Osceola County (OC) and OCX transferring the lead for the OCX Master Plan development to CFX. CFX began conducting concept, feasibility and mobility studies on the unbuilt OCX Master Plan projects in April 2017. The goal of the four studies is to determine which, if any, meet CFX requirements for viability and funding. Pursuant to the Interlocal Agreement, if any of the OCX projects are viable in accordance with CFX policies and the CFX Board decides not to design and build it, then OC/OCX may design and build the project. A process has not yet been determined as to the merging of OCX with CFX.

Summary

The Commission review of OCX was conducted with the cooperation and assistance of OCX and relied heavily on documentation and assertions provided by OCX. The Commission's approach primarily consisted of a review of Board meeting agendas, policies and procedures, various agreements that have been adopted by OCX, the Official Statement for the Osceola County Series 2014 Bonds, and a review of the OCX 2040 Master Plan.

OCX does not employ staff and Osceola County has elected to provide staff assistance and other support to OCX during the startup period including meeting facilities, a website, legal and financial services, and a design and planning consultant to assist in developing the OCX 2040 Master Plan. Jeffery Jones, Strategic Initiatives Director for Osceola County, is the registered agent for OCX under the Special District Program and served as the OCX Executive Director until February 2017. In February 2017, Tawny Olore assumed Jeffery Jones' responsibilities regarding OCX. Osceola County hired her as Executive Director of its new Transportation and Transit Department, effective January 2017. Osceola County and OCX entered into a Contribution Agreement whereby the County has agreed to advance funds to OCX to provide for operation and startup costs until OCX has a revenue producing project. Any funding provided to OCX by the County, including interest, must be repaid by OCX within 15 years of receiving the funds.

The Board adopted the OCX 2040 Master Plan at its public hearing on May 8, 2012. At the August 13, 2013 public hearing, the OCX Board amended the OCX 2040 Master Plan to include two alternatives for the I-4 segment of the Poinciana Parkway Alternative Analysis and eliminated the original "broad brush lines." On August 12, 2014, the 2040 Master Plan was again amended to add a two-mile extension to the Osceola Parkway Extension project, pursuant to Senate Bill 230. The Master Plan calls for construction of four new expressways that will be funded through revenues generated by the toll system and through partnerships with other public agencies and private entities. The four expressways are Poinciana Parkway, Southport Connector Expressway, Northeast Connector Expressway and Osceola Parkway Extension that, once completed, will provide for a seamless connection between I-4 on the east and SR 417 to the north.

In October 2012, an Agreement for Development of Poinciana Parkway was reached between Osceola County, Polk County, Avatar Properties and OCX that formally outlines the duties and responsibilities of each party. Osceola County agreed to provide planning, engineering, procurement and other staff support to facilitate the initial design and construction of Poinciana Parkway. In April 2013, the OCX Board selected a Construction Management/Construction Engineering and Inspection firm to assist in managing the design and construction of the Poinciana Parkway. In October 2013, OCX entered into a contract with a Design-Build firm for Poinciana Parkway with a guaranteed price of $68.8 million. In December 2013 OCX provided the contractor with a notice to proceed on the first phase of design and construction in order to take advantage of the winter and early spring dry season. Groundbreaking on the Poinciana Parkway occurred in December 2013. The first segment of the toll facility, from US 17/92 to Marigold Avenue, opened to traffic on April 30, 2016, and the remaining segment from Marigold Avenue to Cypress Parkway opened to traffic on November 19, 2016 (FY 2017). The OCX Board approved a contract whereby CFX provides for all toll collection activities for the Poinciana Parkway and approved toll-free use of the facility until June 1, 2016 (30 days) to allow customers to get used to the facility. The project was completed on-time and within budget.

In April 2014, Osceola County issued $69.7 million in Series 2014 Bonds to pay for a portion of Poinciana Parkway project costs. The Bonds are secured by a pledge upon the net revenues of the expressway system (after operating and maintenance expenses) and neither the full faith and credit of Osceola County, OCX, or the State of Florida is pledged for the payment of the bonds. OCX entered into a Lease-Purchase Agreement with Osceola County whereby OCX leased the Osceola County right of way and will be responsible for designing, constructing, operating and maintaining Poinciana Parkway. Funding sources for the Poinciana Parkway project include Series 2014 Bond proceeds, developer contributions, State Infrastructure Bank loan proceeds, and Osceola and Polk County contributions.

The FY 2016 annual independent financial statement audit reflected an unmodified opinion. The Independent Auditor's Management Letter did not have any recommendations for improvement. OCX reported operating revenue of $160 thousand in FY 2016 which represents toll revenue generated by the Poinciana Parkway in June 2016. OCX reported $770 thousand in operating expenses primarily for contracted services for toll collection, legal, mowing, bank fees and marketing as well as depreciation expense, audit and travel.

In 2014, the area served by the Central Florida Expressway Authority (CFX) was expanded, through SB 230, to include Seminole, Lake, and Osceola Counties in addition to Orange County. SB 230 provides for the transfer of governance and control of OCX, including all OCX assets and liabilities, to CFX sometime after December 31, 2018 when the current and forecasted total annual debt service coverage ratio for OCX's system is equal to or greater than 1.5 times. OCX projects must be transferred to CFX as non-system projects. OCX can build the four projects identified in the May 8, 2012, Master Plan that are under construction by December 31, 2018. Excess revenues from OCX assets transferred to CFX are to be used by CFX to satisfy the obligations of OCX and to complete the OCX Master Plan.

When CFX adopted its first Master Plan (CFX 2040 Master Plan) in May 2016, the OCX Master Plan projects were included. In September 2016, the CFX Board unanimously approved an Interlocal Agreement with Osceola County (OC) and OCX transferring the lead for the OCX Master Plan development to CFX. CFX began conducting concept, feasibility and mobility studies on the unbuilt OCX Master Plan projects in April 2017. The goal of the four studies (Osceola Parkway Extension, Northeast Connector Expressway, Southport Connector Expressway, and I-4 Connector to Poinciana Parkway) is to determine which, if any, meet CFX requirements for viability and funding. Pursuant to the Interlocal Agreement, if any of the OCX projects are viable in accordance with CFX policies and the CFX Board decides not to design and build it, then OC/OCX may design and build the project. A process has not yet been determined as to the merging of OCX with CFX.

Based on the Commission's limited review of Board meeting minutes, OCX policies and procedures, Florida Statutes, and other documentation provided by OCX, 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 commends Osceola County for the support they have provided to OCX during the startup period and also commends OCX for the successful completion of the Poinciana Parkway. The Commission encourages OCX to continue to develop and implement policies and procedures to ensure proper governance of OCX, given the significant funding for the Poinciana Parkway provided to the Authority. The Commission acknowledges with appreciation the assistance of the OCX Board and Osceola County staff in providing the resources necessary to conduct this review and to complete this report.

Tampa Bay Area Regional Transit Authority (TBARTA)

Background

The Tampa Bay Area Regional Transit Authority (TBARTA) is an agency of the State of Florida, created in 2007 pursuant to Chapter 343, Part V, 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 stations; 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. TBARTA also has eminent domain powers and can issue its 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.

Senate Bill (SB) 1672, passed by the 2017 Legislature, became effective on July 1, 2017 and significantly amended TBARTA's enabling legislation (Chapter 343, Part V, Florida Statutes). SB 1672 renames the Tampa Bay Area Regional Transportation Authority to the Tampa Bay Area Regional *Transit* Authority; amends the composition of the TBARTA Board and membership; requires the Board to evaluate and submit its recommendations to the Legislature, before the start of the 2018 Regular Session,

Highlights

- A Regional Transportation Master Plan for the seven-county Tampa Bay Region was adopted in May 2009 and updated in June 2011, June 2013 and June 2015.
- The 2015 Master Plan Update refined the established transit, freight, and roadway networks, added a regional trails network, added a future priority projects list, outlines a strategic vision for implementation, identifies eight regional priority projects and serves as the Regional Long Range Transportation Plan.
- The West Central Florida Metropolitan Planning Organization Chairs Coordinating Committee (CCC) and TBARTA successfully pursued legislation to officially merge the CCC within TBARTA to streamline regional planning and reduce duplication of activities through the passage of House Bill 7061, which became effective on July 1, 2016.
- Senate Bill (SB) 1672, passed by the 2017 Legislature, significantly amended TBARTA's enabling legislation, effective July 1, 2017 (FY 2017). The legislation changed TBARTA into the Tampa Bay Area Regional Transit Authority and changed the composition of the TBARTA Board.
- SB 1672 refocuses TBARTA's purpose and its designated service area, shifting from a 25-year long-range transportation master plan for seven counties to a 10-year regional transit development plan for five counties.
- Prior to January 9, 2018 (start of the 2018 Legislative Session), TBARTA must produce and present to the Legislature a plan to develop a regional transit development plan, which will integrate the individual transit development plans of participant counties, and prioritize regionally significant transit projects and facilities for investment.

regarding the abolishment, continuance, modification, or establishment of various committees (Planning, Policy, Finance, Citizens Advisory, TBARTA MPOs CCC, Transit Management, and Technical Advisory Committees); requires TBARTA to develop and adopt a regional transit development plan, rather than a transportation master plan, that integrates the transit development plans of participant counties and prioritizes regionally significant transit projects and facilities; and requires TBARTA to conduct a feasibility study before development of any rail project and submit the study to the Governor, Legislature and the various Boards of County Commissioners. Because these statutory changes became effective on July 1, 2017 (subsequent to FY 2016), compliance and operational results reported in this TBARTA chapter of the report are based on Florida Statutes in effect during FY 2016. Next year's FY 2017 Oversight Report will reflect compliance and operational results based on the new statutory requirements passed by the 2017 Legislature.

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). 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 17 members (15 voting members and two non-voting advisors). 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 TBARTA Metropolitan Planning Organizations Chairs Coordinating Committee (TBARTA MPOs CCC, or CCC) who 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 two non-voting advisors are appointed by the Secretary of the Florida Department of Transportation who must be the District Secretary for each of the Department districts within the seven-county area of TBARTA.

The members appointed by the respective Commissions, CCC, 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 58 represents TBARTA Board members, as of June 30, 2017 (prior to implementing the provisions of SB 1672).

The Executive Director 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. The Executive Director leads the executive team, directs the

Table 58
Tampa Bay Area Regional Transportation Authority
Board Members (as of June 30, 2017)

Name	Representing	Position
Ronnie Duncan	Governor Appointee	Chairman
Cliff Manuel, Jr.	Governor Appointee	Vice Chairman
Commissioner Karen Seel	Pinellas County	Secretary
Commissioner Betsy Benac	Manatee County	Treasurer
Jim Kimbrough	Governor Appointee	Board Member
Commissioner Ronald Kitchen, Jr.	Citrus County	Board Member
Commissioner Wayne Dukes	Hernando County	Board Member
Commissioner Patricia Kemp	Hillsborough County	Board Member
Commissioner Mike Moore	Pasco County	Board Member
Commissioner Paul Caragiulo	Sarasota County	Board Member
Councilmember Bemis Smith	City of Bradenton	Board Member
Councilmember Darden Rice	City of St. Petersburg	Board Member
Councilmember Mike Suarez	City of Tampa	Board Member
Councilmember Doreen Caudell	TBARTA MPOs CCC	Board Member
Jim Holton	Governor Appointee	Board Member
Secretary David Gwynn, P.E.	District Seven Secretary	Non-Voting Advisor
Secretary L. K. Nandam, P.E.	District One Secretary	Non-Voting Advisor

budget preparation process, and is responsible for TBARTA's compliance with all state and federal laws, rules and regulations.

Shortly after creation in 2007, TBARTA received $40 thousand in combined contributions from area 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 in FY 2009 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 and 2010 legislature appropriated unspent funds, and two other JPA's were entered into, whereby the funding was extended to June 30, 2011. The 2011 legislature approved funds to TBARTA in FY 2012, but was vetoed by the Governor. For the cumulative period ending June 30, 2011, TBARTA expended approximately $1.3 million of the original $2 million appropriation primarily for salaries and benefits, legal services, and expenses related to conducting Board meetings and public outreach efforts. Accounting for these funds was provided by the Tampa Bay Regional Planning Council, utilizing the Accounting Policies and Procedures Manual adopted by the Board in June 2009.

On May 1, 2010, TBARTA utilized in-house staff for financial and accounting services. However, in June 2011, TBARTA entered into a one year agreement with an outside CPA firm to perform financial and accounting services. This agreement has been renewed annually. TBARTA's Accounting Manual was updated in March 2012 and August 2012. In addition to TBARTA operating funds, TBARTA has received various Federal and State grants through the Commuter Services portion of TBARTA's programs (absorbed as part of Bay Area Commuter Services merger).

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. Table 59 lists those statutory requirements and indicates whether those requirements have been met. A digital copy of the 2015 Master Plan was provided to the seven county commissions, the West Central Florida MPO CCC, and to the legislative delegation members by September 10, 2015.

The Regional Transportation Master Plan for the seven-county Tampa Bay Region was adopted by the TBARTA Board on May 22, 2009. In developing

Table 59
Tampa Bay Area Regional Transit Authority
Statutory Requirements

Subject Area	*Requirement*	*Status*
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. iTownHall 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) This section was amended by the 2016 Legislature and now requires an update every five years rather than every two years.	Completed. Updated Master Plans were adopted by the TBARTA Board on June 24, 2011, June 14, 2013 and June 12, 2015. For the 2015 Updated Master Plan, Telephone Town Hall public meetings were held for each of the seven counties in April or May 2015 and a public hearing was held before the TBARTA Board on June 12, 2015. TBARTA provided copies of the 2015 Updated Master Plan to the required parties by September 10, 2015 (90 days after adoption) as required. Also, formal presentations to all seven Board of County Commissioners were conducted between August 4, 2015 and September 22, 2015.

the plan, comprehensive technical analysis and evaluation were required, and valuable input was provided by the TBARTA Transit Management Committee (TMC), the Citizens Advisory Committee (CAC), the Land Use Working Group (LUWG), as well as multiple 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 worked 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.

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.

Pursuant to Florida Statutes, the Master Plan must be updated every two years before July 1 of each period. On June 24, 2011, the TBARTA Board adopted an updated Master Plan. The inaugural Master Plan focused on regional transit as a major technical component missing in existing regional plans to that date. It created the framework for a seamless, linked transportation network, using a variety of modes (highways, rail, bus, ferry) where they are most effective. Subsequent to the inaugural Master Plan, a first set of corridor studies were identified and components important to regional mobility were evaluated, including regional freight movement, regional roadway plans, air quality concerns, and land use issues. Building upon the transit networks, regional freight and regional roadway networks were developed. The 2011 Master Plan Update defines networks of high-capacity corridors that demonstrate improved mobility and get people and goods to where they need and want to go, regardless of how many city boundaries or county lines are crossed.

On June 14, 2013, the TBARTA Board adopted the 2013 Master Plan Update. The 2013 Master Plan Update was a minor update to refine the transit, freight, and roadway networks, and incorporate the progress made locally and regionally towards implementing the TBARTA regional vision. In the 2013 Master Plan Update, the Board adopted five regional priority projects. In addition, a stand-alone Managed Lanes network was also added to the plan.

On June 12, 2015, the TBARTA Board adopted the 2015 Master Plan Update. The 2015 Master Plan Update refined the established transit, freight, and roadway networks, added a regional trails network, and outlined a strategic vision for implementation. The 2015 Master Plan also includes the addition of a "future priority projects" list developed in coordination with the MPOs through the CCC. By making the Mid-Term Network cost feasible, TBARTA removed the need for the CCC to make its own Regional Long-Range Transportation Plan. The Board also adopted eight regional priority projects in the 2015 Master Plan Update that are regionally significant, offer immediate solutions, and can be implemented incrementally. The priority projects as depicted in Figure 6 include: the I-275/SR 60/ Memorial Interchange, SR 54/56 Corridor Improvements, Gateway Expressway, Howard Frankland Bridge, Suncoast Parkway 2 (SR 589), Tampa Bay Express (Starter Projects), TIA People Mover Connection/Westshore Intermodal Center, and University Parkway/I-75 Interchange Area.

BACS Merger with TBARTA

In December 2009, TBARTA and Bay Area Commuter Services, Inc. (BACS) entered into a Memorandum of Understanding (MOU), whereby BACS would merge with TBARTA with the intent of combining the two agencies into one under the auspices of TBARTA. On April 30, 2010, TBARTA and BACS executed a Memorandum of Agreement (MOA) that incorporated the MOU and served as a contract and agreement for the dissolution of BACS and distribution of its assets and assumptions of its liabilities to TBARTA.

On May 1, 2010 the assets and liabilities of BACS were merged into TBARTA at fair market value, leaving a net contribution of approximately $283 thousand. 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 alternatives to driving alone in the single occupant vehicle within the five-county area of West Central Florida (Hillsborough, Pinellas, Pasco, Hernando and Citrus Counties). The merger increased program effectiveness, decreased overall costs, and took advantage of efficiencies, accomplished through the co-location and combination of programs and operations. The agreement provided for the continued employment of BACS staff and the relocation of TBARTA to BACS' leased premises at the University of South Florida. Due to the scheduled expiration of the office space lease at the University of South Florida, TBARTA executed a new lease in October 2014. The new five year lease, in the Meridian One office building in Westshore, provides cost savings due to some rent abatement and provides an out clause at the end of three years. TBARTA transitioned to its new offices in January 2015.

The organization within TBARTA (renamed TBARTA Commuter Services) sustains itself with its available financing and provides additional staff support. Various agreements have been executed that assign funding previously provided to BACS to TBARTA to continue operating commuter assistance programs including carpool and vanpool services.

Current Activities

TBARTA is beginning to prioritize projects, develop financial strategies for implementation, coordinate the advancement of more detailed planning and environmental analysis for corridor studies, and continue public engagement and education efforts. TBARTA is working with its partners to explore regional long-term funding options, including local and public private partnerships, and addressing issues related to how a regional transit system will operate and who will operate it.

TBARTA took the lead in developing one list of regional transportation priorities in 2009, and continues to work with each MPO to advocate for these projects, as well as make updates with new projects once funding for them has been secured. The list and subsequent consensus of support has been important in receiving funding for the following: Howard Frankland Bridge Replacement, Pinellas Gateway Expressway, I-75/University Parkway Interchange Area, Suncoast Parkway 2, Tampa International Airport People Mover and Westshore Multimodal Center site purchase. The TBARTA Master Plan Update, adopted by the Board on June 12, 2015, included for the first time a list of future regional priorities. These projects, and others, were worked on in conjunction with each MPO in addition to the 2040 Regional Priority Projects for roadways, freight, transit, multi-use trails and greenways. The 2015 TBARTA Master Plan also included longer term Priority Projects identified by the MPOs of the region. The Regional Priority Projects and Future Regional Priority Projects were updated and adopted at the TBARTA

Board meeting on December 9, 2016. This effort goes together with the legislative change bringing the MPOs Chairs Coordinating Committee into TBARTA as the TBARTA MPOs Chairs Coordinating Committee combining these agencies for seamless regional planning.

Since 2010, TBARTA has continued to build the Commuter Assistance Program (CAP) as an effective "right-now" solution to congestion, air quality, and health and safety issues in the counties within the Department's District 7. As a group of services, including ridematching for carpool, vanpool, bike buddy and telework, TBARTA has helped the region save over 870 thousand gallons of fuel, 3.6 million commuting trips, 730 thousand parking spaces, and 7,500 tons of atmospheric CO2 over the past year. To support the growth of the CAP, a pilot project was conducted with the consultant firm AECOM to assist with its outreach efforts to employers in the Tampa Bay region in an effort to facilitate new partnerships and participants. The project focused on employers in the downtown core areas of Tampa and St. Petersburg, and concluded with 17 new partners out of an established goal of 15, including the City of Tampa; the City of St. Petersburg; Hillsborough County; Rooms to Go; Amelie Arena; UBS Financial; the Tampa Bay Times; and others. TBARTA plans to conduct a Phase II for the project, which will continue with implementing specific next steps with employer partners established during Phase I, as well as forming new employer partnerships and assisting TBARTA with the development of its annual Commuter Assistance Program Work Plan for 2018.

For vanpool, the program has grown from 92 vans at the end of last year, to a current fleet count of 100 vans. TBARTA staff is currently working to continue this expansion, and is exploring the opportunity to serve all seven TBARTA-member counties. They are joined in the effort by their private-sector program partner, Enterprise Rideshare, whom acquired vRide, Inc. last year, as well as the Hillsborough Area Regional Transit Authority (HART). TBARTA and HART proposed a pilot project for the provision of vanpool services in two declining HART Express Routes, the 20X (Lutz Express) and 51X (New Tampa Express) corridors. HART presently operates these routes via 100 percent Department Transit Corridor grant funding. In order to reinvigorate these corridors and to improve the quality of service, HART proposed to the Department that a pilot "Customer Options" program be established to provide alternatives in the corridors. The program is multi-faceted and includes Vanpool; local HART HyperLINK service; potential pooling using ridesharing services (TNC's); and, targeted marketing of these services. The two agencies have put together a Memorandum of Understanding (MOU) for only the vanpool service, which will authorize HART and TBARTA to jointly create a vanpool program that targets commuters. Routes 20X and 51X will be maintained for at least one year and would be discontinued if vanpooling proves to be a satisfactory alternative to express bus.

Since last year, TBARTA has also experienced growth with the Regional School Commute Program from 65 schools in Pinellas and Hillsborough Counties to over 100, adding Pasco and Citrus Counties to areas with implemented schools. To strengthen the program and help with its expansion, TBARTA developed a partnership with PikMyKid, a local mobile technology start-up developed in Tampa at the University of South Florida. The mobile application focuses on making the dismissal process safer, and automates the car and bus pick-up processes in real-time through GPS technology. Additionally, the application verifies the identities of parents that enter the "pick-up zone," allowing peace of mind for both parents whose children are in a carpool and greater accountability for school employees coordinating the process. TBARTA secured a grant for $120 thousand through the Department's District 7 to support the implementation of the application in up to 20 schools across the District 7 service area through a 100 percent cost subsidy for a one year license (value of approximately $3 thousand). After each pilot, the decision is up to each school on whether to continue, and TBARTA is tracking performance information to assist with the cost-benefit analysis for each school. For the first year of the pilot, TBARTA signed on two schools from Citrus County, and will be bringing those results back to the other counties in 2018.

Regionally, TBARTA and the TBARTA MPOs CCC have been working to consolidate regional activities and programs, such as outreach and regional planning. TBARTA is currently contracted to provide administrative services and website support for the CCC, and both agencies pursued legislation to officially merge the CCC within TBARTA to streamline regional planning and reduce duplication of activities. TBARTA proposed several changes that work to further the goal of consolidation, and the 2016 Legislature passed House Bill (HB) 7061 that became effective on July 1, 2016. HB 7061 effectively merged the CCC within TBARTA as a subcommittee, streamlining

Trolley in Downtown Tampa Supporting Network.

the regional planning process and eliminating duplication of efforts. TBARTA was designated to provide administrative support and direction to the CCC, with necessary funding for this purpose from the Department and member MPOs. Citrus County was also added as a member of the CCC. The Bill also changed the requirement for updating the TBARTA Master Plan from every two years to every five years, placing it in a similar time frame with the individual MPOs' federally funded planning process thereby saving money and making more efficient use of available resources. Finally, the legislation effectively changed the governing board composition from 16 to 15 voting members, with the Department's District 7 Secretary being changed to a non-voting advisor, and the Department's District 1 Secretary being added as a non-voting advisor as well. This allows the District Secretaries to freely discuss matters with TBARTA Board members and allows both Department Districts in the TBARTA service area to be represented.

Since the merger, TBARTA has worked more effectively and seamlessly with the CCC on developing regional project priorities, including those for trails that support the development of the Gulf Coast Trail (GCT) Corridor. The CCC was successful in passing a joint resolution at its annual joint meeting with the Central Florida MPO Alliance on June 16, 2017, to support the continued development and for funding the GCT and has continued working with the Florida Greenways and Trails Council on identifying the gaps through a newly established Gulf Coast Trail Working Group, which met for the first time on March 30, 2017. The groups continue to work together on developing the name/brand of the 300-mile corridor, identifying and naming gaps, and developing a plan and phase for each gap.

Additional TBARTA projects include the One Call-One Click program, which underscores transportation support needs and services for veterans, through a $1.1 million grant from the Federal Transit and Veterans Administrations. The aim of the grant is to better connect veterans, military families, the disabled, and regular citizens with the available transportation resources across the seven-county region, in one convenient online and call-center portal. TBARTA was also successful in obtaining a secondary Federal Transit Administration grant for $50 thousand, to be used to promote and market the One Call-One Click program. The One Call-One Click project, branded myRIDE, has been finalized, with the Crisis Center of Tampa Bay on board to provide call center services, and with an updated, user-friendly website for the user of the "one click" portion.

TBARTA is providing approximately $267 thousand from the One Call-One Click Grant towards the implementation of a regional fare collection system, which will include as a goal all eight transit agencies in the region in partnership with HART. TBARTA has also contracted with USF Center for Urban Transportation Research (CUTR) to conduct a regional study on the readiness among the eight transit agencies to implement OneBusAway, a smartphone application making it easier to use public transit by providing access to schedules and real-time arrival information. Phase One of the project was concluded in March 2017 and a commitment to work with TBARTA on Phase Two was obtained from all agencies surveyed. The scope for Phase Two is currently in development, which will focus primarily on implementing the next steps for each agency to acquire and/or report its real-time arrival information into the application.

To further solidify its financial standing and independence, TBARTA is now reporting its Vanpool usage and statistics to the National Transit Database (NTD), which ultimately enables TBARTA to collect Federal Urbanized Area Formula Funds (Section 5307) each year. With the inclusion of TBARTA's Vanpool program, these annual funds bring over $2 million of new Federal funding to the region each year on average, with TBARTA receiving approximately $800 thousand for each full-apportionment.

In an effort to emphasize the regional perspective throughout the planning process, TBARTA continues to attend all MPO Board meetings and MPO Technical Advisory Committee meetings in the region, including serving as an advisor on the Hillsborough MPO School Transportation Working Group.

TBARTA is working with the Department's District 7 and District 1, member MPOs, transit agencies, and other partners on moving forward an agreement to research what successful regional coordination means for Tampa Bay, and to develop options for improving regional coordination and responsibility between county MPOs and transit agencies. The project, titled "MPO Regional Coordination and Best Practices in the Tampa Bay Region," will study the potential for updating the interagency transportation planning coordination structure in the Tampa Bay region and outline a plan, if feasible, to merge the MPOs of Pasco, Pinellas, and Hillsborough Counties.

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.

As previously noted, the Commuter Services program of BACS was absorbed by TBARTA as a result of the merger on April 30, 2010. One of the primary services provided by TBARTA Commuter Services is an online matching program that matches commuters with similar commuters. Commuters can register online and access TBARTA's database to find an appropriate match for carpooling, vanpooling, and/or Bike Buddies. TBARTA also administers the Emergency Ride Home Program. In addition, TBARTA works with employers and their employees, under the Employee Commute Assistance Program, to encourage the use of bus, vanpooling, carpooling, biking, walking, teleworking and alternative work hour programs in commuting to and from work. The Vanpool Program is administered by vRide (formerly VPSI). vRide provides vanpool vehicles, auto liability, comprehensive and collision coverage, all scheduled preventative maintenance and repairs, customer billing, and customer support for the vanpool groups.

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 (last amended December 12, 2014). 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. TBARTA also indicated that no 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, the Board adopted an Employee Policy Manual (last amended in August 2015) which contains a section on Business Ethics and Conduct that provides guidance and policy on ethics and conflicts of interest.

Audits

An annual independent audit of TBARTA financial statements for the fiscal year ended September 30, 2016 was performed. The Independent Auditors' Report, dated June 12, 2017, indicated that the financial statements were prepared in conformity with GAAP and received an unmodified opinion. 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* did not identify any deficiencies in internal control that were considered to be material weaknesses and the results of audit tests did not disclose instances of noncompliance or other matters required to be reported under *Government Auditing Standards*. The Independent Auditors' Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance Required by the Uniform Guidance identified a significant deficiency in internal control over compliance. The finding (2016-001) indicated that TBARTA did not continuously monitor and ensure adequate procedures are in place to confirm that the vendor/contractor complied with the terms of the contract/agreement to utilize E-Verify for employment eligibility. TBARTA is currently implementing a corrective action plan to more effectively monitor compliance. In the Independent Auditor's Management Letter, the auditors noted one recommendation for improvement in the area of payroll costs/allowable costs. TBARTA indicated that corrective action has already been implemented to ensure the accuracy of employee hours and rate prior to posting to grants.

Public Records and Open Meetings

The adopted Bylaws (as amended December 12, 2014) require that the Board and Committees of TBARTA comply with the requirements of Chapters 286, 119 and 120, Florida Statutes. TBARTA reported that there have been no violations or allegations of non-compliance.

Commission staff reviewed agendas and notices of public meetings as posted on TBARTA's website www.tbarta.com. Minutes of the meetings are also provided and include documents that are discussed or presentations made before the Board. Each Board agenda package includes a list of upcoming Board, CAC, TMC, Executive Committee, and other TBARTA meetings. Pursuant to Section 189.015, Florida Statutes, TBARTA (an Independent Special District) is required to publish a schedule of its Board meetings in a newspaper of general paid circulation in the counties in which it is located. TBARTA Bylaws also require the newspaper publication of its Board meetings. Commission staff reviewed a sample advertisement for 2017 Board meetings published in the Tampa Bay Times and Herald Tribune newspapers. Based on this limited review, it appears that TBARTA is operating within procedure and statute.

In January 2015, TBARTA's General Counsel provided a briefing on Sunshine and Public Records Laws to the TBARTA Board with a comprehensive written summary of key points provided. The General Counsel also reviewed the Sunshine and Public Records Laws as well as the Code of Ethics with the TBARTA Board in March 2017.

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 TBARTA Accounting Manual (as amended August 2012) contains a Procurement Policy section that provides more detailed procedures.

Consultant Contract Reporting

TBARTA contracts a general planning consultant to assist with planning, project management and administrative services on an as-needed basis. In FY 2016, TBARTA also procured services for Legal Support, Audit Services, Accounting Services and Marketing Services. None of these have sub consultants that are required to be reported.

Compliance with Bond Covenants

TBARTA has not issued bonds; therefore, this governance item is not yet applicable.

Website Compliance

The 2014 Legislature passed, and Governor Scott signed into law, Senate Bill 1632 that significantly amended Chapter 189, Florida Statutes (Uniform Special District Accountability Act). A new Section 189.069, Florida Statutes, requires special districts to maintain an official internet website by October 1, 2015 (FY 2016). The website must contain information including contact information and the term and appointing authority for each member of the governing body, public purpose, fiscal year, the district's charter and statutes under which it operates, service area and services provided, fees and charges imposed and collected, adopted code of ethics, budget, and complete audit report. Effective October 1, 2016, House Bill 479, passed by the 2016 Legislature, further amended Chapter 189, Florida Statutes. TBARTA management indicated that it conducted a review of its website to ensure compliance with the new statutory requirements.

Other

The Board has adopted several 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 Commission review of TBARTA was conducted with the cooperation and assistance of TBARTA and relied heavily on documentation and assertions provided by Authority management. The Commission's approach primarily consisted of a review of Board meeting agendas, policies and procedures that have been adopted by TBARTA, various contracts, and a review of the audited financial statements.

In the area of governance, the FY 2016 independent financial statement audit, dated June 12, 2017, reflected an unmodified opinion. The auditors reported a significant deficiency in internal control over compliance. This finding indicated that TBARTA did not continuously monitor and ensure that adequate procedures are in place to confirm that the vendor/contactor complied with the terms of the contract/agreement to utilize E-Verify for employment eligibility. In the Independent Auditor's Management Letter, the auditors noted one recommendation for improvement in payroll costs/allowable costs. TBARTA has taken corrective action on the audit findings. General Counsel provided a briefing to Board members on the Sunshine and Public Records Laws in January 2015 and again in March 2017.

TBARTA adopted a Regional Transportation Master Plan for the seven-county Tampa Bay Region in May 2009 that focused on regional transit. Building upon the transit networks developed in the inaugural Master Plan, the TBARTA Board adopted an Updated Master Plan in June 2011 that developed regional freight and regional roadway networks. In June 2013, the TBARTA Board adopted the 2013 Master Plan Update which was a minor update that refined the transit, freight, and roadway networks and incorporated the progress made locally and regionally towards implementing the TBARTA vision. Five regional priority projects identified by TBARTA were included in the 2013 Master Plan Update. In June 2015, the TBARTA Board adopted the 2015 Master Plan Update which refined the established transit, freight, and roadway networks, added a regional trails network, and outlines a strategic vision for implementation. The 2015 Master Plan also includes the addition of a "future priority projects" list developed in coordination with the MPOs through the CCC. By making the Mid-Term Network cost feasible, TBARTA removed the need for the CCC to make its own Regional Long-Range Transportation Plan.

Through Joint Participation Agreements with the Department, the Department advanced funds in FY 2009 to TBARTA, from a $2 million appropriation, to pay initial administrative expenses. Funding under the agreements ceased on June 30, 2011. TBARTA cumulatively expended $1.3 million of the original $2 million appropriation. Bay Area Commuter Services, Inc. (BACS) merged with TBARTA on April 30, 2010. The merger increased program effectiveness, decreased overall costs, and took advantage of efficiencies through the co-location and combination of programs and operations. As a result of the merger, the assets and liabilities of BACS were merged into TBARTA at fair market value, leaving a net contribution of approximately $283 thousand. Various agreements have been executed that assign funding previously provided to BACS to TBARTA to continue operating commuter assistance programs including carpool and vanpool services.

The West Central Florida Metropolitan Planning Organizations Chairs Coordinating Committee (CCC) and TBARTA successfully pursued legislation to officially merge the CCC within TBARTA through the passage of House Bill (HB) 7061 by the 2016 Florida Legislature. HB 7061, effective July 1, 2016, effectively merged the CCC within TBARTA as a subcommittee, streamlining the regional planning process and eliminating duplication of efforts. TBARTA now provides administrative support and direction to the CCC, with necessary funding for this purpose from the Department and member MPOs. Citrus County was also added as a member of the CCC. The Bill also changed the requirement for updating the TBARTA Master Plan from every two years to every five years, placing it in a similar time frame with the individual MPOs' federally funded planning process.

Senate Bill (SB) 1672, passed by the 2017 Legislature, significantly amended TBARTA's enabling legislation (Chapter 343, Part V, Florida Statutes), effective July 1, 2017 (FY 2017). SB 1672 renames the Tampa Bay Area Regional Transportation Authority to the Tampa Bay Area Regional *Transit* Authority and redefines the express purpose of the authority to "Plan, implement, and operate mobility improvements and expansions of multimodal transportation options for passengers and freight throughout the designated region." SB 1672 also amends the composition of the TBARTA Board and membership; requires the Board to submit a report to the Legislature regarding the abolishment, continuance, modification, or establishment of various committees; requires TBARTA to develop and adopt a regional transit development plan, rather than a transportation master plan, that integrates the transit development plans of participant counties and prioritizes regionally significant transit projects and facilities; and requires TBARTA to conduct a feasibility study before development of any rail project. TBARTA is currently working on complying with the numerous statutory requirements of SB 1672 that became effective on July 1, 2017. Detailed results will be presented in next year's *Fiscal Year 2017 Transportation Authority Monitoring and Oversight Report*.

Based on the Commission's review of TBARTA policies and procedures, Florida Statutes, financial statements, and other documentation provided by TBARTA, 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 TBARTA to continue to develop and implement policies and procedures to ensure proper governance of TBARTA expanded operations because of recent changes to its enabling legislation. 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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Northeast Florida Regional Transportation Commission (NEFRTC)

Background

The 2013 Legislature passed, and the Governor approved, Senate Bill (SB) 606 that created the Northeast Florida Regional Transportation Commission (NEFRTC) under Chapter 343, Part I, Florida Statutes, for the purposes of improving mobility and expanding multimodal transportation options for persons and freight throughout Baker, Clay, Duval, Nassau, Putnam, and St. Johns Counties. Because the Commission is created under Chapter 343, Florida Statutes, it falls under the oversight of the Florida Transportation Commission (FTC). This is the third year that NEFRTC has been reported in the Transportation Authority Monitoring and Oversight Report.

NEFRTC must develop a multimodal and prioritized regional transportation plan consisting of transportation projects of regional significance and develop an implementation plan that identifies available but not yet imposed, and potentially developable, sources of funding to execute the regional transportation plan. In developing the regional transportation plan, NEFRTC must use data contained in the long-range transportation plan (LRTP) of the North Florida Transportation Planning Organization (TPO), and review and coordinate with the counties' local government comprehensive plans, the Strategic Regional Policy Plan of the Northeast Florida Regional Council, and other units of government having transit or transportation authority within whose jurisdictions the projects or improvements will be located.

Highlights

- NEFRTC was created on July 1, 2013, and the Board met for the first time on October 30, 2013.
- NEFRTC has only one staff member, an Executive Director, retained under a contract for services. Office space, basic administrative support and fiscal management services are provided for a fee by the North Florida Transportation Planning Organization (TPO).
- For its first five years, the Authority is required to annually request a per capita cash contribution from the six constituent counties to support its budget. The FY 2014, FY 2015, FY 2016, and FY 2017 budgets were supported by a per capita assessment of approximately 21 cents for all constituent counties except Duval which approximated 11 cents, pursuant to the statutory funding formula.
- The NEFRTC Board accepted three documents that were combined into one final draft Regional Multimodal Transportation Plan (RMTP). The three completed RMTP components include the NEFRTC Regional Transportation Corridor Priorities Plan, the Economic Analysis, and the Regional Transit Action Plan.
- As statutorily required, public hearings were held in the six constituent counties (Clay, Duval, Nassau, St. Johns, Baker, and Putnam Counties) to consider public input before final adoption of the RMTP by the NEFRTC Board on April 12, 2017.
- The enabling legislation has a sunset provision whereby NEFRTC will be repealed on November 30, 2018 unless at least four specified counties (Clay, Duval, Nassau, and St. Johns Counties) have adopted resolutions endorsing the RMTP, and adequate funding sources to carry out the initial phases of the plan have been secured.
- Currently, NEFRTC is seeking to obtain resolutions from the constituent counties adopting the RMTP and identified funding sources by November 30, 2018, as statutorily required.

NEFRTC may plan, develop, coordinate and promote transportation projects and transportation services of regional significance which are identified in the NEFRTC Regional Transportation Plan. Subject to available funding, and with the approval of the affected counties and transportation authorities, NEFRTC may provide transportation services of regional significance which are identified in its Regional Transportation Plan. In addition, NEFRTC may facilitate efforts to secure funding commitments from federal and state sources, or from the applicable counties, for the planning, development, construction, purchase, operation, and maintenance of transportation projects of regional significance or that support inter-county mobility for persons or freight.

NEFRTC may employ an executive director and may employ permanent or temporary staff, including consultants, as it determines necessary or convenient, or, subject to approval by their respective Boards or administrative chiefs, may use the staff of: Jacksonville Transportation Authority (JTA), its legal counsel, technical experts, engineers, and other administrative employees; the North Florida TPO for planning matters; the Northeast Florida Regional Council for planning and coordination matters; the Department; the Jacksonville Port Authority; and the counties represented on the NEFRTC Board on an as-needed basis.

The enabling legislation (Chapter 343, Part I, Florida Statutes) has a sunset provision whereby NEFRTC will be repealed on November 30, 2018 unless: NEFRTC has adopted the Regional Transportation Plan and the Implementation Plan, and at least Clay, Duval, Nassau, and St. Johns Counties have adopted resolutions endorsing such plans; and adequate funding sources to carry out the initial phases of such plans have been secured.

NEFRTC is an agency of the state and 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). Compliance with governance of NEFRTC is being assessed primarily in accordance with Chapters 343 and 189, Florida Statutes, although it will include other applicable statutes.

The Governing Board of NEFRTC is comprised of nine members. The County Commissions of Baker, Clay, Nassau, Putnam, and St. Johns Counties each appoint one person, who may be an elected official of the county. The City of Jacksonville is represented by four members, who may be elected officials of the city. The mayor of the City of Jacksonville appoints two members, and the Jacksonville City Council appoints two members. Except for the initial Board, members are appointed for four-year terms and may not serve more than two consecutive terms. The Secretary of the Department appoints a nonvoting advisor to the Board.

Table 60 represents current NEFRTC Board members. The Board met for the first time on October 30, 2013. After conducting a search and interviewing candidates for the position, the NEFRTC Board selected Joe Stephenson as its

Table 60
Northeast Florida Regional Transportation Commission
Current Commission Members

Name	*Affiliation*	*Position*
Doug Conkey	Clay County	Chairman
James Bennett	Baker County	Vice Chairman
Chip Liabl	Putnam County	Treasurer
Lindsey Brock	Duval County	Secretary
James Johns	St. Johns County	Commission Member
Bill Bishop	Duval County	Commission Member
Ennis Davis	Duval County	Commission Member
Sam Newby	Duval County	Commission Member
Daniel Leeper	Nassau County	Commission Member

Executive Director and approved his contract in April 2014. Mr. Stephenson's most recent annual contract, effective October 1, 2016, included an option for either party to terminate the contract upon a 90 day notice in order to accommodate the future retirement plans of Mr. Stephenson. Effective April 17, 2017 (FY 2017), the NEFRTC Board selected Alan Mosley to serve as its new Executive Director. The Board amended its contract with Mr. Stephenson to provide monthly invoicing, on an hourly basis, for support through the transition to the end of September 2017.

Northeast Florida Regional Transportation Study Commission

At the direction of the 2009 Florida Legislature, through the Department, 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 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 result of this report, on June 4, 2010, Governor Crist signed SB 2470 into law creating the Northeast Florida Regional Transportation Study Commission (NFRTSC). The Chairman of the Board of JTA, served as the Chair of the NFRTSC. Other members included representatives from each of the seven counties in northeast Florida. Additionally, the Chair of the North Florida TPO, Chair of the Northeast Florida Regional Council and the District Two Secretary of the Department serve as ex-officio, non-voting members. JTA provided staff support and other assistance as deemed necessary for the NFRTSC to carry out its duties. As required, the NFRTSC submitted a report to the Governor and Legislature prior to December 31, 2012, detailing its findings and making specific legislative recommendations including a regional transportation plan. Subsequently, the 2013 Legislature passed SB 606 that created NEFRTC, effective July 1, 2013.

Statutory Requirements

Legislation requires NEFRTC to conduct specific activities with prescribed deadlines. These requirements include inaugural Board meeting activities, regular public Board meetings, funding, statements of financial interest, and developing a Regional Transportation Plan and Implementation Plan. Table 61 lists those statutory requirements and indicates whether those requirements have been met.

NEFRTC met for the first time on October 30, 2013 where the Board: Drew lots to determine which members would serve initial terms of two, three or four years; elected officers; and presented a draft of its Bylaws which govern the Commission. The Board did not meet within 60 days after creation as required by Section 343.1003 (9), Florida Statutes. NEFRTC was created on July 1, 2013 and held their first Board meeting on October 30, 2013 (121 days after creation). At the inaugural Board meeting, a presentation on the Sunshine Law, Public Records, Conflict of Interest, and the Code of Ethics for Public Officers and Employees was provided. FTC staff also provided a presentation to Board members regarding the FTC and its oversight role of NEFRTC. NEFRTC, with the consent of JTA's Executive Director, agreed to use JTA's legal counsel in an advisory capacity.

As required, NEFRTC has met at least quarterly, and most of the time meets monthly. Meetings are

Table 61
Northeast Floirda Regional Transportation Commission
Statutory Requirements

Subject Area	Requirement	Status
Inaugural Meeting	The first meeting of NEFRTC shall be held within 60 days after the creation of NEFRTC. (Section 343.1003 (9), Florida Statutes)	The Board did not meet within 60 days after creation as statutorily required. NEFRTC was created on July 1, 2013, and held their first Board meeting on October 30, 2013 (121 days after creation).
	Initial appointees shall draw lots at the first NEFRTC Board meeting to determine which members shall serve inital terms of 2, 3 or 4 years. (Section 343.1003 (2)(a-b), Florida Statutes)	Lots were drawn as required at the inaugural Board meeting.
	At its inaugural meeting, and annually thereafter, the NEFRTC Board shall elect a chair, vice chair, secretary, and treasurer, to serve for a term of 1 year. No person may hold the office of chair for more than two consecutive terms. (Section 343.1003 (8), Florida Statutes)	An election of officers was held at the inaugural Board meeting on October 30, 2013. On December 3, 2014 the NEFRTC Board elected to continue with the current slate of officers for 2015. On December 2, 2015 and December 14, 2016 the Board again held election of officers.
	At its inaugural meeting, the Board shall establish the duties and powers of its officers and initial rules of conduct and meeting procedures. (Section 343.1003 (7), Florida Statutes)	Draft NEFRTC Bylaws were presented at the inaugural Board meeting on October 30, 2013 and were subsequently amended in January 2014 and December 2014.
Regular Public Meetings	NEFRTC shall hold regular public meetings at the times and locations determined by the chair but, if feasible, at least quarterly. (Section 343.1011 (1), Florida Statutes)	The Board has met at least quarterly since October 2013. Meetings are now held at the North Florida TPO in Jacksonville.
Funding	In order to carry out the purposes and powers of the NEFRTC for its first 5 years, NEFRTC shall timely request annually that each constituent county appropriate a cash contribution of up to 30 cents per capita per year to support its budget; however, the contribution of Duval County may not exceed 45 percent of the NEFRTC budget for any fiscal year. (Section 343.1004 (3), Florida Statutes)	The Board adopted a FY 2014 Budget of $215 thousand in October 2013 utilizing per capita assessments of 21.17 cents for all constituent counties except Duval which was assessed at 11.19 cents. FY 2015, FY 2016, and FY 2017 per capita assessments of 21.28 cents (11.20 cents for Duval) were adopted in September 2014, September 2015, and September 2016, respectively. The amended FY 2017 budget of $435 thousand includes a balance carryforward of $220 thousand from FY 2016.
Statement of Financial Interest	Notwithstanding Section 348.0003(4)(c), Board members shall file a statement of financial interest with the Commission on Ethics pursuant to Section 112.3145. (Section 343.1003 (6), Florida Statutes)	Required financial interest forms were properly filed with the Florida Commission on Ethics (Form Year 2015).
Regional Transportation Plan and Implementation Plan	Before the Regional Transportation Plan or Implementation Plan is adopted, public hearings shall be conducted by NEFRTC in each of the counties affected, at least one of which must be before the Board. (Section 343.1011 (2), Florida Statutes)	Completed. Public hearings in the six counties were conducted between November 2016 and March 2017. The public hearing in Duval County was held before the NEFRTC Board in December 2016.
	Develop a multimodal and prioritized Regional Transportation Plan and Implementation Plan and present the plan and updates to the governing bodies of the constituent counties within 90 days after adoption. (Section 343.1004 (1)(a-b), Florida Statutes)	The NEFRTC Board adopted the Regional Multimodal Transportation Plan (RMTP) on April 12, 2017 and provided the RMTP to the required counties by July 11, 2017 (90 days after adoption).
	NEFRTC will be repealed on November 30, 2018, unless: NEFRTC has adopted the regional transportation plan and the impementation plan, and at least Clay, Duval, Nassau, and St. Johns Counties have adopted resolutions endorsing such plans; and adequate funding sources to carry out the initial phases of such plans have been secured. (Section 343.1013, Florida Statutes)	Currently, only Baker County has formally adopted a resolution endorsing the RMTP. The other five counties have votes scheduled, or are in the process of being scheduled.
	Update the Regional Transportation Plan and Implementation Plan at least every other year. (Section 343.1004 (1)(b), Florida Statutes)	This compliance issue is not yet applicable to NEFRTC.

held at the North Florida TPO in Jacksonville. For its first five years, NEFRTC is required to annually request a per capita cash contribution from the constituent counties to support its budget. The NEFRTC Board approved a FY 2014 budget of $215 thousand in October 2013 utilizing per capita assessments of 21.17 cents for all constituent counties except Duval (11.19 cents for Duval). FY 2015, FY 2016, and FY 2017 per capita assessments of 21.28 cents (11.20 cents for Duval) were adopted in September 2014, September 2015, and September 2016, respectively. The amended FY 2017 budget of $435 thousand includes a balance carry-forward of $220 thousand from FY 2016. Required financial interest forms were properly filed with the Florida Commission on Ethics.

The multimodal and prioritized regional transportation plan, titled the “Regional Multimodal Transportation Plan” (RMTP) was approved in final draft form by the NEFRTC Board on September 14, 2016. This plan includes specific projects and priorities, an implementation component and identified funding sources to carry out the initial phases of the plan. Public hearings in the six constituent counties (Clay, Duval, Nassau, St. Johns, Baker, and Putnam Counties) were conducted between November 2016 and March 2017 to consider public and elected officials’ input on the Draft RMTP before final adoption of the RMTP by the NEFRTC Board on April 12, 2017. The public hearing in Duval County was held before the NEFRTC Board on December 14, 2016.

NEFRTC indicated that the RMTP Report was provided to the six constituent counties’ governing boards by July 11, 2017 (90 days after adoption on April 12, 2017) as required. Also, formal presentations have been or are being scheduled with the six Board of County Commissioners.

NEFRTC will be repealed on November 30, 2018 unless at least Clay, Duval, Nassau, and St. Johns Counties have adopted resolutions endorsing the RMTP and adequate funding sources to carry out the initial phase of the RMTP have been secured. Currently, Baker County is the only one of the six counties that has formally adopted the RMTP resolution. The other five counties have votes scheduled or being scheduled. The process has been somewhat complicated by the FY 2018 budget processes that are ongoing in each of the constituent counties.

Current Activities

The NEFRTC Board accepted three documents that were combined into one final draft Regional Multimodal Transportation Plan (RMTP). The three completed RMTP components included the NEFRTC Regional Transportation Corridor Priorities Plan, developed as a part of the North Florida TPO Long Range Transportation Plan, the Economic Analysis to evaluate specific funding options for each project, and the Regional Transit Action Plan (RTAP) to develop a long term regional transit vision and to identify short term implementable regional transit projects. NEFRTC issued a Request for Proposals and selected a consultant in June 2016 to prepare the final draft RMTP in cooperation with NEFRTC staff and consultants. As previously noted, public hearings were held in the six constituent counties to consider public input before final adoption of the RMTP by the NEFRTC Board on April 12, 2017. This plan includes specific projects and priorities, an implementation component and identified funding sources to carry out the initial phases of the plan.

In developing the RMTP, it became clear that the NEFRTC could add value to the region’s transportation system through advocacy, the coordination of regional transit, and the establishment of a seamlessly connected regional transit system. Northeast Florida is currently served by six transit systems, operated by; JTA, Sunshine Bus Company, Clay County Transit, Nassau County Transit, Ride Solutions and the Baker County Council on Aging. Northeast Florida is poised to grow by nearly 600 thousand people by 2040. The region is currently experiencing increasing transportation bottlenecks and peak hour congestion that is beginning to impact quality of life, safety and economic growth.

In order to implement the RTAP, NEFRTC created a Regional Transit Coordinating Committee (RTCC) to provide open discussions and information exchange between members. In August 2016, the Board approved RTCC appointments from the regional transit operators, the Northeast Florida Regional Council, and the North Florida TPO. The Department remains a key stakeholder in the RTCC. Bill Bishop was approved as the NEFRTC Board liaison to the RTCC. The Board approved a contract for a consultant to assist with the process. The RTCC membership was further expanded to include a planning staff person responsible for transportation or transit from each of the counties' planning departments.

The RTCC has defined a list of priority projects that allows for a deeper level of coordination required for transit to become the connective tissue, linking citizens and visitors of the region to each other. The RTCC work product will become the centerpiece and core mission of the NEFRTC. One of the top priorities of the NEFRTC will be to work with the region's Chambers of Commerce and Economic Development Offices to define how transit can be part of the continued sustainable development of Northeast Florida.

The NEFRTC found synergies to past regional development efforts which included public and private sector stakeholders. The Northeast Florida Reality Check, a public and private sector led visioning effort, included the Northeast Florida Regional Council and JAXUSA Partnerships (the region's Chambers of Commerce and Economic Development Offices). This group collaboratively worked to create and define a vision for Northeast Florida. They envisioned an efficient set of transportation systems and anticipated that a new demographic would emerge. Their "First Coast Vision" articulated a pattern of growth which balanced the need for economic growth with environmental stewardship and equity.

Recently, the public and private sector collaborated on the "Innovate Northeast Florida" effort which clearly defined the region's economic drivers; logistics, aviation, information technology, health sciences, financial and advanced manufacturing. This now plays predominantly in the Innovate 2.0 Northeast Florida application that has, as one of its cornerstones, the link between transit and creating the mobile workforce that will thrive in the new economy linking Florida to the emerging Global Economy and the realities that lie beyond.

The NEFRTC will continue to collaborate with public and private sector led efforts and the emerging focus on SMART Cities which looks to drop the "Internet of Things" deeper into the transportation space.

Performance Measures and Operating Indicators

As an emerging transportation commission, NEFRTC 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 (FTC) developed "governance" criteria for assessing each authority's adherence to statutes, policies and procedures. To that end, the FTC 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

In April 2015, the NEFRTC Board formally approved an Ethics and Conflict of Interest Policy by adopting the provisions of Chapter 112, Part III, Florida Statutes (Code of Ethics for Public Officers and Employees). The policy requires all Board members and staff to read and comply with the statutory requirements and provides for periodic formal presentations reviewing the provisions of Chapter 112 at a regularly scheduled Board meeting. NEFRTC indicated that there have been no ethics or conflict of interest violations or investigations. NEFRTC also indicated that one Board member abstained from voting due to conflict of interest and a Commission on Ethics Forms 8B "Memorandum of Voting Conflict for County Municipal and Other Local Public Officers" was submitted. As previously noted, a presentation on the Sunshine Law, Public Records, Conflict of Interest, and the Code of Ethics for Public Officers and Employees was provided at the October 30, 2013 Board meeting. The NEFRTC Executive Director provided two new Board members appointed in FY 2015 with copies of the NEFRTC Ethics and Conflict of Interest Policy along with the applicable Florida Statutes. Seven of the nine Board members are current or past elected officials who received ethics, conflict of interest, public records and public meeting training as part of those positions. In addition, the NEFRTC General Counsel monitors Board meetings to assure compliance with applicable laws and regulations.

Audits

An annual independent audit of NEFRTC financial statements for the fiscal year ended September 30, 2016 was performed. This is the third audit of NEFRTC. The Independent Auditor's Report, dated March 8, 2017, indicated that the financial statements were prepared in conformity with GAAP and received an unmodified opinion. The Independent Auditor's Report on Internal Control Over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards 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 Management Letter did not have any recommendations for improvement.

Public Records and Open Meetings

NEFRTC must comply with the requirements of Chapters 119, 189 and 286, Florida Statutes. NEFRTC reported that there have been no violations or allegations of non-compliance. The NEFRTC website, www.nefrtc.com, includes notices of public meetings, agendas, and minutes of meetings. Pursuant to Section 189.015, Florida Statutes, NEFRTC (an Independent Special District) is required to publish a schedule of its Board meetings with the local governing authorities and in a newspaper of general paid circulation in the counties in which it is located. FTC staff reviewed an advertisement for Board meetings published in the *Florida Times-Union*. Based on this limited review, it appears that NEFRTC is operating within procedure and statute.

Procurement

NEFRTC reported actual expenditures of approximately $231 thousand in FY 2016. NEFRTC had only one staff member in FY 2016, an Executive Director, who was retained under a contract for services. Office space, basic administrative support and fiscal management services for NEFRTC are provided for a negotiated annual fee by the North Florida TPO. NEFRTC can piggyback on purchasing agreements of other special districts, municipalities, counties, and other agencies which have been procured in compliance with the requirements set forth by NEFRTC.

In May 2014, the NEFRTC Board delegated expenditure and check signing authority of up to $5 thousand to the Executive Director. Board approval is required, and checks must be signed by the NEFRTC Chairman or Treasurer, for all purchases of goods or services exceeding $5 thousand.

In March 2015, the Board adopted the NEFRTC Accounting Manual as a guide to the financial policies and procedures of the commission. The Accounting Manual was subsequently amended in May 2015 to improve its consistency with the procurement procedures of the Jacksonville Transportation Authority. The expenditure authority delegated to the Executive Director for purchasing, contracting for services and signing checks remained at $5 thousand. Purchases and checks up to $20 thousand can now be approved and signed by the NEFRTC Chairman or Treasurer without prior Board approval. Board approval is required for the purchase of goods and services and the issuance of checks that exceed $20 thousand. The NEFRTC Board is provided a monthly Treasurer's Report that reflects all transactions. NEFRTC staff relies on JTA for procurement and purchasing advice and assistance. It was determined that the most appropriate method of procuring the services of an economic consultant, was through subcontract with JTA's General Engineering Consultant. This necessitated a Memorandum of Understanding (MOU) between JTA and NEFRTC. A similar MOU will be required for any future sub-contract procurement, but not for other NEFRTC purchasing or procurement.

Consultant Contract Reporting

NEFRTC has not secured a general consultant, making this governance item not applicable for FY 2016. Work being done on behalf of NEFRTC in FY 2016 includes RS&H incorporating feedback from public hearings to update the Regional Multimodal Transportation Plan, Regional Mobility Group managing the Regional Transit Coordinating Committee, and M. Victoria Pennington Marketing and Public Affairs updating the NEFRTC website and developing a marketing plan and a regional branding initiative. None of these consultants utilized sub consultants over $25 thousand.

Compliance with Bond Covenants

NEFRTC has not issued bonds; therefore, this governance item is not yet applicable. It does not appear that NEFRTC has the authority to issue bonds.

Website Compliance

The 2014 Legislature passed, and Governor Scott signed into law, Senate Bill 1632 that significantly amended Chapter 189, Florida Statutes (Uniform Special District Accountability Act). A new Section 189.069, Florida Statutes, requires special districts to maintain an official internet website by October 1, 2015. The website must contain information including contact information and the term and appointing authority for each member of the governing body, public purpose, fiscal year, the district's charter and statutes under which it operates, service area and services provided, fees and charges imposed and collected, adopted code of ethics, budget, and complete audit report. Effective October 1, 2016, House Bill 479, passed by the 2016 Legislature, further amended Chapter 189, Florida Statutes. NEFRTC management indicated that it conducted a review of its website to ensure compliance with the new statutory requirements.

Summary

The Florida Transportation Commission (FTC) review of NEFRTC was conducted with the cooperation and assistance of NEFRTC and relied heavily on documentation and assertions provided by NEFRTC. The FTC's approach primarily consisted of a review of agendas and minutes of Board meetings, policies and procedures that have been adopted by NEFRTC, various contracts, and a review of the NEFRTC budget and audited financial statements.

On July 1, 2013, pursuant to Senate Bill 606, the newly created NEFRTC became subject to FTC oversight. The Authority was created for the purposes of improving mobility and expanding multimodal transportation options for persons and freight throughout Baker, Clay, Duval, Nassau, Putnam, and St. Johns Counties. NEFRTC must develop a multimodal and prioritized Regional Transportation Plan consisting of transportation projects of regional significance as well as an Implementation Plan that identifies funding to execute the Regional Transportation Plan. The enabling legislation (Chapter 343, Part I, Florida Statutes) has a sunset provision whereby NEFRTC will be repealed on November 30, 2018 unless the plans have been endorsed by four of the specified constituent counties and adequate funding sources to carry out the initial phases of such plans have been secured.

NEFRTC met for the first time on October 30, 2013 where the Board: drew lots to determine which members would serve initial terms of two, three or four years; elected officers; and presented a draft of its Bylaws which govern NEFRTC. NEFRTC was created on July 1, 2013 and held their first Board meeting on October 30, 2013 (121 days after creation). At the inaugural Board meeting, a presentation on the Sunshine Law, Public Records, Conflict of Interest, and the Code of Ethics for Public Officers and Employees was provided. FTC staff also made a presentation to Board members regarding the FTC and its oversight role of NEFRTC. NEFRTC, with the consent of JTA's Executive Director, agreed to use JTA's legal counsel in an advisory capacity.

For its first five years, NEFRTC is required to annually request a per capita cash contribution from the constituent counties to support its budget. The NEFRTC adopted FY 2014, FY 2015, FY 2016, and FY 2017 budgets totaling $215 thousand, $368 thousand, $450 thousand, and $435 thousand, respectively. The per capita annual assessments were approximately 21 cents for all constituent counties except Duval which approximated 11 cents, pursuant to the statutory funding formula. A balance carry-forward of $153 thousand from FY 2014 is included in the FY 2015 budget, a balance carry-forward of $235 thousand from FY 2015 is included in the FY 2016 budget, and a balance carry-forward of $220 thousand from FY 2016 is included in the FY 2017 budget.

NEFRTC had only one staff member in FY 2016, an Executive Director, who was retained under a contract for services. Mr. Stephenson's most recent annual contract, effective October 1, 2016, included an option for either party to terminate the contract upon a 90 day notice in order to accommodate the future retirement plans of Mr. Stephenson. Effective April 17, 2017 (FY 2017), the NEFRTC Board selected Alan Mosley to serve as its new Executive Director. The Board amended its contract with Mr. Stephenson to provide monthly invoicing, on an hourly basis, for support through the transition to the end of September 2017.

Office space, basic administrative support and fiscal management services for NEFRTC are provided for a negotiated annual fee by the North Florida Transportation Planning Organization (TPO). In March 2015, the Board adopted the NEFRTC Accounting Manual as a guide to the financial policies and procedures of NEFRTC. The Accounting Manual was subsequently amended in May 2015 to improve its consistency with the procurement procedures of the Jacksonville Transportation Authority. NEFRTC can piggyback on purchasing agreements of other special districts, municipalities, counties, and other agencies which have been procured in compliance with the requirements set forth by NEFRTC.

The NEFRTC Board accepted three documents that were combined into one final draft Regional Multimodal Transportation Plan (RMTP). The three completed RMTP components included the NEFRTC Regional Transportation Corridor Priorities Plan, developed as a part of the North Florida TPO Long Range Transportation Plan, the Economic Analysis to evaluate specific funding options for each project, and the Regional Transit Action Plan (RTAP) to develop a long term regional transit vision and to identify short term implementable regional transit projects. NEFRTC issued a Request for Proposals and selected a consultant in June 2016 to prepare the final draft RMTP in cooperation with NEFRTC staff and consultants. As statutorily required, public hearings were held in the six constituent counties to consider public input before final adoption of the RMTP by the NEFRTC Board on April 12, 2017. This plan includes specific projects and priorities, an implementation component and identified funding sources to carry out the initial phases of the plan.

Currently NEFRTC is seeking to obtain resolutions from the constituent counties adopting the RMTP by November 30, 2018 as statutorily required.

In the area of governance, the FY 2016 independent financial statement audit, dated March 8, 2017, reflected an unmodified opinion. This is the third audit of NEFRTC. No issues related to internal control or compliance were reported by the auditors. In the Independent Auditor's Management Letter, the auditors did not have any recommendations for improvement.

Based on the FTC's review of Board meeting minutes, NEFRTC policies and procedures, Florida Statutes, Financial Statements, and other documentation provided by NEFRTC, 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 FTC were noted.

The FTC encourages the NEFRTC to continue to develop and implement policies and procedures to ensure proper governance of the NEFRTC as operations expand with ongoing activities. The FTC acknowledges with appreciation the assistance of the NEFRTC Board and staff in providing the resources necessary to conduct this review and to complete this report.

PLAN FOR FISCAL YEAR 2017

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Plan for Fiscal Year 2017

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 objectives 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 various changes to performance measures, objectives and operating indicators for FY 2008. Most of the previous performance measures and operating indicators remained unchanged but some were modified and new performance measures and operating indicators were introduced. A similar process was implemented for the FY 2016 report and resulted in significant changes to performance measures, management objectives 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.

The Commission continues to replicate the successful process used for monitoring and oversight and 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.

It is anticipated that the Commission’s committee to oversee the continuing effort of transportation authority monitoring will consider any enhancements or changes to FY 2017 performance measures, management objectives, operating indicators, governance areas, and reporting format during scheduled teleconferences and/or workshops. Activities for FY 2017 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.

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 information.

The Commission intends to continue occasional monitoring of authority board or committee meetings during 2017 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 management objectives, 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 monitor the 2017 legislature to identify any legislative changes that may affect its oversight role. During the summer and fall of 2017, 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. The Commission will then submit a comprehensive annual report to the 2018 legislature that provides the status and findings of transportation authorities under its oversight.

APPENDIX A—AUTHORITY DATA

Performance Measures Florida Transportation Commission 2016

Five Year Trend for Toll Authority Performance Measures and Reportable Indicators

Toll Authority Name: MIAMI-DADE EXPRESSWAY AUTHORITY (MDX)

Official Reporting Period: July 1 through June 30

Operations:

	Objective	2012	2013	2014	2015	2016
Growth in Value of Transportation Assets		$ 1,200,243,493	$ 1,287,972,802	$ 1,383,016,309	$ 1,490,859,958	$ 1,579,534,220
Land Acquisition		292,095,225	316,865,423	324,145,357	484,223,266	495,900,171
Infrastructure Assets		470,678,234	517,094,675	496,325,419	588,263,886	615,416,142
Construction in Progress		437,470,034	454,012,704	562,545,533	418,372,806	468,217,907
Preservation of Transportation Assets		$ 6,548,707	$ 5,887,349	$ 6,396,521	$ 6,843,241	$ 7,001,683
Renewal & Replacement of Infrastructure		-	-	-	-	-
Routine Maintenance of Infrastructure		6,548,707	5,887,349	6,396,521	6,843,241	7,001,683
SHS Maintenance Rating Program (MRP) Rating	≥ 90	90.6	92.2	92.6	91.0	92.3
Pavement Condition Rating						
SHS Lane Miles rated "excellent or good"	> 85%	92.3%	91.4%	95.6%	92.9%	95.2%
Bridge Condition Rating						
Bridge Structures rated "excellent or good"	> 95%	97.6%	97.6%	98.3%	99.1%	99.1%
SHS Bridge Structures with posted weight restrictions	0%	0.0%	0.0%	0.0%	0.0%	0.0%
Toll Collection Transactions						
Electronic Transactions		95.9%	96.2%	97.9%	99.6%	100.0%
Revenue from Electronic Transactions		86.6%	85.3%	92.9%	90.1%	100.0%
Annual Revenue Growth						
Toll & Operating Revenue		0.7%	9.7%	-4.0%	41.2%	28.3%
Revenue Variance						
Actual Revenue with "recovery of fines"		94.7%	98.1%	88.5%	92.7%	95.3%
Actual Revenue without "recovery of fines"		94.5%	98.0%	88.3%	90.6%	90.3%
Actual Revenue without "recovery of fines" (3-year moving average)	< 4% (96%)	96.5%	96.7%	93.5%	92.0%	89.9%
Safety						
MRP Safety Characteristic - Signing	> 90	94	94	97	90	92
MRP Safety Characteristic - Striping	> 95	86	89	89	88	90
MRP Safety Characteristic - Guardrail	> 80	87	87	91	86	84
MRP Safety Characteristic - Lighting	> 85	87	82	85	79	81
Fatalities per 100 million vehicle miles traveled		0.644	0.817	0.266	0.781	N/A
Customer Service						
Average Customer Call Wait Time	> 80% within 1 min.	N/A	N/A	N/A	N/A	81.0%
Image Review Processing Time	> 90% reviewed in < 2 weeks	N/A	N/A	N/A	N/A	99.3%

Operations & Budget:

	Objective	2012	2013	2014	2015	2016
Consultant Contracts						
Final Cost % increase above Original Award	< 5%	1.1%	13.3%	N/A	3.5%	0.0%
Construction Contracts						
Completed within 20% above original contract time	≥ 80%	100.0%	100.0%	N/A	100.0%	80.0%
Completed within 10% above original contract amount	≥ 90%	100.0%	100.0%	N/A	100.0%	100.0%
Cost to Collect a Toll Transaction						
Cost to Collect a Transaction (net of exclusions)		$0.06	$0.03	$0.06	$0.06	$0.05
Operating Efficiency						
Toll Collection Expense as a % of Operating Expense		40.3%	29.6%	35.6%	43.7%	46.8%
Routine Maintenance Expense as a % of Operating Expense		10.8%	10.4%	9.7%	9.2%	8.4%
Administrative Expense as a % of Operating Expense		8.3%	9.1%	10.2%	8.0%	9.2%
Operating Expense as a % of Operating Revenue		49.0%	41.6%	50.9%	40.7%	35.2%
Toll Collection Expense (net of exclusions) as a % of Toll Revenue	< 12%	11.7%	5.6%	11.3%	10.4%	10.5%
Annual OM&A Forecast Variance						
Actual OM&A Expenses to Annual Budget	< 110%	96.4%	77.9%	91.6%	95.2%	96.6%
Rating Agency Performance						
Operations & Maintenance Expense as a % of Total Revenue		25.1%	16.7%	23.0%	21.5%	19.4%

Performance Measures Florida Transportation Commission 2016

Five Year Trend for Toll Authority Performance Measures and Reportable Indicators

Toll Authority Name: MIAMI-DADE EXPRESSWAY AUTHORITY (MDX)

Official Reporting Period: July 1 through June 30

Applicable Laws:

	Objective	2012	2013	2014	2015	2016
Minority Participation						
M/WBE & SBE Utilization as a % of Total Expenditures	> 90% of agency target:	16.8%	22.6%	13.6%	12.3%	10.9%

Revenue Management & Bond Proceeds:

	Objective	2012	2013	2014	2015	2016
Debit Service Coverage						
Bonded/Commercial Debt ((Rev-Interest)-(Toll+Maint))/Comm Debt		1.26	1.50	1.59	2.27	2.20
Comprehensive Debt ((Rev-Interest)-(Toll+Maint))/All Debt		1.11	1.34	1.42	2.10	1.86
Authority Compliance with Bond Covenants for Debt Service Coverage	Yes	Yes	Yes	Yes	Yes	Yes
Bond Rating ≥ BBB, Baa, and BBB and No Downward Rating from Previous Year	Yes	Yes	No	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	A2
Fitch Bond Rating		A-	A-	A-	A	A

Property Acquisition:

	Objective	2012	2013	2014	2015	2016
Right-of-Way						
# Projects Requiring ROW Acquisition		N/A	N/A	N/A	N/A	3
# Parcels Needed to be Acquired for Projects		N/A	N/A	N/A	N/A	20
# Parcels Acquired via Negotiations		N/A	N/A	N/A	N/A	19
# Parcels Acquired via Condemnation		N/A	N/A	N/A	N/A	1
# Parcels Acquired with Final Judgements at or Less than one half the range of contention		N/A	N/A	N/A	N/A	-

Performance Measures Florida Transportation Commission 2016

Five Year Trend for Toll Authority Performance Measures and Reportable Indicators

Toll Authority Name: CENTRAL FLORIDA EXPRESSWAY AUTHORITY (CFX)

Official Reporting Period: July 1 through June 30

Operations:

	Objective	2012	2013	2014	2015	2016
Growth in Value of Transportation Assets		$ 3,170,741,000	$ 3,304,344,000	$ 3,423,945,000	$ 3,597,288,000	$ 3,799,865,000
Land Acquisition		549,092,000	655,588,000	658,362,000	657,301,000	657,379,000
Infrastructure Assets		2,177,126,000	2,509,704,000	2,535,425,000	2,610,985,000	2,707,363,000
Construction in Progress		444,523,000	139,052,000	230,158,000	329,002,000	435,123,000
Preservation of Transportation Assets		$ 26,050,000	$ 14,476,000	$ 14,770,000	$ 18,394,000	$ 29,566,000
Renewal & Replacement of Infrastructure		13,679,000	880,000	468,000	3,975,000	15,964,000
Routine Maintenance of Infrastructure		12,371,000	13,596,000	14,302,000	14,419,000	13,602,000
SHS Maintenance Rating Program (MRP) Rating	> 90	93.0	93.0	90.0	90.0	89.0
Pavement Condition Rating						
SHS Lane Miles rated "excellent or good"	> 85%	95.1%	97.7%	98.0%	98.0%	93.0%
Bridge Condition Rating						
Bridge Structures rated "excellent or good"	> 95%	99.3%	99.3%	99.3%	99.3%	98.6%
SHS Bridge Structures with posted weight restrictions	0%	0.0%	0.0%	0.0%	0.0%	0.0%
Toll Collection Transactions						
Electronic Transactions		76.0%	79.2%	80.3%	81.4%	82.8%
Revenue from Electronic Transactions		74.7%	75.6%	76.9%	78.1%	79.4%
Annual Revenue Growth						
Toll & Operating Revenue		1.7%	13.8%	7.2%	10.3%	11.6%
Revenue Variance						
Actual Revenue with "recovery of fines"		98.9%	99.0%	98.9%	98.7%	98.1%
Actual Revenue without "recovery of fines"		98.2%	97.9%	97.6%	97.1%	96.2%
Actual Revenue without "recovery of fines" (3-year moving average)	< 4% (96%)	97.6%	97.9%	97.9%	97.5%	96.9%
Safety						
MRP Safety Characteristic - Signing	> 90	91	91	94	90	93
MRP Safety Characteristic - Striping	> 95	97	97	98	98	98
MRP Safety Characteristic - Guardrail	> 80	87	99	87	94	89
MRP Safety Characteristic - Lighting	> 85	94	98	89	95	92
Fatalities per 100 million vehicle miles traveled		0.340	0.217	0.201	0.261	N/A
Customer Service						
Average Customer Call Wait Time	> 80% within 1 min.	N/A	N/A	N/A	N/A	52.8%
Image Review Processing Time	> 90% reviewed in < 2 weeks	100.0%	100.0%	100.0%	100.0%	100.0%

Operations & Budget:

	Objective	2012	2013	2014	2015	2016
Consultant Contracts						
Final Cost % increase above Original Award	< 5%	-3.8%	0.5%	16.3%	-2.6%	8.9%
Construction Contracts						
Completed within 20% above original contract time	≥ 80%	100.0%	88.2%	100.0%	100.0%	100.0%
Completed within 10% above original contract amount	≥ 90%	100.0%	100.0%	100.0%	100.0%	100.0%
Cost to Collect a Toll Transaction						
Cost to Collect a Transaction (net of exclusions)		$0.11	$0.11	$0.10	$0.10	$0.09
Operating Efficiency						
Toll Collection Expense as a % of Operating Expense		36.8%	43.9%	46.3%	46.2%	43.6%
Routine Maintenance Expense as a % of Operating Expense		13.8%	17.5%	18.7%	17.8%	14.6%
Administrative Expense as a % of Operating Expense		6.3%	7.1%	6.6%	6.9%	6.9%
Operating Expense as a % of Operating Revenue		33.5%	25.6%	23.5%	22.5%	23.3%
Toll Collection Expense (net of exclusions) as a % of Toll Revenue	< 12%	12.3%	11.2%	11.0%	10.5%	9.7%
Annual OM&A Forecast Variance						
Actual OM&A Expenses to Annual Budget	< 110%	92.7%	95.6%	95.3%	95.8%	89.5%
Rating Agency Performance						
Operations & Maintenance Expense as a % of Total Revenue		17.0%	15.7%	15.3%	14.4%	13.6%

Performance Measures Florida Transportation Commission 2016

Five Year Trend for Toll Authority Performance Measures and Reportable Indicators

Toll Authority Name: CENTRAL FLORIDA EXPRESSWAY AUTHORITY (CFX)

Official Reporting Period: July 1 through June 30

Applicable Laws:

	Objective	2012	2013	2014	2015	2016
Minority Participation						
M/WBE & SBE Utilization as a % of Total Expenditures	> 90% of agency target:	19.2%	25.0%	20.0%	8.2%	21.4%

Revenue Management & Bond Proceeds:

	Objective	2012	2013	2014	2015	2016
Debit Service Coverage						
Bonded/Commercial Debt ((Rev-Interest)-(Toll+Maint))/Comm Debt		1.52	1.94	1.98	2.19	2.41
Comprehensive Debt ((Rev-Interest)-(Toll+Maint))/All Debt		1.47	1.74	1.62	1.81	2.08
Authority Compliance with Bond Covenants for Debt Service Coverage	Yes	Yes	Yes	Yes	Yes	Yes
Bond Rating $\geq$ BBB, Baa, and BBB and No Downward Rating from Previous Year	Yes	Yes	Yes	Yes	Yes	Yes
Underlying Bond Ratings from Agencies						
S&P Bond Rating		A	A	A	A	A
Moody's Bond Rating		A2	A2	A2	A2	A2
Fitch Bond Rating		A	A	A	A	A

Property Acquisition:

	Objective	2012	2013	2014	2015	2016
Right-of-Way						
# Projects Requiring ROW Acquisition		1	1	1	3	3
# Parcels Needed to be Acquired for Projects		-	98	114	39	2
# Parcels Acquired via Negotiations		-	2	4	9	6
# Parcels Acquired via Condemnation		-	-	29	80	24
# Parcels Acquired with Final Judgements at or Less than one half the range of contention		4	1	1	16	23

Performance Measures Florida Transportation Commission 2016

Five Year Trend for Toll Authority Performance Measures and Reportable Indicators

Toll Authority Name: SANTA ROSA BAY BRIDGE AUTHORITY (SRBBA)

Official Reporting Period: July 1 through June 30

Operations:

	Objective	2012	2013	2014	2015	2016
Growth in Value of Transportation Assets[1]		$ -	$ -	$ -	$ -	$ -
Land Acquisition[1]		-	-	-	-	-
Infrastructure Assets[1]		-	-	-	-	-
Construction in Progress[1]		-	-	-	-	-
Preservation of Transportation Assets		$ 195,817	$ 147,529	$ 159,215	$ 101,639	$ 81,982
Renewal & Replacement of Infrastructure		-	-	-	-	-
Routine Maintenance of Infrastructure		195,817	147,529	159,215	101,639	81,982
SHS Maintenance Rating Program (MRP) 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		37.6%	38.5%	39.2%	42.7%	43.6%
Revenue from Electronic Transactions		34.0%	34.8%	36.1%	39.3%	41.0%
Annual Revenue Growth						
Toll & Operating Revenue		7.4%	3.1%	10.3%	8.2%	12.1%
Revenue Variance						
Actual Revenue with "recovery of fines"		98.3%	98.5%	98.5%	98.3%	98.5%
Actual Revenue without "recovery of fines"		98.3%	98.5%	98.5%	98.3%	98.5%
Actual Revenue without "recovery of fines" (3-year moving average)	< 4% (96%)	97.1%	97.6%	98.4%	98.4%	98.5%
Safety						
MRP Safety Characteristic - Signing	> 90	N/A	N/A	N/A	N/A	N/A
MRP Safety Characteristic - Striping	> 95	N/A	N/A	N/A	N/A	N/A
MRP Safety Characteristic - Guardrail	> 80	N/A	N/A	N/A	N/A	N/A
MRP Safety Characteristic - Lighting	> 85	N/A	N/A	N/A	N/A	N/A
Fatalities per 100 million vehicle miles		0.0	0.0	0.0	0.0	N/A
Customer Service						
Average Customer Call Wait Time	> 80% within 1 min.	N/A	N/A	N/A	N/A	N/A
Image Review Processing Time	> 90% reviewed in < 2 weeks	N/A	N/A	N/A	N/A	N/A

Operations & Budget:

	Objective	2012	2013	2014	2015	2016
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)		$0.65	$0.63	$0.58	$0.61	$0.54
Operating Efficiency						
Toll Collection Expense as a % of Operating Expense		78.3%	86.6%	85.2%	90.9%	75.6%
Routine Maintenance Expense as a % of Operating Expense		15.1%	12.9%	13.4%	8.2%	5.6%
Administrative Expense as a % of Operating Expense		0.0%	0.0%	0.0%	0.0%	0.0%
Operating Expense as a % of Operating Revenue		28.3%	24.1%	22.8%	21.9%	23.0%
Toll Collection Expense (net of exclusions) as a % of Toll Revenue	< 12%	18.2%	17.3%	16.0%	16.9%	14.7%
Annual OM&A Forecast Variance						
Actual OM&A Expenses to Annual Budget	< 110%	103.2%	96.2%	98.5%	102.4%	94.1%
Rating Agency Performance						
Operations & Maintenance Expense as a % of Total Revenue		26.4%	24.0%	22.5%	21.7%	18.7%

Performance Measures Florida Transportation Commission 2016

Five Year Trend for Toll Authority Performance Measures and Reportable Indicators

Toll Authority Name: **SANTA ROSA BAY BRIDGE AUTHORITY (SRBBA)**

Official Reporting Period: July 1 through June 30

Applicable Laws:

	Objective	2012	2013	2014	2015	2016
Minority Participation						
M/WBE & SBE Utilization as a % of Total Expenditures	> 90% of agency target:	N/A	N/A	N/A	N/A	N/A

Revenue Management & Bond Proceeds:

	Objective	2012	2013	2014	2015	2016
Debit Service Coverage						
Bonded/Commercial Debt ((Rev-Interest)-(Toll+Maint))/Comm Debt		0.44	0.44	0.46	0.47	0.52
Comprehensive Debt ((Rev-Interest)-(Toll+Maint))/All Debt		0.44	0.44	0.46	0.47	0.52
Authority Compliance with Bond Covenants for Debt Service Coverage	Yes	No	No	No	No	No
Bond Rating ≥ BBB, Baa, and BBB and No Downward Rating from Previous Year	Yes	No	No	No	No	No
Underlying Bond Ratings from Agencies						
S&P Bond Rating		D	D	D	D	D
Moody's Bond Rating		Withdrawn	Withdrawn	Withdrawn	Withdrawn	Withdrawn
Fitch Bond Rating		D	Withdrawn	Withdrawn	Withdrawn	Withdrawn

Property Acquisition:

	Objective	2012	2013	2014	2015	2016
Right-of-Way						
# Projects Requiring ROW Acquisition		N/A	N/A	N/A	N/A	N/A
# Parcels Needed to be Acquired for Projects		N/A	N/A	N/A	N/A	N/A
# Parcels Acquired via Negotiations		N/A	N/A	N/A	N/A	N/A
# Parcels Acquired via Condemnation		N/A	N/A	N/A	N/A	N/A
# Parcels Acquired with Final Judgements at or Less than one half the range of contention		N/A	N/A	N/A	N/A	N/A

[1] Land Acquisition, Infrastructure Assets, and Construction in Progress amounts based on the Authority's Federal FY (October 1 through September 30). Beginning in FY 2011, this data is not available because neither an Audit or Accountant's Compilation was prepared. All other data based on the State FY (July 1 through June 30).

Performance Measures Florida Transportation Commission 2016

Five Year Trend for Toll Authority Performance Measures and Reportable Indicators

Toll Authority Name: TAMPA-HILLSBOROUGH EXPRESSWAY AUTHORITY (THEA)

Official Reporting Period: July 1 through June 30

Operations:

	Objective	2012	2013	2014	2015	2016
Growth in Value of Transportation Assets		$ 661,339,000	$ 721,525,797	$ 732,549,211	$ 734,636,444	$ 738,393,702
Land Acquisition		91,037,064	91,037,064	91,037,064	91,037,064	91,037,064
Infrastructure Assets		531,789,782	532,859,869	608,438,947	639,706,213	639,731,641
Construction in Progress		38,512,154	97,628,864	33,073,200	3,893,167	7,624,997
Preservation of Transportation Assets		$ 4,011,944	$ 4,176,449	$ 2,992,131	$ 4,069,533	$ 3,795,988
Renewal & Replacement of Infrastructure		581,568	1,552,155	224,878	1,150,214	870,896
Routine Maintenance of Infrastructure		3,430,376	2,624,294	2,767,253	2,919,319	2,925,092
SHS Maintenance Rating Program (MRP) Rating	> 90	94.0	94.0	94.0	94.0	94.0
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%	96.9%	96.9%	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		100.0%	100.0%	100.0%	100.0%	100.0%
Revenue from Electronic Transactions		100.0%	100.0%	100.0%	100.0%	100.0%
Annual Revenue Growth						
Toll & Operating Revenue		6.2%	-2.7%	7.9%	51.2%	17.5%
Revenue Variance						
Actual Revenue with "recovery of fines"		97.5%	97.2%	96.5%	96.8%	97.7%
Actual Revenue without "recovery of fines"		97.5%	97.2%	96.5%	96.8%	97.7%
Actual Revenue without "recovery of fines" (3-year moving average)	< 4% (96%)	97.3%	97.5%	97.0%	96.8%	97.1%
Safety						
MRP Safety Characteristic - Signing	> 90	90	90	94	88	91
MRP Safety Characteristic - Striping	> 95	91	90	91	91	90
MRP Safety Characteristic - Guardrail	> 80	96	93	93	91	89
MRP Safety Characteristic - Lighting	> 85	91	92	89	88	86
Fatalities per 100 million vehicle miles traveled		0.000	0.355	0.000	0.298	N/A
Customer Service						
Average Customer Call Wait Time	> 80% within 1 min.	N/A	N/A	N/A	N/A	N/A
Image Review Processing Time	> 90% reviewed in < 2 weeks	N/A	N/A	N/A	N/A	100.0%

Operations & Budget:

	Objective	2012	2013	2014	2015	2016
Consultant Contracts						
Final Cost % increase above Original Award	< 5%	1.3%	-8.3%	-0.2%	-8.5%	-27.2%
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%	100.0%	100.0%	100.0%	100.0%	100.0%
Cost to Collect a Toll Transaction						
Cost to Collect a Transaction (net of exclusions)		$0.11	$0.11	$0.08	$0.08	$0.08
Operating Efficiency						
Toll Collection Expense as a % of Operating Expense		31.5%	33.8%	34.4%	34.7%	34.8%
Routine Maintenance Expense as a % of Operating Expense		24.9%	20.5%	23.9%	21.9%	20.5%
Administrative Expense as a % of Operating Expense		19.7%	22.0%	27.5%	25.5%	26.4%
Operating Expense as a % of Operating Revenue		32.0%	30.6%	25.6%	19.5%	17.8%
Toll Collection Expense (net of exclusions) as a % of Toll Revenue	< 12%	8.8%	8.2%	6.8%	5.3%	5.4%
Annual OM&A Forecast Variance						
Actual OM&A Expenses to Annual Budget	< 110%	91.0%	84.1%	95.4%	99.4%	93.9%
Rating Agency Performance						
Operations & Maintenance Expense as a % of Total Revenue		18.1%	16.6%	15.0%	11.1%	9.9%

Performance Measures Florida Transportation Commission 2016

Five Year Trend for Toll Authority Performance Measures and Reportable Indicators

Toll Authority Name: TAMPA-HILLSBOROUGH EXPRESSWAY AUTHORITY (THEA)

Official Reporting Period: July 1 through June 30

Applicable Laws:

	Objective	2012	2013	2014	2015	2016
Minority Participation						
M/WBE & SBE Utilization as a % of Total Expenditures	> 90% of agency target:	12.6%	12.0%	15.0%	15.4%	17.8%

Revenue Management & Bond Proceeds:

	Objective	2012	2013	2014	2015	2016
Debit Service Coverage						
Bonded/Commercial Debt ((Rev-Interest)-(Toll+Maint))/Comm Debt		2.00	1.93	1.94	2.81	3.10
Comprehensive Debt ((Rev-Interest)-(Toll+Maint))/All Debt		1.41	1.55	1.76	2.68	2.86
Authority Compliance with Bond Covenants for Debt Service Coverage	Yes	Yes	Yes	Yes	Yes	Yes
Bond Rating ≥ BBB, Baa, and BBB and No Downward Rating from Previous Year	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	A2
Fitch Bond Rating		A-	-	-	-	-

Property Acquisition:

	Objective	2012	2013	2014	2015	2016
Right-of-Way						
# Projects Requiring ROW Acquisition		-	-	-	-	-
# Parcels Needed to be Acquired for Projects		-	-	-	-	-
# Parcels Acquired via Negotiations		-	-	-	-	-
# Parcels Acquired via Condemnation		-	-	-	-	-
# Parcels Acquired with Final Judgements at or Less than one half the range of contention		-	-	-	-	-

Performance Measures Florida Transportation Commission 2016

Five Year Trend for Toll Authority Performance Measures and Reportable Indicators

Toll Authority Name: **FLORIDA'S TURNPIKE SYSTEM (TURNPIKE)**

Official Reporting Period: July 1 through June 30

Operations:

	Objective	2012	2013	2014	2015	2016
Growth in Value of Transportation Assets		$ 7,574,184,000	$ 7,947,248,000	$ 8,782,318,000	$ 9,138,235,000	$ 9,540,757,000
Land Acquisition		863,355,000	866,624,000	892,855,000	903,572,000	924,181,000
Buildings		-	48,981,000	60,367,000	60,367,000	68,753,000
Infrastructure Assets		6,311,641,000	6,432,812,000	6,878,491,000	7,224,909,000	7,629,841,000
Construction in Progress		399,188,000	598,831,000	950,605,000	949,387,000	917,982,000
Preservation of Transportation Assets		$ 84,342,000	$ 117,809,000	$ 98,925,000	$ 98,352,000	$ 107,453,000
Renewal & Replacement of Infrastructure		44,064,000	81,912,000	62,684,000	59,249,000	64,578,000
Routine Maintenance of Infrastructure		40,278,000	35,897,000	36,241,000	39,103,000	42,875,000
SHS Maintenance Rating Program (MRP) Ratin	> 90	91.0	88.0	89.0	88.0	88.0
Pavement Condition Rating						
SHS Lane Miles rated "excellent or good"	> 85%	98.0%	97.2%	99.9%	99.9%	98.4%
Bridge Condition Rating						
Bridge Structures rated "excellent or good"	> 95%	100.0%	100.0%	98.6%	98.8%	99.2%
SHS Bridge Structures with posted weight restrictions	0%	0.0%	0.0%	0.0%	0.0%	0.0%
Toll Collection Transactions						
Electronic Transactions		82.7%	84.2%	86.5%	89.9%	91.2%
Revenue from Electronic Transactions		77.0%	79.9%	82.0%	85.4%	87.2%
Annual Revenue Growth						
Toll & Operating Revenue		2.0%	23.6%	5.5%	9.5%	10.3%
Revenue Variance						
Actual Revenue with "recovery of fines"		97.3%	95.5%	95.8%	94.6%	94.1%
Actual Revenue without "recovery of fines"		95.4%	94.6%	95.3%	94.4%	93.9%
Actual Revenue without "recovery of fines" (3-year moving average)	< 4% (96%)	95.5%	94.8%	95.1%	94.8%	94.5%
Safety						
MRP Safety Characteristic - Signing	> 90	88	92	89	88	90
MRP Safety Characteristic - Striping	> 95	96	97	96	98	92
MRP Safety Characteristic - Guardrail	> 80	78	79	71	77	78
MRP Safety Characteristic - Lighting	> 85	81	68	75	71	62
Fatalities per 100 million vehicle miles traveled		0.551	0.523	0.462	0.570	N/A
Customer Service						
Average Customer Call Wait Time	> 80% within 1 min.	N/A	N/A	N/A	N/A	N/A
Image Review Processing Time	> 90% reviewed in < 2 weeks	N/A	N/A	N/A	N/A	N/A

Operations & Budget:

	Objective	2012	2013	2014	2015	2016
Consultant Contracts						
Final Cost % increase above Original Award	< 5%	40.6%	N/A	22.6%	40.9%	24.9%
Construction Contracts						
Completed within 20% above original contract time	≥ 80%	92.3%	100.0%	100.0%	100.0%	100.0%
Completed within 10% above original contract amount	≥ 90%	92.3%	100.0%	100.0%	80.0%	100.0%
Cost to Collect a Toll Transaction						
Cost to Collect a Transaction (net of exclusions)		$0.141	$0.136	$0.129	$0.117	$0.114
Operating Efficiency						
Toll Collection Expense as a % of Operating Expense		54.8%	45.5%	49.1%	50.8%	48.8%
Routine Maintenance Expense as a % of Operating Expense		15.8%	12.8%	13.7%	14.4%	14.0%
Administrative Expense as a % of Operating Expense		0.0%	0.0%	0.0%	0.0%	0.0%
Operating Expense as a % of Operating Revenue		40.7%	36.3%	32.3%	30.4%	31.0%
Toll Collection Expense (net of exclusions) as a % of Toll Revenue	< 12%	16.5%	12.7%	12.0%	11.0%	10.6%
Annual OM&A Forecast Variance						
Actual OM&A Expenses to Annual Budget	< 110%	100.1%	93.1%	97.6%	107.1%	101.9%
Rating Agency Performance						
Operations & Maintenance Expense as a % of Total Revenue		28.7%	21.1%	20.3%	19.8%	19.5%

Performance Measures Florida Transportation Commission 2016

Five Year Trend for Toll Authority Performance Measures and Reportable Indicators

Toll Authority Name: FLORIDA'S TURNPIKE SYSTEM (TURNPIKE)

Official Reporting Period: July 1 through June 30

Applicable Laws:

	Objective	2012	2013	2014	2015	2016
Minority Participation						
M/WBE & SBE Utilization as a % of Total Expenditures	> 90% of agency target:	11.3%	8.5%	8.7%	6.6%	7.6%

Revenue Management & Bond Proceeds:

	Objective	2012	2013	2014	2015	2016
Debit Service Coverage						
Bonded/Commercial Debt ((Rev-Interest)-(Toll+Maint))/Comm Debt		1.82	2.51	2.72	2.83	3.04
Comprehensive Debt ((Rev-Interest)-(Toll+Maint))/All Debt		1.78	2.43	2.61	2.69	2.87
Authority Compliance with Bond Covenants for Debt Service Coverage	Yes	Yes	Yes	Yes	Yes	Yes
Bond Rating ≥ BBB, Baa, and BBB and No Downward Rating from Previous Year	Yes	Yes	Yes	Yes	Yes	Yes
Underlying Bond Ratings from Agencies						
S&P Bond Rating		AA-	AA-	AA-	AA-	AA
Moody's Bond Rating		Aa3	Aa3	Aa3	Aa3	Aa2
Fitch Bond Rating		AA-	AA-	AA-	AA-	AA-

Property Acquisition:

	Objective	2012	2013	2014	2015	2016
Right-of-Way						
# Projects Requiring ROW Acquisition		-	2	2	3	4
# Parcels Needed to be Acquired for Projects		-	12	-	-	191
# Parcels Acquired via Negotiations		-	3	9	16	60
# Parcels Acquired via Condemnation		-	-	-	-	9
# Parcels Acquired with Final Judgements at		-	-	-	-	-

Performance Measures Florida Transportation Commission 2016

Five Year Trend for Toll Authority Performance Measures and Reportable Indicators

Toll Authority Name: MID-BAY BRIDGE AUTHORITY (MBBA)

Official Reporting Period: October 1 through September 30

Operations:

	Objective	2012	2013	2014	2015	2016
Growth in Value of Transportation Assets		$ 198,918,368	$ 220,944,529	$ 234,866,228	$ 235,169,835	$ 235,448,713
Land Acquisition		663,168	663,168	663,168	663,168	663,168
Infrastructure Assets		115,778,269	142,468,269	230,687,186	233,568,246	234,247,883
Construction in Progress		82,476,931	77,813,092	3,515,874	938,421	537,662
Preservation of Transportation Assets		$ 318,963	$ 858,240	$ 2,238,398	$ 385,721	$ 880,806
Renewal & Replacement of Infrastructure		83,970	562,144	1,868,725	66,024	644,249
Routine Maintenance of Infrastructure		234,993	296,096	369,673	319,697	236,557
SHS Maintenance Rating Program (MRP) Rating	> 90	95.0	91.0	94.0	86.0	83.0
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%	80.0%	80.0%	92.3%	92.3%	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		63.4%	64.8%	64.1%	74.1%	75.9%
Revenue from Electronic Transactions		55.1%	56.7%	61.6%	64.3%	67.0%
Annual Revenue Growth						
Toll & Operating Revenue		0.6%	0.5%	14.3%	14.2%	32.3%
Revenue Variance						
Actual Revenue with "recovery of fines"		99.0%	99.2%	98.3%	98.7%	97.2%
Actual Revenue without "recovery of fines"		99.0%	99.1%	98.2%	98.7%	97.1%
Actual Revenue without "recovery of fines" (3-year moving average)	< 4% (96%)	98.0%	98.9%	98.8%	98.6%	97.9%
Safety						
MRP Safety Characteristic - Signing	> 90	89	96	97	81	74
MRP Safety Characteristic - Striping	> 95	94	75	60	67	77
MRP Safety Characteristic - Guardrail	> 80	84	90	84	91	89
MRP Safety Characteristic - Lighting	> 85	100	100	78	100	67
Fatalities per 100 million vehicle miles traveled		0.000	0.000	0.000	3.395	0.000
Customer Service						
Average Customer Call Wait Time	> 80% within 1 min.	N/A	N/A	N/A	N/A	N/A
Image Review Processing Time	> 90% reviewed in < 2 weeks	N/A	N/A	N/A	N/A	N/A

Operations & Budget:

	Objective	2012	2013	2014	2015	2016
Consultant Contracts						
Final Cost % increase above Original Award	< 5%	-13.1%	N/A	-2.0%	-35.1%	N/A
Construction Contracts						
Completed within 20% above original contract time	≥ 80%	N/A	N/A	100.0%	N/A	N/A
Completed within 10% above original contract amount	≥ 90%	N/A	N/A	100.0%	N/A	N/A
Cost to Collect a Toll Transaction						
Cost to Collect a Transaction (net of exclusions)		$0.27	$0.28	$0.24	$0.23	$0.24
Operating Efficiency						
Toll Collection Expense as a % of Operating Expense		69.6%	58.2%	42.4%	63.7%	60.5%
Routine Maintenance Expense as a % of Operating Expense		7.9%	7.9%	6.7%	7.7%	5.3%
Administrative Expense as a % of Operating Expense		19.2%	18.5%	14.6%	16.1%	13.8%
Operating Expense as a % of Operating Revenue		18.8%	23.5%	30.6%	20.1%	16.2%
Toll Collection Expense (net of exclusions) as a % of Toll Revenue	< 12%	11.2%	11.8%	11.1%	11.4%	8.7%
Annual OM&A Forecast Variance						
Actual OM&A Expenses to Annual Budget	< 110%	90.0%	95.5%	104.3%	99.7%	97.9%
Rating Agency Performance						
Operations & Maintenance Expense as a % of Total Revenue		14.5%	15.5%	15.0%	14.4%	10.7%

Performance Measures Florida Transportation Commission 2016

Five Year Trend for Toll Authority Performance Measures and Reportable Indicators

Toll Authority Name: MID-BAY BRIDGE AUTHORITY (MBBA)

Official Reporting Period: October 1 through September 30

Applicable Laws:

	Objective	2012	2013	2014	2015	2016
Minority Participation						
M/WBE & SBE Utilization as a % of Total Expenditures	> 90% of agency target:	N/A	N/A	N/A	N/A	N/A

Revenue Management & Bond Proceeds:

	Objective	2012	2013	2014	2015	2016
Debit Service Coverage						
Bonded/Commercial Debt ((Rev-Interest)-(Toll+Maint))/Comm Debt		1.41	1.39	1.16	1.47	1.43
Comprehensive Debt ((Rev-Interest)-(Toll+Maint))/All Debt		1.41	1.39	1.16	1.47	1.43
Authority Compliance with Bond Covenants for Debt Service Coverage	Yes	Yes	Yes	Yes	Yes	Yes
Bond Rating ≥ BBB, Baa, and BBB and No Downward Rating from Previous Year	Yes	Yes	Yes	Yes	Yes	Yes
Underlying Bond Ratings from Agencies						
S&P Bond Rating		BBB+	BBB+	BBB+	BBB+	BBB+
Moody's Bond Rating		Not Rated	Not Rated	Not Rated	Not Rated	Not Rated
Fitch Bond Rating		BBB+	BBB+	BBB+	BBB+	BBB+

Property Acquisition:

	Objective	2012	2013	2014	2015	2016
Right-of-Way						
# Projects Requiring ROW Acquisition		-	-	-	-	-
# Parcels Needed to be Acquired for Projects		-	-	-	-	-
# Parcels Acquired via Negotiations		-	-	-	-	-
# Parcels Acquired via Condemnation		-	-	-	-	-
# Parcels Acquired with Final Judgements at		-	-	-	-	-

Performance Measures Florida Transportation Commission 2016

Five Year Trend for Transit Authority Performance Measures and Reportable Indicators

Transit Authority Name: CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY (LYNX)

Official Reporting Period: October 1 through September 30

Performance Measures

	Objective	2012	2013	2014	2015	2016
Unlinked Passenger Trips Per Revenue Hour (Passenger trips divided by revenue hours)	>26.9	26.9	27.4	27.2	26.0	23.7
Operating Expense Per Revenue Mile Operating expense divided by revenue miles	<$6.23	$ 6.06	$ 6.40	$ 6.67	$ 6.51	$ 6.41
Operating Expense Per Revenue Hour Operating expense divided by revenue hours	<$88.18	$ 84.75	$ 88.05	$ 91.07	$ 88.43	$ 87.59
Operating Expense Per Passenger Trip Operating expenses divided by annual ridership	<$3.53	$ 3.15	$ 3.22	$ 3.34	$ 3.40	$ 3.69
Operating Expense Per Passenger Mile Operating expenses divided by passenger miles	<$0.55	$ 0.58	$ 0.58	$ 0.60	$ 0.59	$ 0.65
Farebox Recovery Ratio Passenger fares divided by operating expenses	>27.6%	29.3%	29.9%	28.3%	27.5%	25.5%
Revenue Miles Between Safety Incidents Revenue miles divided by safety incidents	>5% above 2009 (124,513)	143,619	140,473	131,498	132,067	134,915
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	15,071	9,770	8,912	12,055	11,833
Revenue Miles versus Vehicle Miles Revenue miles divided by vehicle miles	>.90	0.89	0.90	0.90	0.898	0.896
Customer Service Average time from complaint to response	14 days	10	20	16	20	6
Customer complaints divided by boardings	<2 per 5,000 boardings	0.7	0.5	0.6	0.8	0.8
On-time Performance % trips end to end on time based on departures < 5 minutes late and < 1 minute early	>80%	79.7%	78.4%	78.1%	80.8%	78.8%

Reportable Indicators

	2012	2013	2014	2015	2016
Operating Expense Per Capita (Potential Customer) Annual operating budget divided by the service area population	$ 47.23	$ 48.42	$ 49.22	$ 48.08	$ 47.21
Average Headway (minutes) Average time for vehicle to complete its portion of total route miles one time	24.6	25.5	27.3	26.7	25.6
Service Area Population Approximation of overall market size	1,878,762	1,913,779	1,960,634	2,003,626	2,052,373
Service Area Population Density Persons per square mile based on the service area population and size	740.0	754.1	772.5	789.5	808.7
Operating Expense Spending on operations, including administration, maintenance, and operation of service vehicles	$ 88,727,930	$ 92,663,107	$ 96,499,805	$ 96,340,963	$ 96,893,730
Operating Revenue Revenue generated through the operation of the transit authority	$ 36,771,242	$ 39,143,688	$ 41,301,500	$ 42,734,827	$ 39,742,629
Total Annual Revenue Miles Vehicle miles operated in active service (available to pick up revenue passengers)	14,649,104	14,468,719	14,464,800	14,791,484	15,110,465
Total Annual Revenue Hours Vehicle hours operated in active service	1,046,880	1,052,451	1,059,575	1,089,453	1,106,199
Vehicle Miles Between Failures Vehicle 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	16,857	10,843	9,883	13,424	13,210
Total Revenue Vehicles Vehicles available to meet annual maximum service requirements	273	290	296	308	319
Peak Vehicles Vehicles operated to meet annual maximum (peak) service requirements	225	232	248	252	265

Performance Measures Florida Transportation Commission 2016

Five Year Trend for Transit Authority Performance Measures and Reportable Indicators

Transit Authority Name: CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY (LYNX)

Official Reporting Period: October 1 through September 30

Reportable Indicators

	2012	2013	2014	2015	2016
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	17.6%	20.0%	16.2%	18.2%	16.9%
Annual Passenger Trips					
Passenger boardings on transit vehicles	28,184,740	28,801,893	28,868,418	28,327,951	26,259,736
Average Trip Length					
Average length of passenger trip, generally derived through sampling	5.4	5.5	5.6	5.7	5.7
Annual Passenger Miles					
Passenger trips multiplied by average trip length	152,197,596	158,410,412	161,663,141	162,035,880	149,680,495
Weekday Span of Service (hours)					
Hours of transit service on a representative weekday from first service to last service for all modes	23.0	23.0	23.0	23.0	23.0
Average Fare					
Passenger fare revenues divided by passenger trips	$ 0.92	$ 0.96	$ 0.95	$ 0.94	$ 0.94
Passenger Trips Per Revenue Mile					
Passenger trips divided by revenue miles	1.92	1.99	2.00	1.92	1.74
Passenger Trips Per Revenue Hour					
Passenger trips divided by revenue hours	26.9	27.4	27.2	26.0	23.7
Passenger Trips Per Capita					
Passenger trips divided by service area population	15.0	15.0	14.7	14.1	12.8
Average Age of Fleet in Years					
Average age of fleet in years	5.7	5.9	5.9	5.6	5.8
Unrestricted Cash Balance - Financial Indicator					
End of year cash balance from financial statement	$ 29,110,185	$ 22,530,314	$ 35,228,849	$ 42,316,042	$ 37,237,563
Weekday Ridership					
Average ridership on weekdays	92,319	91,587	92,049	88,600	82,353
Capital Commitment to System Preservation and System Expansion					
% of capital spent on system preservation	46%	67%	51%	77%	43%
% of capital spent on system expansion	54%	33%	49%	23%	57%
Intermodal Connectivity					
Number of intermodal transfer points available	5	6	6	6	6

Performance Measures Florida Transportation Commission 2016

Five Year Trend for Transit Authority Performance Measures and Reportable Indicators

Transit Authority Name: **JACKSONVILLE TRANSPORTATION AUTHORITY (JTA) Bus**

Official Reporting Period: October 1 through September 30

Performance Measures

	Objective	2012	2013	2014	2015	2016
Unlinked Passenger Trips Per Revenue Hour (Passenger trips divided by revenue hours)	>19.1	20.8	18.8	18.1	18.8	18.5
Operating Expense Per Revenue Mile Operating expense divided by revenue miles	<$7.64	$ 7.67	$ 7.16	$ 7.48	$ 8.06	$ 7.99
Operating Expense Per Revenue Hour Operating expense divided by revenue hours	<$106.99	$ 111.48	$ 105.23	$ 107.20	$ 111.60	$ 112.35
Operating Expense Per Passenger Trip Operating expenses divided by annual ridership	<$6.23	$ 5.36	$ 5.59	$ 5.92	$ 5.93	$ 6.08
Operating Expense Per Passenger Mile Operating expense divided by passenger miles	<$1.18	$ 0.87	$ 0.85	$ 0.87	$ 0.98	$ 1.01
Farebox Recovery Ratio Passenger fares divided by operating expenses	>17.6%	18.9%	18.5%	17.1%	15.8%	15.5%
Revenue Miles Between Safety Incidents Revenue miles divided by safety incidents for bus	>5% above 2009 (227,975)	129,296	94,216	124,812	105,651	146,023
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	26,488	21,851	14,370	12,908	11,104
Revenue Miles versus Vehicle Miles Revenue miles divided by vehicle miles	>.90	0.96	0.94	0.94	0.91	0.91
Customer Service Average time from complaint to response	14 Days	18	24	10	7	6
Customer complaints divided by boardings	<2 per 5,000 boardings	2.1	2.6	2.7	1.7	1.7
On-time Performance % trips end to end on time based on departures < 6 minutes late and < 1 minute early	>80%	66.0%	72.1%	73.1%	75.0%	78.5%

Reportable Indicators

	2012	2013	2014	2015	2016
Operating Expense Per Capita (Potential Customer) Annual operating budget divided by the service area population	$ 69.73	$ 75.81	$ 66.34	$ 68.91	$ 68.55
Average Headway (minutes) Average time for vehicle to complete its portion of total route miles one time	18.8	32.7	29.2	23.4	23.9
Service Area Population Approximation of overall market size	838,815	827,481	985,050	1,001,311	1,021,375
Service Area Population Density Persons per square mile based on the service area population and size	1,893.5	1,915.5	1,231.3	1,254.8	1,280.0
Operating Expense Spending on operations, including administration, maintenance, and operation of service vehicles	$ 58,491,284	$ 62,734,021	$ 65,350,740	$ 69,004,946	$ 70,011,559
Operating Revenue Revenues generated through the operation of the transit authority	$ 11,919,156	$ 12,509,246	$ 12,078,657	$ 12,078,038	$ 12,029,681
Total Annual Revenue Miles Vehicle miles operated in active service (available to pick up revenue passengers)	7,628,436	8,762,085	8,736,870	8,557,699	8,761,357
Total Annual Revenue Hours Vehicle hours operated in active service	524,666	596,161	609,595	618,327	623,183
Vehicle Miles Between Failures Vehicle 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	27,665	23,157	15,291	14,245	12,209
Total Revenue Vehicles Vehicles available to meet annual maximum service requirements	147	172	171	175	190
Peak Vehicles Vehicles operated to meet annual maximum (peak) service requirements	118	138	158	150	150

Performance Measures Florida Transportation Commission 2016

Five Year Trend for Transit Authority Performance Measures and Reportable Indicators

Transit Authority Name: JACKSONVILLE TRANSPORTATION AUTHORITY (JTA) Bus

Official Reporting Period: October 1 through September 30

Reportable Indicators

	2012	2013	2014	2015	2016
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	19.7%	19.8%	7.6%	14.3%	21.1%
Annual Passenger Trips					
Passenger boardings on transit vehicles	10,906,226	11,220,230	11,037,817	11,634,258	11,508,138
Average Trip Length					
Average length of passenger trip, generally derived through sampling	6.2	6.6	6.8	6.1	6.0
Annual Passenger Miles					
Passenger trips multiplied by average trip length	67,442,423	74,165,720	75,053,198	70,387,261	69,048,828
Weekday Span of Service (hours)					
Hours of transit service on a representative weekday from first service to last service for all modes	21.0	21.5	22.5	22.5	22.5
Average Fare					
Passenger fare revenues divided by passenger trips	$ 1.01	$ 1.03	$ 1.01	$ 0.94	$ 0.94
Passenger Trips Per Revenue Mile					
Passenger trips divided by revenue miles	1.43	1.28	1.26	1.36	1.31
Passenger Trips Per Revenue Hour					
Passenger trips divided by revenue hours	20.8	18.8	18.1	18.8	18.5
Passenger Trips Per Capita					
Passenger trips divided by service area population	13.0	13.6	11.2	11.6	11.3
Average Age of Fleet in Years					
Average age of fleet in years	6.8	6.5	7.3	6.3	6.7
Unrestricted Cash Balance - Financial Indicator					
End of year cash balance from financial statement	$ 7,555,815	$ 4,895,237	$ 8,300,473	$ 7,161,530	$ 3,623,334
Weekday Ridership					
Average ridership on weekdays	36,839	38,050	37,015	38,116	37,522
Capital Commitment to System Preservation and System Expansion					
% of capital spent on system preservation	100%	100%	100%	100%	100%
% of capital spent on system expansion	0%	0%	0%	0%	0%
Intermodal Connectivity					
Number of intermodal transfer points available	3	3	3	3	3

Performance Measures Florida Transportation Commission 2016

Five Year Trend for Transit Authority Performance Measures and Reportable Indicators

Transit Authority Name: **JACKSONVILLE TRANSPORTATION AUTHORITY (JTA) Skyway**

Official Reporting Period: October 1 through September 30

Performance Measures

	Objective	2012	2013	2014	2015	2016
Unlinked Passenger Trips Per Revenue Hour						
(Passenger trips divided by revenue hours)	>70.7	52.9	66.9	75.4	87.6	75.9
Operating Expense Per Revenue Mile						
Operating expense divided by revenue miles	<$27.04	$ 31.85	$ 31.45	$ 32.75	$ 34.60	$ 39.56
Operating Expense per Revenue Hour						
Operating expense divided by revenue hours	<$364.46	$ 368.13	$ 357.30	$ 357.98	$ 387.70	$ 418.39
Operating Expense Per Passenger Trip						
Operating expenses divided by annual ridership	<$4.30	$ 6.95	$ 5.34	$ 4.75	$ 4.43	$ 5.51
Operating Expense Per Passenger Mile						
Operating expense divided by passenger miles	<$6.00	$ 15.16	$ 11.61	$ 6.68	$ 5.21	$ 6.72
Farebox Recovery Ratio						
Passenger fares divided by operating expenses	N/A	1.2%	0.0%	0.0%	0.0%	0.0%
Revenue Miles Between Safety Incidents						
Revenue miles divided by safety incidents for bus	>5% above 2009 (41,348)	29,733	61,066	43,032	56,114	15,020
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	8,495	16,654	8,196	8,417	16,522
Revenue Miles versus Vehicle Miles						
Revenue miles divided by vehicle miles	>.90	0.99	0.99	0.99	0.99	0.99
Customer Service						
Average time from complaint to response	14 Days	10	9	5	7	19
Customer complaints divided by boardings	<2 per 5,000 boardings	0.1	0.1	0.1	0.02	0.04
On-time Performance						
Successful cycles divided by scheduled cycles	>98%	99.3%	99.1%	99.0%	99.3%	99.3%

Reportable Indicators

		2012	2013	2014	2015	2016
Operating Expense Per Capita (Potential Customer)						
Annual operating budget divided by the service area population		$ 6.77	$ 6.96	$ 5.72	$ 5.82	$ 6.40
Average Headway (minutes)						
Average time for train to complete its portion of total route miles one time		5.6	5.7	5.9	5.8	6.2
Service Area Population						
Approximation of overall market size		838,815	827,481	985,050	1,001,311	1,021,375
Service Area Population Density						
Persons per square mile based on the service area population and size		1,893.5	1,915.5	1,231.3	1,254.8	1,280.0
Operating Expense						
Spending on operations, including administration, maintenance, and operation of service vehicles		$ 5,682,422	$ 5,761,791	$ 5,637,497	$ 5,825,143	$ 6,535,724
Operating Revenue						
Revenues generated through the operation of the transit authority		$ 216,360	$ 195,469	$ 195,511	$ 195,721	$ 195,811
Total Annual Revenue Miles						
Vehicle miles operated in active service (available to pick up revenue passengers)		178,399	183,197	172,126	168,341	165,218
Total Annual Revenue Hours						
Vehicle hours operated in active service		15,436	16,126	15,748	15,025	15,621
Vehicle Miles Between Failures						
Vehicle 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		8,557	16,777	8,260	8,483	16,654
Total Revenue Vehicles						
Vehicles available to meet annual maximum service requirements		10	10	10	10	6
Peak Vehicles						
Vehicles operated to meet annual maximum (peak) service requirements		5	5	5	5	5

Performance Measures Florida Transportation Commission 2016

Five Year Trend for Transit Authority Performance Measures and Reportable Indicators

Transit Authority Name: JACKSONVILLE TRANSPORTATION AUTHORITY (JTA) Skyway

Official Reporting Period: October 1 through September 30

Reportable Indicators

	2012	2013	2014	2015	2016
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	50.0%	50.0%	50.0%	50.0%	16.7%
Annual Passenger Trips					
Passenger boardings on transit vehicles	817,153	1,079,179	1,188,007	1,315,833	1,186,358
Average Trip Length					
Average length of passenger trip, generally derived through sampling	0.5	0.5	0.7	0.9	0.8
Annual Passenger Miles					
Passenger trips multiplied by average trip length	374,940	496,422	843,485	1,118,458	972,814
Weekday Span of Service (hours)					
Hours of transit service on a representative weekday from first service to last service for all modes	15.0	15.0	15.0	15.0	15.0
Average Fare					
Passenger fare revenues divided by passenger trips	$ 0.08	$ -	$ -	$ -	$ -
Passenger Trips Per Revenue Mile					
Passenger trips divided by revenue miles	4.58	5.89	6.90	7.82	7.18
Passenger Trips Per Revenue Hour					
Passenger trips divided by revenue hours	52.9	66.9	75.4	87.6	75.9
Passenger Trips Per Capita					
Passenger trips divided by service area population	1.0	1.3	1.2	1.3	1.2
Average Age of Fleet in Years					
Average age of fleet in years	13.6	14.6	15.6	16.6	17.6
Unrestricted Cash Balance - Financial Indicator					
End of year cash balance from financial statement	$ -	$ 355,086	$ 112,325	$ 318,123	$ 208,950
Weekday Ridership					
Average ridership on weekdays	3,167	4,086	4,459	4,945	4,484
Capital Commitment to System Preservation and System Expansion					
% of capital spent on system preservation	100%	100%	100%	100%	100%
% of capital spent on system expansion	0%	0%	0%	0%	0%
Intermodal Connectivity					
Number of intermodal transfer points available	3	3	3	3	3

Performance Measures Florida Transportation Commission 2016

Five Year Trend for Transit Authority Performance Measures and Reportable Indicators

Transit Authority Name: JACKSONVILLE TRANSPORTATION AUTHORITY (JTA) Highways

Official Reporting Period: October 1 through September 30

Operations & Budget:

	Objective	2012	2013	2014	2015	2016
Consultant Contracts						
Final Cost % increase above Original Award	< 5%	-0.4%	0.0%	N/A	0.0%	-14.9%
Construction Contracts						
Completed within 20% above original contract time	≥ 80%	100.0%	100.0%	N/A	N/A	100.0%
Completed within 10% above original contract amount	≥ 90%	100.0%	100.0%	N/A	N/A	100.0%

Applicable Laws:

	Objective	2012	2013	2014	2015	2016
Minority Participation						
M/WBE & SBE Utilization as a % of Total Expenditures	> 90% of agency target:	14.6%	14.3%	22.3%	24.9%	23.6%

Property Acquisition:

	Objective	2012	2013	2014	2015	2016
Right-of-Way						
# Projects Requiring ROW Acquisition		N/A	N/A	N/A	N/A	1
# Parcels Needed to be Acquired for Projects		N/A	N/A	N/A	N/A	24
# Parcels Acquired via Negotiations		N/A	N/A	N/A	N/A	18
# Parcels Acquired via Condemnation		N/A	N/A	N/A	N/A	-
# Parcels Acquired with Final Judgements at or Less than one half the range of contention		N/A	N/A	N/A	N/A	-

Performance Measures Florida Transportation Commission 2016

Five Year Trend for Transit Authority Performance Measures and Reportable Indicators

Transit Authority Name: SOUTH FLORIDA REGIONAL TRANSPORTATION AUTHORITY (SFRTA/Tri-Rail)
Official Reporting Period: July 1 through June 30

Performance Measures

	Objective	2012	2013	2014	2015	2016
Unlinked Passenger Trips Per Revenue Hour						
(Passenger trips divided by revenue hours)	>39.3	41.2	41.0	38.6	36.4	34.0
Operating Expense Per Revenue Mile						
Operating expense divided by revenue miles	<$21.16	$ 17.51	$ 17.25	$ 17.88	$ 20.84	$ 25.07
Operating Expense Per Passenger Trip						
Operating expenses divided by annual ridership	<$17.64	$ 12.87	$ 12.99	$ 13.91	$ 17.02	$ 21.25
Operating Expense Per Passenger Mile						
Operating expenses divided by passenger miles	<$0.53	$ 0.46	$ 0.48	$ 0.51	$ 0.63	$ 0.77
Farebox Recovery Ratio						
Passenger fares divided by operating expenses	>22.5%	23.2%	22.1%	20.9%	17.5%	14.6%
Revenue Miles Between Major Incidents						
Revenue miles divided by FRA reportable incidents for rail	Zero	0	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	117,762	87,902	106,964	53,113	69,145
Revenue Miles versus Vehicle Miles						
Revenue miles divided by vehicle miles	>.93	0.96	0.97	0.97	0.97	0.97
Customer Service						
Average time from complaint to response	14 days	12	10	14	12	10
Customer complaints divided by boardings	<2 per 5,000 boardings	2.6	2.2	1.6	1.1	1.2
On-time Performance						
% trips end to end on time < 6 minutes late	>80%	86.5%	82.6%	86.2%	83.5%	83.5%

Reportable Indicators

	2012	2013	2014	2015	2016
Operating Expense Per Capita (Potential Customer)					
Annual operating budget divided by the service area population	$ 9.37	$ 9.92	$ 11.13	$ 13.27	$ 16.38
Average Headway (minutes)					
Average time for train to complete its portion of total route miles one time	27.6	27.9	28.3	28.6	29.5
Service Area Population					
Approximation of overall market size	5,502,379	5,502,379	5,502,379	5,502,379	5,502,379
Service Area Population Density					
Persons per square mile based on the service area population and size	1,084	1,238	1,238	1,238	1,238
Operating Expense					
Spending on operations, including administration, maintenance, and operation of service vehicles	$ 51,557,460	$ 54,580,897	$ 61,213,969	$ 73,042,631	$ 90,135,130
Operating Revenue					
Revenue generated through the operation of the transit authority	$ 12,272,397	$ 12,575,652	$ 13,100,115	$ 13,199,536	$ 13,562,478
Total Annual Revenue Miles					
Vehicle miles operated in active service (available to pick up revenue passengers)	2,944,042	3,164,457	3,422,858	3,505,483	3,595,531
Total Annual Revenue Hours					
Vehicle hours operated in active service	97,198	102,501	113,915	117,914	124,669
Vehicle Miles Between Failures					
Vehicle 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	122,600	90,500	109,970	54,670	71,323
Total Revenue Vehicles					
Vehicles available to meet annual maximum service requirements	50	50	50	50	50
Operating Expense Per Revenue Hour					
Cost of operating an hour of revenue service	$ 530.44	$ 532.49	$ 537.37	$ 619.46	$ 723.00
Peak Vehicles					
Vehicles operated to meet annual maximum (peak) service requirements	40	40	42	42	42

Performance Measures Florida Transportation Commission 2016

Five Year Trend for Transit Authority Performance Measures and Reportable Indicators

Transit Authority Name: SOUTH FLORIDA REGIONAL TRANSPORTATION AUTHORITY (SFRTA/Tri-Rail)

Official Reporting Period: July 1 through June 30

Reportable Indicators

	2012	2013	2014	2015	2016
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	20.0%	20.0%	16.0%	16.0%	16.0%
Annual Passenger Trips					
Passenger boardings on transit vehicles	4,005,967	4,201,040	4,400,977	4,292,705	4,241,486
Average Trip Length					
Average length of passenger trip, generally derived through sampling	28.1	27.2	27.2	27.2	27.7
Annual Passenger Miles					
Passenger trips multiplied by average trip length	112,727,911	114,100,246	119,706,574	116,761,576	117,277,088
Weekday Span of Service (hours)					
Hours of transit service on a representative weekday from first service to last service for all modes	19.5	19.5	19.5	19.5	19.5
Average Fare					
Passenger fare revenues divided by passenger trips	$ 2.98	$ 2.87	$ 2.91	$ 2.98	$ 3.09
Passenger Trips Per Revenue Mile					
Passenger trips divided by revenue miles	1.36	1.33	1.29	1.22	1.18
Passenger Trips Per Revenue Hour					
Passenger trips divided by revenue hours	41.2	41.0	38.6	36.4	34.0
Passenger Trips Per Capita					
Passenger trips divided by service area population	0.73	0.76	0.80	0.78	0.77
Average Years Since Last Rebuild					
Locomotives (9)	10.2	11.2	12.2	13.2	14.2
Coaches (12)	11.2	12.2	13.2	14.2	15.2
Unrestricted Cash Balance - Financial Indicator					
End of year cash balance from financial statement	$ 20,152,899	$ 20,989,164	$ 18,870,967	$ 18,129,966	$ 18,344,503
Weekday Ridership					
Average ridership on weekdays	13,587	14,292	14,609	14,176	13,894
Capital Commitment to System Preservation and System Expansion					
% of capital spent on system preservation	0%	0%	100%	100%	82%
% of capital spent on system expansion	100%	100%	0%	0%	18%
Intermodal Connectivity					
Intermodal transfer points available through Tri-Rail	18	18	18	18	18

APPENDIX B—CFX AUDIT FINDINGS

Central Florida Expressway Authority

Prior Audit Recommendations Follow-Up
August 31, 2016

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Executive Summary

As part of the Fiscal Year 2016 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. Open recommendations from the following audits were evaluated:

- 2010 Contracts Audit
- 2013 Toll Revenue Audit
- 2014 Maintenance & Safety Plan Audit
- 2015 Intelligent Transportation Security (ITS) Systems Security Review
- 2015 Back Office Customer Call Center Review
- 2015 COSO Framework Governance Review
- 2015 Ethics Policy Compliance Review
- 2016 Contracts Audit
- 2016 Bond Financing Review
- 2016 ROW Legal Counsel Procurement & Invoice Audit
- 2016 Toll Revenue Audit

Internal Audit last reviewed the status of open audit recommendations in January 2016. Results were reported to the Audit Committee at that time.

This review was completed as of August 2016, and consisted of meetings with management to determine the status of open audit recommendations and performing testing of management's response and status. 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 as of January 15, 2016, no further work was performed and the recommendation was not included for review in this report.

Internal Audit did not include or follow-up on the recommendation and management action plan from the 2015 Sensitive Data Review. The management action plan was to move the sensitive data identified to an appropriate location or to delete the data. Confirmation that sensitive data was moved or deleted would require an additional project and re-scan of selected systems with a data loss prevention (DLP) tool.

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 Internal Audit did not come to an agreement on the status of a recommendation.

Recommendations Summary

Audit	Open as of January 15, 2016	New Recommendations	Completed as of August 31, 2016	In Progress as of August 31, 2016*	Past Due
2010 Contracts Audit	1	0	0	1	**1**
2013 Toll Revenue Audit	1	0	0	1	**1**
2014 Maintenance & Safety Plan	1	0	0	1	**1**
2015 Intelligent Transportation Security (ITS) Systems Security Review	9	0	7	2	**1**
2015 Back Office Customer Call Center Review	4	0	4	0	**0**
2015 COSO Framework Governance Review	2	0	2	0	**0**
2015 Ethics Policy Compliance Review	4	0	4	0	**0**
2016 Contracts Audit	2	0	1	1	**1**
2016 Bond Financing Review	1	0	1	0	**0**
2016 ROW Legal Counsel Procurement & Invoice Audit	0	2	1	1	**1**
2016 Toll Revenue Audit	0	6	5	1	**0**
Total	**25**	**8**	**25**	**8**	**6**

*8 recommendations are classified as "In Progress." 6 of these recommendations are considered "Past Due."

Summary of Past Due Management Action Plans

#	Audit	Management Action Plan	Responsible Party	Summary of Status as of August 31, 2016	Due Date
1	2010 Contracts Audit	Toll Operations will require passwords to be used for approvals in any new toll collection software procured by the Authority or its existing software if it is retained and that the password be changed on a regular basis by the system.	Mahmood Haq, Manager of IT; David Wynne, Director of Toll Operations	Turnover in the IT department has delayed the implementation of this action plan. In addition, the change to a password based approval key would be a fairly significant change to the existing system and the system is being reviewed for replacement. Currently, the IT department plans to implement the recommendation by the revised due date unless a business decision to delay is made by management.	Original: 12/31/13 Revised: 12/31/15 Revised: 3/31/16 Revised: 9/30/16 Revised: 12/31/16
2	2013 Toll Revenue Audit	The Authority currently has automating certain aspects of the Attendant's Shift Record log as a function in the planned Toll System Replacement project that is currently ongoing at this time. The Authority would expect to have the new system in place and operating by July 1, 2015.	David Wynne, Director of Toll Operations	Per discussion with David Wynne, Director of Toll Operations, this recommendation will be implemented as a function in the planned Toll System Replacement (TSR) project. The Request for Proposal (RFP) has been awarded and the new system is currently in development.	Original: 7/1/15 Revised: 4/30/16 Revised: 1/31/17 Revised: 4/30/17
3	2014 Maintenance & Safety Plan	The Authority will develop written procedures to document the pertinent aspects of the Authority's maintenance and inspection operations in regards to bridges, overhead structures, and roadways.	Claude Miller, Director of Maintenance	Staffing changes within the department have delayed the completion of the action plan. The procedures document will be finalized on or before the revised due date.	Original: 12/31/14 Revised: 12/31/15 Revised: 10/1/16

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Summary of Past Due Management Action Plans

#	Audit	Management Action Plan	Responsible Party	Summary of Status as of August 31, 2016	Due Date
4	2015 Intelligent Transportation Security (ITS) Systems Security Review	**This document is exempt from public records disclosure pursuant to F.S. 282.318. It shall not be copied or distributed in any manner. It may not be inspected or reviewed by any persons other than those authorized by CFX to receive it.**			Original: 6/30/15 Revised: 12/31/15 Revised: 6/30/16 Revised: 3/31/17
5	2016 Contracts Audit	Contract Specialists within the maintenance department will implement the use of a "Subcontractor Status Report" as part of monthly checklist of contract requirement monitoring and require the vendor to provide the listing of subcontractors along with their monthly invoice. Additionally, the Contract Specialist will compare the listing provided against the subcontractor approval forms submitted to confirm compliance. The Contract Specialist will also maintain a spreadsheet of subcontractor use and seek Board approval if the amounts approach $25,000.	Claude Miller, Director of Maintenance	The Asset Maintenance/Routine Inspection Monthly Subcontractor Status Report was created and sent out to prime contractors. The Authority is currently working with the prime contractors to receive the completed reports on a recurring basis. In addition, the Authority has requested the listing of subcontractors and related approval forms be submitted by the prime contractor, but has not received all forms as of this update. Therefore, additional time is required to complete the action plan. Once these items are completed, the tracking spreadsheet will be finalized and the recommended monitoring process will be implemented.	Original: 2/1/2016 Revised: 4/1/16 Revised: 12/31/16
6	2016 ROW Legal Counsel Procurement & Invoice Audit	Initially, each Right of Way outside counsel or responsible party within the Authority will confirm the amount paid in the cumulative payments columns of the monthly TIFIA reports to ensure accuracy of the current spreadsheet. If there is a discrepancy identified, the responsible party will research and correct the discrepancy in the TIFIA reports. Going forward, each firm or responsible party will prepare a separate monthly TIFIA report summarizing the activity in the parcels assigned to that firm. The Accounting Department will audit the spreadsheets for accuracy using source documentation, which will be made available to the party responsible for performing the review of the spreadsheets.	Linda Lanosa, Deputy General Counsel Michael Carlisle, Manager of Accounting and Finance	Each firm/responsible party has begun certifying that the monthly TIFIA report contains accurate information and acknowledges that the information will be relied upon for the Authority's reporting requirements. The Finance Department has audited historical data and continues to audit the relocation costs, CFX parcels, and the Lowndes parcels and related expert costs monthly. However, the Authority is relying on the signed certifications for Shutts & Bowen and Winderweedle parcels and those monthly reports have not been subject to review by the Finance Department as of the date of this update. Due to staffing changes, the audit process is being transitioned to Michael Carlisle, Manager of Accounting and Finance, starting in October. The action plan is only considered partially complete as the Shutts & Bowen and Winderweedle monthly reports have not been subject to audit by the Finance Department and more time is necessary to complete the action plan.	Original: 8/1/16 Revised: 1/31/17

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Appendix A

Recommendations Detail

Contracts Audit
January 2011 Recommendations
Status of Recommendations

Internal Audit Observation	Internal Audit Recommendation	Management Response	Management Action Plan	Responsible Party	Management Status at August 31, 2016	Testing Results	Due Date	IA Evaluation of Management's Status
7. Account Adjustment Approval Limits in TRIMS: Section IV B in the scope of services section of the ACS contract indicates that personal E-PASS account adjustments over $200 and commercial E-PASS account adjustments in excess of $500 must be approved by an ACS manager in TRIMS. Currently, TRIMS is not configured to prevent the approval of adjustments to personal E-PASS accounts in excess of $200 by CSC Supervisors. Internal Audit obtained all adjustments processed in TRIMS between August 1, 2009 and September 30, 2010 and noted that 93 of 140 adjustments to private accounts between $200 and $500 were approved in TRIMS by CSC Supervisors instead of a manager, as required. As a mitigating control, ACS indicated that all adjustments are reviewed by the Financial Analyst and Accounting Assistant, with the exception of voids, which should only be approved by CSC Managers in TRIMS. However, Internal Audit noted that 482 of 587 void adjustments were approved in TRIMS by CSC Supervisors. Furthermore, a CSC Manager or CSC Supervisor enters their PIN in TRIMS to approve adjustments; however, PINs are never changed which may result in the sharing of PINs between employees. Data analytics were performed related to the approval of adjustments in excess of $200 to personal E-PASS accounts and $500 to commercial E-PASS accounts and no adjustments were identified for additional follow-up; however, the strengthening of the controls related to the review and approval of adjustments in TRIMS may reduce the risk of fraud.	The Authority should utilize CSC Manager and CSC Supervisor passwords, rather than PINs, to approve adjustment transactions in TRIMS (passwords are required to be changed on a regular basis by the system).	The Authority concurs that moving to a password based approval is in its best interest. However, the change to a password based approval key would be a fairly significant change to the existing system. The current system is currently being reviewed for replacement as part of the Toll System Replacement (TSR) project. Making these changes now may be waste of valuable IT resources if the current system were to be disposed of in the near term. Based on the outcome of the TSR project the Authority would make this change as a part of a newly procured system or would be developed and implemented in the existing system once it was determined that we would be retaining the existing system.	Toll Operations will require passwords to be used for approvals in any new toll collection software procured by the Authority or its existing software if it is retained and that the password be changed on a regular basis by the system.	Mahmood Haq, Manager of IT; David Wynne, Director of Toll Operations	In Progress (Past Due)	Per discussion with Mahmood Haq, Manager of IT, and David Wynne, Director of Toll Operations, turnover in the IT department has delayed the implementation of this action plan. In addition, the change to a password based approval key would be a fairly significant change to the existing system and the system is being reviewed for replacement. The Authority has discussed making this change as part of a new back-office system, rather than making changes in the current system that will be replaced. This decision could delay the action plan further by 2 - 3 years. Currently, the IT department plans to implement the recommendation by the revised due date unless a business decision to delay is made by management.	Original: 12/31/13 Revised: 12/31/15 Revised: 3/31/16 Revised: 9/30/16 Revised: 12/31/16	Concur

Toll Revenue Audit
March 2013 Recommendations
Status of Recommendations

Internal Audit Observation	Internal Audit Recommendation	Management Response	Management Action Plan	Responsible Party	Management Status at August 31, 2016	Testing Results	Due Date	IA Evaluation of Management's Status
6. Potential Revenue Leakage: The potential extrapolated discrepancies in the toll collections audit highlighted above total approximately $1,000 for the six month period ended December 2012. A root cause of this appears to be the manual nature of the Attendant's Shift Record used as a reconciling item during toll collections audits, for which third party contractor auditors are required to make assumptions as to what is being communicated by the TSA. Additionally, during the review of the toll collections audit , Internal Audit found that system purges and reverse run through transactions, system functions used to reset the toll lane if the lane server is out of sync generates an expected revenue amount . Also the description on the Unusual Occurrence report for these transactions have the same overclass description as small vehicle transactions that do not engage the toll lane treadles. The third party contractor uses the Unusual Occurrence report to reduce the expected revenue for the system purges and reverse run through transactions, while maintaining the expected revenue related to the smaller vehicles that do not engage the treadles . Internal Audit performed a review of the overclass transactions (excluding purges, re-syncs, and reverse run throughs) and found that the third party contractor reversed the expected revenue inappropriately in 4 out of 25 transactions tested, an error rate of 13%. The potential extrapolated variance when applied to all overclass transactions for the six month period ended December 31, 2012 is estimated to be approximately $700.	6. b) The Authority should also consider automating certain aspects of the Attendant's Shift Record log by integrating the unusual occurrence, violations, and insufficient fund transactions within the MLT system. This would reduce the subjectivity of the FTS auditor's interpretation of the manual ASR log.	Concur	The Authority currently has this recommendation as a function in the planned Toll System Replacement project that is currently ongoing at this time. The Authority would expect to have the new system in place and operating by July 1, 2015.	David Wynne, Director of Toll Operations	In Progress (Past Due)	Per discussion with David Wynne, Director of Toll Operations, this recommendation will be implemented as a function in the planned Toll System Replacement (TSR) project. The Request for Proposal (RFP) has been awarded and the new system is currently in development. Internal Audit obtained the System Requirements advertised as part of the RFP and determined specification 1.5.1.7.2.2 states the system should have drop down menu codes for unusual occurrences. Internal Audit determined the TSR project was awarded to TransCore, LP on 5/14/15 as evidenced by Board minutes. Per David Wynne, Director of Toll Operations, the work is in progress with Transcore and the first go-live date is scheduled for April 2017 in the Coral Hills plaza group based on the current status of the project.	Original: 7/1/15 Revised: 4/30/16 Revised: 1/31/17 Revised: 4/30/17	Concur

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Maintenance and Safety Plan Compliance
April 2014 Recommendations
Status of Recommendations

Internal Audit Observation	Internal Audit Recommendation	Management Response	Management Action Plan	Responsible Party	Management Status at August 31, 2016	Testing Results	Due Date	IA Evaluation of Management's Status
1. Written Maintenance and Safety Procedures: The Authority's Maintenance and Safety activities follow the State of Florida and Federal guidelines and the Master Bond Resolution Covenants from a policy perspective. However, in regards to the method of accomplishing the applicable standards, there are no written procedures documenting the Authority's maintenance and inspection program. Written procedures are an integral component of the infrastructure surrounding each critical business process. Procedures help govern, in writing, the actions necessary to fulfill the organization's policy for operations. Procedures provide guidance in the pursuit of achieving the objectives of the process, help reduce misunderstanding, and increase distribution of pertinent information to those involved in the process.	The Authority should develop written "desktop" procedures that clearly document key aspects of the Authority's maintenance and inspection program, including: Internal procedures for managing and maintaining the Authority's roadways and bridges, Asset tracking, Role of third party maintenance & inspections agreements (scheduling of inspections, repairs, and replacements; outputs of preventative maintenance), Maintenance contract performance monitoring, Work order, maintenance request, and deficiency response deadlines, Incidence and Emergency Response process, and the GEC Annual Inspection process.	Concur	The Authority will develop written procedures to document the pertinent aspects of the Authority's maintenance and inspection operations in regards to bridges, overhead structures, and roadways.	Claude Miller, Director of Maintenance	In Progress (Past Due)	Per discussion with Claude Miller, Director of Maintenance, staffing changes within the department have delayed the completion of the action plan. The procedures document will be finalized on or before the revised due date. Internal Audit obtained and reviewed the current draft of the procedures manual and noted the draft is currently undergoing review by the Director of Maintenance.	Original: 12/31/14 Revised: 12/31/15 Revised: 10/1/16	Concur

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Intelligent Transportation Systems Security Review
February 2015 Recommendations
Status of Recommendations

Internal Audit Observation	Internal Audit Recommendation	Management Response	Management Action Plan	Responsible Party	Management Status at August 31, 2016	Testing Results	Due Date	IA Evaluation of Management's Status
This document is exempt from public records disclosure pursuant to F.S. 282.318. It shall not be copied or distributed in any manner. It may not be inspected or reviewed by any persons other than those authorized by CFX to receive it.				Corey Quinn, Chief of Technology/Operations	In Progress	This document is exempt from public records disclosure pursuant to F.S. 282.318. It shall not be copied or distributed in any manner. It may not be inspected or reviewed by any persons other than those authorized by CFX to receive it.		Concur
				Corey Quinn, Chief of Technology/Operations	Completed			Concur
				Corey Quinn, Chief of Technology/Operations	Completed			Concur
				Corey Quinn, Chief of Technology/Operations	In Progress (Past Due)			Concur
				Corey Quinn, Chief of Technology/Operations	Completed			Concur
				Corey Quinn, Chief of Technology/Operations	Completed			Concur
				Corey Quinn, Chief of Technology/Operations	Completed			Concur
				Corey Quinn, Chief of Technology/Operations	Completed			Concur
				Corey Quinn, Chief of Technology/Operations	Completed			Concur

Back Office Customer Call Center Review
May 2015 Recommendations
Status of Recommendations

Internal Audit Observation	Internal Audit Recommendation	Management Response	Management Action Plan	Responsible Party	Management Status at August 31, 2016	Testing Results	Due Date	IA Evaluation of Management's Status
Each inbound call to the call center routes the customer to the Intelligent Voice Response ("IVR") system from which the customer selects service options from a prompt. The customer is then routed to the Vector Steps, which provides additional messaging and routes the call to an available call center agent. Within the IVR and Vector steps the following inconsistencies and duplicative information are delivered to the customer, which if corrected, could improve the overall customer call experience: 1.The call prompts utilize a mix of different male and female voices leading to an abrupt and inconsistent customer experience. 2.The inter-prompt and queue treatment consists of a mixed use of silence, ringing, messaging, and music while the customer is on-hold and as the customer transitions from one vector step to another. 3.E-PASS main menu has redundant options to "return to main menu" and "repeat options". The menu also allows callers to opt out to a customer service representative using option "0" which may lead to prolonged call handling times. 4.Hours of operation and locations are given to callers even though the center is open. This information would normally only be presented after-hours. 5.The center does not leverage Estimated Wait Time ("EWT") prompting to inform callers of wait times and potentially redirect callers to online servicing.	There are opportunities to improve the prompts and messaging delivered to customers contacting the Authority by improving prompt and call treatment consistency and attempting to direct more callers to online servicing. The Authority should consider the points above and conduct a thorough evaluation of vector programming and IVR prompting during the implementation of the centralized back office contact center IVR platform to ensure consistent treatment and the use of EWT to inform callers of high wait times and reinforce the use of online or other servicing options	Concur	The Authority is in the process of procuring and implementing a new IVR system for E-PASS which will include back-up hardware, and the improvement recommendations will be taken to into account at that time. In addition, the Authority will provide the recommendations to the centralized back office contact center vendor for consideration during the development of any IVR technology, if the Authority were to agree to move forward with the centralized back office contact center.	Mahmood Haq, Manager of IT	Completed	Per discussion with David Wynne, Director of Toll Operations, the new IVR system has been implemented. The improvement recommendations were considered throughout the process and documented management justifications for items that were not implemented. Internal Audit placed calls to the IVR system several times t determine if thewere implemented to improve the overall customer call experience. Internal Audit noted the following through calls placed and discussions with management: 1.The call prompts now utilize only the female voices which leading to a more consistent customer experience. 2.The inter-prompt and queue treatment now consists of messaging with music while the customer is on hold. Per discussion with David Wynne, Director of Toll Operations, a conscious effort was made to provide a more consistent experience and professional flow. Voice talent that was previously done by multiple people was primarily consolidated into one professional voice talent through GM Voices. Also, the timing of transitions was addressed as some transitions previously had periods of long silence. 3.Management has removed the redundant options to "return to main menu" and "repeat options". However, if the customer does not respond to the prompts, the system automatically repeats the options. The menu still allows callers to opt out to a customer service representative using option "0." Per discussion with David Wynne, Director of Toll Operations, the Authority did not want to trap the customer in the IVR with no available option to reach an agent. Management felt this decision more closely aligned with the desired customer experience. 4.Hours of operation is still provided automatically when the call is routed to the call center agents, even though the center is open. The mail menu also directs callers to the hours of operation and locations by choosing certain menu options. Per discussion with David Wynne, Director of Toll Operations, management felt that it would be beneficial if the customer is made aware of the hours automatically if they choose to discontinue the call for any reason. If the Authority does not provide the hours of operation at the beginning of the call it may require the customers to call back again to obtain the hours. Management did not feel this was customer friendly and the amount of time required to provide the hours is minimal in the process. 5.The IVR now leverages Estimated Wait Time ("EWT") prompting to inform callers of wait times and potentially redirect callers to online servicing. Based on the items verified and management responses above, Internal Audit considers the action plan closed.	6/30/16	Concur
Aligning call quality attributes to a standardized call flow process enables an organization to assess, measure and address specific behaviors that are aligned to call handling performance objectives, such as call handle time and use of ACW. The standard segments of a call flow include Greeting, Caller Identification, Caller Validation, Service identification, Service Delivery and Wrap up. The Authority's call center quality assurance program is aligned to measure quality in a generalized manner and is not aligned to a standardized call flow. The current call center quality assurance forms are made up of 29 Yes or No questions and 5 additional questions that are measured on a gradient of 1-3. The form does not include "automatic fail" questions/responses that would indicate the need for immediate re-training. As a leading quality assurance practice, all questions should be measured on a gradient whenever feasible. Aligning the quality form to a standardized call flow enables the use of gradients more easily because it allows the behaviors measured to be compared against a specific business process and related goals.	To improve the quality assurance process, the Authority should identify a standardized call flow for the types of calls handled by the call center and identify the specific behaviors and skills that should be measured within each segment of the call. This process would enhance the quality assurance process to allow for specific guidance to CSR's and align quality criteria to measurable business goals and objectives (e.g. reduction of call handle time).	Concur	The Authority will work with the third party call center vendor to revise the current quality assurance process to align with the call quality attributes to measure business objectives.	David Wynne, Director of Toll Operations	Completed	Internal Audit obtained the Operations Procedure for Call Monitoring from David Wynne, Director of Toll Operations, and noted the procedure was effective 2/29/2016, and was approved by Allie Braswell Jr., EGIS Program Manager. Internal Audit noted the Authority's call center quality assurance program is aligned to a standardized call flow and the Yes or No questions have been revised to incorporate a gradient scale of f 1-5.	Original: 7/1/15 Revised: 11/30/15 Revised: 3/31/16	Concur
While the messaging delivered to callers in both the IVR and Vector messaging reminds callers that unpaid toll notices can be paid online, the Authorities web presence could be improved to make the process of making payments online more intuitive. Links to unpaid toll payment options are not plainly visible and require additional navigation that we believe is deterring customers from utilizing the online service and instead placing calls into the center. In addition, throughout the course of the 400 call observations, there were only a handful of calls (fewer than 5) where the agent reminded the caller that purchasing a transponder or replenishing their account would allow them to avoid toll violations in the future. Also, the Authority's corporate phone number is often called when a customer is trying to contact the call center. These calls are received by the Authority's receptionist and transferred to the call center.	The Authority should consider launching an E-PASS product and services website, independent of the corporate website, that would focus on the customer experience and E-PASS activity. An E-PASS focused website would allow customers to navigate the site with ease and would help to deflect customer service activities, such as making unpaid toll notice payment and account replenishments, to the website. Also, call center agent training should also be considered to reinforce the importance of reminding customers to replenish their accounts and/or purchase a transponder in cases where an in-state customer is contacting the authority about a toll violation or citation. These improvements can deflect calls and reduce volume of calls received by the call center. The Authority should also consider adding prompts to the treatment provided on the main number to route callers to the call center in order to limit the number of call center calls received by the receptionist.	Concur	1.The Director of Toll Operation and IT will schedule a meeting with the CFX Communication Department to discuss the recommendations to the website and evaluate which recommendation can be implemented. 2.The call center scripts will be updated to include a reminder to customers to replenish and/or purchase a transponder at the end of each call. 3.The Authority will consider adding prompts to the treatment provided on the main number to route callers to the call center in order to limit the number of call center calls received by the receptionist.	1. David Wynne, Director of Toll Operations, and Joann Chizlett, Director of IT 2. David Wynne, Director of Toll Operations 3. Joann Chizlett, Director of IT	Completed	1. Complete - Per discussion with David Wynne, Director of Toll Operations, and Joann Chizlett, Director of IT, additional hyperlinks were added to the Authority's website to improve ease of access to the E-PASS website. Internal Audit reviewed the updated website and noted links and pictures were added to direct users to the E-PASS website for UTN payment. 2. Complete - IA obtained the Operations Procedure for Call Handling from David Wynne, Director of Toll Operations, and noted a reminder to replenish for EPASS customers and a reminder to purchase a transponder for non-customers was added to the call scripts. The procedure was effective 2/29/2016 and was approved by Allie Braswell Jr., EGIS Program Manager. 3. Complete - Per discussion with David Wynne, Director of Toll Operations, and Joann Chizlett, Director of IT, the prompts have been added to the Authority's main number to route callers to the call center. Internal Audit performed a test call and noted three options were provided to the caller (UTN/UTC, E-PASS account, other calls). The prompts added will route calls regarding UTN/UTC and E-PASS accounts to the call center rather than directly to the receptionist.	1. 8/1/15 2. Original: 6/1/15 Revised: 11/30/15 Revised: 3/31/16 3. 8/1/15	Concur

Back Office Customer Call Center Review
May 2015 Recommendations
Status of Recommendations

Internal Audit Observation	Internal Audit Recommendation	Management Response	Management Action Plan	Responsible Party	Management Status at August 31, 2016	Testing Results	Due Date	IA Evaluation of Management's Status
The majority of calls handled by the Authority are payment related, including payment of Unpaid Pay Notices and Citations and account replenishment. During these calls, agents spend an averag of 68 seconds identifying the caller and accessing their account. This represents approximately one-third of the total talk time of the call. A combination of call automation (attempting to identify the caller via the phone number that they are calling from) and agent training to obtain the information required to identify the customer and access their account as efficiently as possible could significantly reduce the handle time of calls.	The Authority should conduct further analysis to determine the percentage of inbound calling line ID's that can be linked to one or more existing accounts in the Authority's servicing applications. If this percentage is greater than 40-50%, this would indicate a substantial opportunity to automate inbound calls and thereby reduce overall handle times. In addition, the Authority should consider developing and conducting agent training to enable agents to take control of inbound calls and identify the information needed to access the caller's notifications, citations, and/or the caller's account as efficiently as possible.	Concur	1.Further analysis will be conducted to determine the percentage of inbound calls associated with active customer accounts. Based on results of the analysis, The Authority will determine if it is feasible to incorporate call automation based on strategic direction as it relates to the deployment and CFX involvement in centralized back office contact center 2.The third party call center vendor will provide refresher training on "Call Control" and incorporate "Call Control" techniques into new agent training.	1. David Wynne, Director of Toll Operations, and Mahmood Haq, Manager of IT 2. David Wynne, Director of Toll Operations	Completed	1. Complete - Per discussion with David Wynne, Director of Toll Operations, and Rafael Millan, Programmer Supervisor/Database Administrator, IT has completed the analysis of inbound calls to customer accounts. A list of phone numbers from actual calls to the Service Center was obtained by IT and loaded into the customer database. IT ran an SQL query to match the phone numbers in the list against the phone numbers registered for active EPASS accounts at the time of the query. There were 67,808 calls in the listing and 19,169 were linked to customer accounts (28%). As a result of this analysis, the IT department will not pursue call automation at this time, but may consider adding the feature in the future. 2. IA obtained the Operations Procedure for Call Handling from David Wynne, Director of Toll Operations, and noted two call scripts are currently in use, one for E-PASS and another for Non-Customers. The operation procedures are following a 7-section general call flow from Branded Greeting to Branded Closing. The purpose of the procedure is to improve the efficiency and effectiveness of the call handling process, and to standardized the call service. The procedure was effective 2/29/2016, and approved by Allie Braswell Jr., EGIS Program Manager.	1. Original: 7/1/15 Revised: 11/30/15 2. Original: 8/1/1/5 Revised: 11/30/15 Revised: 3/31/16	Concur

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COSO Framework Governance Review
June 2015 Recommendations
Status of Recommendations

Internal Audit Observation	Internal Audit Recommendation	Management Response	Management Action Plan	Responsible Party	Management Status at August 31, 2016	Testing Results	Due Date	IA Evaluation of Management's Status
The Authority's department managers identify staff training needs and approve the training. Although staff training budgets are included in the Human Resource (HR) budget, the Human Resource department does not monitor the training needs of the organization. Leading practice is for Human Resources to perform periodic assessments of the training needs across the organization to promote development, competency, and continuing education. Additionally, a formalized training request process is not in place to document the business reason for each training expenditure and to ensure the appropriate approvals are obtained.	To incorporate leading practice, the Authority should perform an annual training needs assessment during the performance evaluation process to identify development opportunities throughout the organization. The Authority should also develop an HR Training Request Form to document the business reason for each training, cost, attendees, and Human Resources approval. The addition of the form will formalize the oversight process for training requests and help ensure training expenditures align with business needs, goals, and budgetary restrictions.	Concur	The Authority added discussions regarding training needs to the annual performance evaluation process. Performance evaluation forms were updated to request input on training needs from the employee and management. The Authority will develop an HR Training Request Form as recommended and implement a review process to ensure training expenditures are approved and meet business objectives.	Michelle Maikisch, Chief of Staff	Completed	Internal Audit obtained and reviewed the Performance Evaluation Form and related process documentation and determined a question was added to the form regarding areas where additional training may be needed. This component of the recommendation has been marked complete. IA also obtained the Training Request Form Michelle Maikisch, Chief of Staff, and noted the Training Request Form contains two levels of approvals (Supervisor/Manager and Director) to ensure the expenditure is reviewed and meets the business objectives.	Original: 12/31/15 Revised: 3/31/16	Concur
Written procedures are an integral component of the infrastructure surrounding each critical business process. Procedures help govern, in writing, the actions necessary to fulfill the organization's policy for operations. The IT and HR departments have not updated desktop procedural documents with the appropriate level of detail to provide guidance in the pursuit of achieving the objectives of the process, help reduce misunderstanding, and increase distribution of pertinent information to those involved in the process.	The Authority should identify and update the desktop procedures for key processes within the IT and HR departments to include the appropriate level of detail. The Desktop Procedures should allow anyone generally competent for the position to perform the job duties.	Concur	The Authority will identify and update the desktop procedures for key processes within the IT and HR departments to include the appropriate level of detail.	Michelle Maikisch, Chief of Staff Mahmood Haq, Manager of IT	Completed	Internal Audit obtained the Human Resource Department Desktop Procedures which were updated in July 2016 from Michelle Maikisch, Chief of Staff, and noted the Desktop Procedures include Setup, Maintenance and Security of HR Records; Processes/Recruiting and Hiring; Training; Benefits Administration; Performance Evaluation; Performance, Reward and Recognition; Employee Terminations; and HR Forms. Internal Audit noted the procedures have appropriate level of detail to provide guidance in the pursuit of achieving the objectives of the process. Internal Audit obtained the updated desktop procedures for the benefits file upload from Mahmood Haq, Manager of IT, and noted the procedures included appropriate level of detail to ensure the key process can be completed by anyone generally competent for the position.	Original: 2/28/16 Revised: HR - 4/30/16 IT - 8/31/16	Concur

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Ethics Policy Compliance Review
June 2015 Recommendations
Status of Recommendations

Internal Audit Observation	Internal Audit Recommendation	Management Response	Management Action Plan	Responsible Party	Management Status at August 31, 2016	Testing Results	Due Date	IA Evaluation of Management's Status
Florida Statute Section 348.753(8) states that the Authority's board members, employees, and consultants who hold positions that may influence Authority decision should refrain from engaging in any relationship that may adversely affect their judgment in carrying out Authority business. To prevent such conflicts of interest and facilitate a monitoring process, Florida Statutes and the Authority's Code of Ethics require that board members, employees, and consultants disclose potential conflicts of interest annually. To comply with the conflict of interest statute requirement, the Authority developed a conflict of interest disclosure form to be disseminated to all board members, employees, and consultants annually. The Authority's department managers identify the consultants that provide professional services within their department and distribute the disclosure form to applicable consultants. The legal department distributes the disclosure form to Board members and employees. All completed disclosure forms are submitted to the Authority's Executive Assistant, who tracks responses in an Excel document. Supplemental information necessary to complete the form, such as listings of Orange County and City of Orlando registered lobbyists and corridor maps with ownership listings, is included in the distribution of the disclosure form. The review of the conflict of interest disclosure process identified the following areas for improvement: 1. Although the conflict of interest disclosure form and excerpts of the Florida Statutes are sent to the Authority's consultants, the Authority has not provided consultants with formal instruction on how to complete the form. For example, the Authority has not provided guidance on how consultants should respond to questions that are geared towards an individual and not the company, such as the disclosure of relatives. 2. The process to distribute and monitor receipt of the disclosure forms is manual and decentralized. Due to the number of consultants that may be required to complete and submit the disclosure form, automating and centralizing this process to one department would increase efficiency and allow management to quickly identify board members, employees, and consultants who have not complied with the requirement. 3. The Authority has established the disclosure requirements based on Florida Statutes; however, the Authority has not established a process to enforce the requirements and to hold vendors accountable for completing and returning the disclosure form.	1. To improve the disclosure process and set clear expectations, the Authority should define and document instructions for completing the conflict of interest disclosure form, including the expectation that one form should be completed for the firm/company, guidance on answering questions geared toward an individual, and the objective of the Florida Statute requirement. 2. The Authority should consider automating the distribution and monitoring processes for the disclosure form through development of a Conflict of Interest Reporting portal on the company's website. The website can host the disclosure form, instructions, deadline, and supplemental information (corridor maps, ownership listings, etc.); allow users to upload the completed disclosure form; and facilitate tracking and retention of responses received. The Authority should consider centralizing the disclosure process by selecting one department to manage distribution and tracking of the disclosure forms. Based on the current structure of the Authority and the process in place, the Procurement Department would be wellequipped to distribute the notification to consultants to complete the disclosure form and track and retain responses. 3. The Authority should define and document consequences for consultants that do not return the completed conflict of interest disclosure form, including the penalties that may be imposed by the Authority. The Authority should consider withholding vendor payments if the consultant is not responsive to the Authority's request to complete the form, which is similar to the enforcement process in other areas of the organization.	Concur	1. The Authority will define and document instructions for completing the conflict of interest disclosure form as recommended. 2. The Authority will develop a Conflict of Interest Reporting portal to automate the distribution and monitoring process for conflict of interest disclosure forms. The Authority will centralize the process to manage distribution and tracking of the disclosure forms to the Procurement Department. 3. The Authority will define and document consequences for consultants that are not responsive to the Authority's request to complete the disclosure form.	1. Joe Passiatore, General Counsel 2. Linda Lanosa, Deputy General Counsel; Mahmood Haq, Manager of IT; Aneth Williams, Director of Procurement 3. Joe Passiatore, General Counsel	Completed	Per discussion with Joe Passiatore, General Counsel, and Michelle Maikisch, Chief of Staff, recommendations are in process and are currently on track for completion by the scheduled due date. CFX has a contractor (Evolve) designing and hosting the new CFX website. The recommendation was communicated to Michelle Maikisch, Chief of Staff, so that the contractor can include a page to host the ethics information on the new website. 1. Per discussion with Linda Lanosa, Deputy General Counsel, the instructions for the conflict of interest disclosure form were defined and documented. Internal Audit obtained and reviewed the Potential Conflict Disclosure Form Instructions. 2. Per discussion with Linda Lanosa, Deputy General Counsel, a Sharepoint site was developed to monitor and track the conflict of interest disclosure forms. Employees can access the Sharepoint site to view training modules, applicable Florida statutes, instructions, and other materials relating to the conflict of interest. Internal Audit reviewed the Sharepoint site with Linda Lanosa. Staff personnel assigned to each committe and the Board is responsible for sending out the conflict of interest disclosure form via e-mail to the committee. The Procurement Department is responsible for sending out and tracking vendor responses to the conflict of interest disclosure form. Recipients return the disclosure form via e-mail or FTP. Sharepoint sites are being used to centralize forms received and track employee, Board/Committee member, and vendor responses and users can easily sort on the Sharepoint site to identify conflicts disclosed. Internal Audit determined that only four employees had not yet completed the form per the Sharepoint tracking site as of this update. In addition, the Authority has received approximately 50% of the vendor disclosure forms per the Sharepoint site. The Legal Department and Procurement Department will be putting a plan in place to follow-up on the outstanding forms and determine how penalties should be communicated and enforced for vendors that have not complied. 3. Per discussion with Linda Lanosa, Deputy General Counsel, the consequences for consultants that are not responsive to the Authority's request to complete the disclosure form were defined and documented within Section 6 of the Potential Conflict Disclosure Form Instructions.	5/1/16	Concur
Florida Statute Section 348.753(8)(b) states that the Authority's board members, employees, and consultants must disclose whether a relative is a registered lobbyist, and if so, disclose the names of the lobbyist and the lobbyist's clients. The Authority has defined the term "registered lobbyist" within the Code of Ethics as any person who shall engage in lobbying for compensation for (1) an entity other than his or her employer; or (2) for any entity including his or her employer if a principal function of his or her position is lobbying or governmental relations; and (3) is registered with any local jurisdiction represented on the Authority's Board. The City of Orlando and Orange County have established a process for lobbyist registration; however, Lake County, Osceola County, and Seminole County do not require lobbyist registration. Therefore, lobbyists in Lake, Osceola and Seminole County may not meet the definition of "registered lobbyists" as established by the Authority. Based on these circumstances, there is a potential for nondisclosure of relationships with a lobbyist in Lake, Osceola, or Seminole.	The Authority's management and Board should review the previous discussions regarding the definition of "registered lobbyists" and determine if the current definition should be revised to better address the objectives of the Florida Statute.	Concur	The Authority will review previous Board discussions and discuss further, as needed, to determine if the registered lobbyist definition should be revised.	Joe Passiatore, General Counsel	Completed	Per discussion with Joe Passiatore, General Counsel, the recommendation was discussed further with the Board during the 9/10/2015 Board Meeting and further research is currently being conducted based on the Board's recommendation. Internal Audit obtained and reviewed the draft minutes from the 9/10/2015 Board meeting and noted the Board proposed setting up lobbyist registration at CFX rather than relying on Orange County and the City of Orlando registrations, as the groups that lobby CFX may differ. General Counsel was asked to research the proposal further and return to the Board with a recommendation in April 2016. Internal Audit obtained and reviewed the April 2016 Board meeting minutes and noted that the final decision was to rely on the Orange County and the City or Orlando registrations and the definition will remain the same.	5/1/16	Concur
The Authority's employees and vendors must acknowledge that they have reviewed, understand, and will/have complied with the Authority's Code of Ethics. Employees sign a Certificate of Completion annually to acknowledge completion of the annual ethics training and compliance with the Authority's Code of Ethics. At the inception of a contract, vendors must sign the Acknowledgement of Standard of Conduct and Code of Ethics form to acknowledge their review of the Code of Ethics and adherence to the requirements of the policy. However, Board members do not certify their understanding or compliance with the Code of Ethics, which is inconsistent with the process in place for employees and vendors. Additionally, the Authority has not developed a process to notify vendors of modifications to the Code of Ethics, subsequent to the inception of their contract.	Board Members should sign an annual ethics certification to acknowledge their understanding and adherence to the Code of Ethics. This will exhibit the Authority's focus on the tone at the top. Additionally, the Authority should consider notifying vendors when the Code of Ethics has been modified to ensure vendors are aware of any new compliance requirements. Vendors should reaffirm their understanding and compliance with the newly adopted Code of Ethics by signing a new Acknowledgement of Standard of Conduct and Code of Ethics.	Concur	The Authority will require Board members to certify their understanding and compliance with the Code of Ethics annually. Going forward, the Authority will notify vendors when the Code of Ethics is modified and require that each vendor sign a new Acknowledgement of Standard of Conduct and Code of Ethics.	Darleen Mazillo, Executive Assistant, and Aneth Williams, Director of Procurement	Completed	Per discussion with Darleen Mazillo, Executive Assistant, the annual Board certification of understanding and compliance with the Code of Ethics has been added to the Board Checklists developed based on the 2015 COSO Governance Review recommendations. The checklists will help facilitate the annual certification from the Board members during 2016. As the process has been implemented, the action plan was marked as complete by Internal Audit. Per discussion with Aneth Williams, Director of Procurement, the Authority has added the vendor notification process to the Procurement Department Procedures document to be followed when the Code of Ethics is modified. Internal Audit obtained a copy of the revised Procurement Procedures as evidence. A change has not been made to the Code of Ethics since the audit report was issued; therefore, the process could not be tested. However, Internal Audit considered the action plan closed as this has been incorporated into a procedure document.	5/1/16	Concur
The Authority's Ethics Policy follows the State of Florida Code of Ethics. However, there are no written procedures documenting the Authority's ethics compliance monitoring process. Written procedures are an integral component of the infrastructure surrounding each critical business process. Procedures help govern, in writing, the actions necessary to fulfill the organization's policy for operations. Procedures provide guidance in the pursuit of achieving the objectives of the process, help reduce misunderstanding, and increase distribution of pertinent information to those involved in the process.	The Authority should consider developing written "desktop" procedures that clearly define and document key aspects of the Authority's ethics activities, including: - Conflict of interest disclosure process - Training and ongoing education - Compliance review process - Penalties for violations	Concur	The Authority will develop written procedures to document the Authority's ethics activities and compliance monitoring processes.	Joe Passiatore, General Counsel	Completed	Per discussion with Linda Lanosa, Deputy General Counsel, the written procedures to document the Authority's ethics activities and compliance monitoring processes were developed. Internal Audit obatined and reviewed the written procedures.	5/1/16	Concur

Contracts Audit
January 2016 Recommendations
Status of Recommendations

Internal Audit Observation	Internal Audit Recommendation	Management Response	Management Action Plan	Responsible Party	Management Status at August 31, 2016	Testing Results	Due Date	IA Evaluation of Management's Status
The Authority has policies and procedures to authorize the use of subcontractors by vendors. Subcontractors may be approved through (1) inclusion in the vendor proposal and bid or (2) the completion of an "Authorization to Subcontract" form. The "Authorization to Subcontract" form can be approved by the Procurement Director for amounts up to $25,000 and requires Board Approval for any amount in excess of $25,000. The Jorgensen contract states that all subcontractors intended to be utilized by Jorgensen must be approved by the Authority in advance. Jorgensen utilized twenty-six subcontractors since the inception of the contract. Of those twenty-six subcontractors, five were disclosed in the original proposal and contract approved by the Board. Jorgensen did not complete the "Authorization to Subcontract" request for the remaining twenty-one subcontractors. In addition, eight of the twenty-one subcontractors were paid amounts in excess of $25,000, which required Board approval.	The Authority should utilize a vendor billing compliance checklist (similar to one employed for construction and engineering contracts) to allow for monitoring of the use of subcontractors. A listing of authorized subcontractors should be included in the checklist and the checklist should be used to track the approval of new. The contractor should also be required to submit a detail of the use of subcontractors with each vendor invoice.	Concur	Contract Specialists within the maintenance department will implement the use of a "Subcontractor Status Report" as part of monthly checklist of contract requirement monitoring and require the vendor to provide the listing of subcontractors along with their monthly invoice. Additionally, the Contract Specialist will compare the listing provided against the subcontractor approval forms submitted to confirm compliance. The Contract Specialist will also maintain a spreadsheet of subcontractor use and seek Board approval if the amounts approach $25,000.	Claude Miller, Director of Maintenance	In Progress (Past Due)	Per discussion with Claude Miller, Director of Maintenance, and Carrie Baker, Contract Support Specialist, the Asset Maintenance/Routine Inspection Monthly Subcontractor Status Report was created and sent out to prime contractors. The Authority is currently working with the prime contractors to receive the completed reports on a recurring basis. In addition, the Authority has requested the listing of subcontractors and related approval forms be submitted by the prime contractor, but has not received all forms as of this update. Therefore, additional time is required to complete the action plan. Once these items are completed, the tracking spreadsheet will be finalized and the recommended monitoring process will be implemented.	Original: 2/1/2016 Revised: 4/1/16 Revised: 12/31/16	Concur
The Jorgensen Contract Services Contract states that the Contractor (Jorgensen) is required to acquire a surety bond for the annual value of the contract. This is calculated by taking the total contract value and dividing it by five (the contract term). In the event of a Supplemental Agreement, the surety bond must be updated to reflect the new contract value. The Jorgensen contract had an initially contract value of $16,989,528, which results in an annual bond requirement of $3,397,905.60. During the initial two years of the contract term (2011 and 2012), the surety bonds were provided to the Authority in the amount of $3,327,333.88 resulting in an underinsured exposure of $70,571.72 each year. The error was corrected by the contractor for 2013 and subsequent years; however the error was not identified by the Authority as part of its normal process.	The Authority should establish a procedure requiring Contract Management to prepare a checklist identifying key contract terms related to each contract. The contract manager should perform a detailed review of contract compliance at least annually and should reference the checklist to ensure vendors are in compliance with contract terms and conditions prior to releasing the last vendor payment of the year.	The Authority concurs and notes that less than six contracts within the Authority are subject to this type of bond. Most contracts require a bond at the commencement of the project.	The Contract Specialists within the maintenance department will verify the amount of the surety bond complies with the contract requirements as part of the contract compliance checklist. In addition, the procurement department will prepare a secondary review of the compliance with the surety bond requirement.	Claude Miller, Director of Maintenance Aneth Williams, Director of Procurement	Completed	Per discussion with Claude Miller, Director of Maintenance, the review of surety bond compliance has been added to the Director's contract compliance checklist. Internal Audit obtained a copy of the updated checklist and noted that a step is included to verify the surety bond amount is in compliance. Per discussion with Aneth Williams, Director of Procurement, the surety bond check was performed upon expiration of the JCS surety bond. Internal Audit obtained the surety bond continuation and determined the amount was reviewed for compliance with the contract. In addition, this step will be added to the desktop procedures in the Procurement Department to ensure this is performed on an ongoing basis.	Upon expiration of surety bond	Concur

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Bond Financing Review
January 2016 Recommendations
Status of Recommendations

Internal Audit Observation	Internal Audit Recommendation	Management Response	Management Action Plan	Responsible Party	Management Status at August 31, 2016	Testing Results	Due Date	IA Evaluation of Management's Status
The CFX Debt Policy, section XI, states that at least twice each year, the Board shall receive a report on the status of its debt. The report shall at a minimum include: - Amount and percentage of total debt by categories: - Natural fixed - Synthetic fixed - Natural variable - Synthetic variable - Current mark-to-market value of all interest rate exchange agreements - Historical rate performance for all variable rate bonds - Any changes in ratings for credit enhancers and swap counterparty The most recent debt status report was completed on July 22, 2013. The report is not being prepared twice per year as required in the Debt Policy.	CFX's Finance Department should comply with its Debt Policy and prepare and present the semi-annual debt reports to the Board.	Concur	CFX will look into if the policy should be changed now that CFX's variable rate debt accounts for less than 19% of the portfolio. A report will be given to the Board at the next financial workshop.	Lisa Lumbard, CFO	Completed	Per discussion with Lisa Lumbard, CFO, the Authority's Debt Policy has remained the same and a semi-annual debt report is required and was submitted to the Board. Internal Audit obtained the Semi-Annual Debt Report from the Central Florida Expressway Authority website. Internal Audit noted the Semi-Annual Debt Report was dated March 25, 2016 and signed by Lisa Lumbard, CFO. The Report includes 3 reports: Current mark-to-mark value of interest rate exchange agreements; Rating for credit enhancers and counterparties; Amount and percentage of total debt by categories. The Memorandum was addressed to CFX Board Members, and the report is available to public.	4/1/16	Concur

ROW Legal Counsel Procurement & Invoice Audit
February 2016 Recommendations
Status of Recommendations

Internal Audit Observation	Internal Audit Recommendation	Management Response	Management Action Plan	Responsible Party	Management Status at August 31, 2016	Testing Results	Due Date	IA Evaluation of Management's Status
Based on Transportation Infrastructure Finance and Innovation Act (TIFIA) loan requirements, the Authority submits a monthly report of project costs to the Federal government and will be required to report final costs for the project in order to obtain the TIFIA loan funding. During the audit, we reviewed various sources of Right of Way data, including the Right of Way Committee minutes, Excel tracking files from outside legal counsel, and the monthly TIFIA reports, and identified multiple instances of inaccurate or inconsistent data between sources. Specifically, the TIFIA reports contained formula errors, data that was incorrectly rolled forward from month-to-month, in addition to classification issues for closed parcels that were listed as open. Of most concern were inaccuracies identified in the TIFIA reports that are designed to track project costs for later funding from the Federal government. There are multiple parties involved in creating and reviewing the TIFIA reports, including Legal Counsel and Finance personnel, which all input or review parts of the report. It is critical that the data in the TIFIA reports be kept complete and accurate for monitoring and reporting purposes. There is an opportunity to improve the quality and reliability of the data gathered for presentation in the TIFIA reports.	The Authority should formalize its quality assurance/quality control process by assigning a process owner(s) responsible for compiling TIFIA data, reconciling TIFIA data to source documents, and verifying the completeness and accuracy of the information included in the monthly TIFIA reports. Additionally, there is an opportunity to centralize Right of Way activity into one spreadsheet or database in order to minimize (or eliminate) the maintenance and monitoring of multiple sources of information.	Concur	Initially, each Right of Way outside counsel or responsible party within the Authority will confirm the amount paid in the cumulative payments columns of the monthly TIFIA reports to ensure accuracy of the current spreadsheet. If there is a discrepancy identified, the responsible party will research and correct the discrepancy in the TIFIA reports. Going forward, each firm or responsible party will prepare a separate monthly TIFIA report summarizing the activity in the parcels assigned to that firm. The Accounting Department will audit the spreadsheets for accuracy using source documentation, which will be made available to the party responsible for performing the review of the spreadsheets.	Linda Lanosa, Deputy General Counsel Michael Carlisle, Manager of Accounting and Finance	In Progress (Past Due)	Per discussion with Linda Lanosa, Deputy General Counsel, each firm/responsible party creates their own separate monthly TIFIA report summarizing the activity in the parcels assigned to them. Each firm/responsible party certifies that the monthly TIFIA report contains accurate information and acknowledges that the information will be relied upon for the Authority's reporting requirements. Internal Audit obtained examples of the signed acknowledgment form for each responsible party. Per discussion with Scott Bear, CH2M Hill Consultant, he receives the monthly reports from the external counsel and other responsible parties and he compiles the reports for review by the Authority. Once comments or changes are incorporated, the report is provided to Glenn Pressimone, Director of Engineering. Glenn reviews and approves before the compiled report is submitted to the TIFIA contact. Per discussion with Aneth Williams, Director of Procurement, the Finance Department has audited historical data and continues to audit the relocation costs, CFX parcels, and the Lowndes parcels and related expert costs monthly. Internal Audit obtained emails from Aneth Williams evidencing her review of the relocation costs, CFX parcels, and Lowndes parcels. Internal Audit also determined through inspection of Aneth's review package that the costs included in the monthly report were agreed to supporting documentation. The Authority is relying on the signed certifications for Shutts & Bowen and Winderweedle parcels and those monthly reports have not been subject to review by the Finance Department as of the date of this update. Due to staffing changes, the audit process is being transitioned to Michael Carlisle, Manager of Accounting and Finance, starting in October. The action plan is only considered partially complete as the Shutts & Bowen and Winderweedle monthly reports have not been subject to audit by the Finance Department and more time is necessary to complete the action plan.	Original: 8/1/16 Revised: 1/31/17	Concur
The Authority's General Counsel reviews invoices for fees billed by external Right of Way legal counsel for accuracy and compliance with contractual terms. Per the terms of the contracts, external legal counsel will not be reimbursed for expenses such as telecopy, local telephone, data processing, courier or other services that would be deemed to be part of the firm's overhead expenses. However, the firm will notify General Counsel of any large copy and print jobs in order for a determination to be made as to how the copying will be handled and expensed. Internal Audit testing identified that one external Right of Way counsel billed the Authority for $1,440 in copy and printing charges without prior authorization by General Counsel. General Counsel reviewed and approved the invoices for payment; however, there was no evidence that the charges were approved prior to being invoiced. In addition, supporting documentation is required to be provided by external legal counsel for direct costs incurred, such as court reporters and deposition transcripts. Internal Audit testing identified that one external Right of Way counsel billed the Authority for $1,135 in court reporters and courier costs. However, invoice support was not provided for these costs and the legal invoice was approved for payment.	The Legal Department should review the invoices for appropriateness and to (1) ensure that direct costs billed conform to authorized costs detailed in the contract, (2) supporting documentation is provided for direct costs, and (3) each expert invoice is reviewed and approved by external legal counsel. The Finance Department personnel should conduct a secondary review of invoices for supporting documentation and attorney approval while reviewing invoices for rates and personnel assigned.	Concur	Legal Department will perform a review of invoices to (1) ensure that direct costs billed conform to authorized costs detailed in the contract and (2) supporting documentation is provided for direct costs. In addition, the Finance Department will perform a secondary review of the invoices to include the direct costs, supporting documentation, and approval of the expert invoices.	Joe Passiatore, General Counsel Carrie Baker, Manager of Contract Compliance	Completed	Per discussion with Carrie Baker, new Manager of Contract Compliance, the Finance Department performs the initial review of ROW counsel invoices. Invoice review includes review of direct costs for appropriate supporting documentation. Per discussion with Joe Passiatore, General Counsel, the Legal Department review for unauthorized costs is ongoing and items are disallowed or not paid if pre-approval or supporting documentation is not provided. In addition, CFX will no longer reimburse for internal copying costs and has deducted copying charges from the last ROW legal counsel invoice.	Original: 8/1/16	Concur

Toll Revenue Audit
March 2016 Recommendations
Status of Recommendations

Internal Audit Observation	Internal Audit Recommendation	Management Response	Management Action Plan	Responsible Party	Management Status at August 31, 2016	Testing Results	Due Date	IA Evaluation of Management's Status
Monthly, the Authority's Accounting & Finance department performs adjusting journal entries as part of the month-end reconciliation process to true-up the general ledger balance for total revenue earned. As part of the audit, Internal Audit identified that the December 2015 AVI revenue for the Airport Plaza was understated by $136,083 due to an error performing the month-end reconciliation and journal entries. The December 2015 AVI revenue reconciliation was reviewed by appropriate personnel; however, the error was not detected during the review process. The error appeared to result from a recent change in assigned responsibilities within the Accounting & Finance department.	There is an opportunity for the Authority to improve its documentation over the revenue reconciliation process. By creating a procedural document, Authority personnel will have a set of instructions to reference when performing the reconciliation of toll revenue, and a document to leverage when roles or responsibilities change within the accounting department. The procedural document should include detailed procedures for performing and reviewing the monthly revenue reconciliation. As a leading practice, the review procedures should be performed at a level of precision to include recalculation of the month-end journal entry for mathematical accuracy and a review of the final AVI revenue balance per Eden for agreement to the TRIMS Plaza Revenue Summary report.	Concur	Accounting and Finance Department will create a desktop procedure document with detailed steps for the performer and reviewer of the month-end journal entries and reconciliations related to toll revenue.	Michael Carlisle, Manager of Accounting and Finance	Completed	Per discussion with Michael Carlisle, Manager of Accounting and Finance, the AVI Revenue Recognition Procedures document was created. Internal Audit obtained the AVI Revenue Recognition Procedures from the Manager of Accounting and Finance and determined through inspection that there are step-by-step instructions for the performance and review of the monthly toll revenue reconciliation.	9/30/16	Concur
Per the contract between the Authority and URS, the third party Toll Operations Contractor, URS is responsible for loss of revenue if lanes are not staffed according to the CFX approved staffing schedule. During the audit, Internal Audit identified two instances where the Authority was not reimbursed for loss of revenue when the lane was not staffed appropriately. In both instances, the lane was placed in Special Events mode due to an employee medical emergency or illness to allow traffic to pass through the cash toll lane. The Special Events mode was appropriately recorded on the Special Events report and appropriately provided to the Authority; however, the Authority's Accounting and Finance department did not file the request for reimbursement from URS. The total amount due to the Authority was approximately $136 for the two Special Events identified by Internal Audit. Although not a significant amount, opportunities exist to improve the process and procedures to prevent a more significant issue in the future.	A review of the Special Events Report should be included on the calendar/checklist of month-end procedures to ensure all Special Events are captured for billing to appropriate parties, including URS.	Concur	Accounting and Finance Department will add the review of the Special Events Report to the month-end calendar as recommended.	Michael Carlisle, Manager of Accounting and Finance	Completed	Per discussion with Michael Carlisle, Manager of Accounting and Finance, the Special Events Report was included on the calendar of the month-end procedures to ensure all of the Special Events are captured for billing to appropriate parties. Internal Audit obtained the 2016 August calendar of the month-end procedures from the Manager of Accounting and Finance, and determined through inspection that the Special Events Report was added to prompt the review process.	6/30/16	Concur
In accordance with the Central Florida Expressway Authority's Toll Operations Standard Operating Procedures (SOP), URS performs a review of the Plaza Activity Monitor at least every two hours to review the TRIMS system and to mitigate potential revenue loss due to equipment failure. This review is documented by the Toll Service Supervisor/Manager using a Lane Monitor Checklist. For one day tested, in six (6) of the 15 plazas reviewed, there were one or more instances where the review of the Plaza Activity Monitor was not documented within the two hour limit. Per the contract between the Authority and URS, the third party Toll Operations Contractor, URS is responsible for loss of revenue if equipment failure is not reported to the System Hardware Maintenance Contractor within 2 hours. Therefore, the impact to the Authority if the procedure is not followed would be minimal as URS would reimburse the Authority for actual lost revenue determined by the system or an estimate of lost revenue based on historical data.	We recommend that the Authority and third party contractor consider eliminating the Lane Monitor Checklist as this is a non-essential report. The Lane Monitor Checklist is an internal document and functions primarily as a summary of the Plaza Activity Monitor detail. Instead, the contractor should consider a revision to their process such that the Toll Service Manager or Supervisor signs directly on the Plaza Activity Monitor sheets, which are date and time-stamped source documents and will suffice as evidence of plaza review. By eliminating the completion of a summary sheet, the Toll Service Managers or Supervisors can complete the documentation of this task more efficiently in addition to having more time to focus on other responsibilities.	Concur	URS has implemented the recommendation as of March 4, 2016.	Dan Goff, Project Director	Completed	Per discussion with Dan Goff, Project Director, Toll Service Managers/Supervisors sign directly on the Plaza Activity Monitor sheets as per the recommendation. Internal Audit obtained a Plaza Activity Monitor Sheet and verified.	Completed	Concur
In accordance with the Central Florida Expressway Authority's Toll Operations Standard Operating Procedures (SOP), Toll Service Managers (TSMs) monitor new hire performance via a 30-day Toll Attendant Performance Assessment (TAPA). A 60-day follow-up TAPA will be completed as needed. Of the 20 selected Toll Service Attendants (TSAs) hired during the period July 1, 2015 through December 31, 2015, the following issues were identified: -Fourteen (14) of the 30-day TAPAs were not completed within 30 days of the employees' hire date and were completed greater than two weeks late. -Two (2) of the 30-day TAPAs could not be located. If new hire performance evaluation and feedback is not being performed timely for TSAs and TSAs are not appropriately processing the various types of toll transactions, the potential likelihood of error and lost toll revenue that may not be caught timely is increased.	The URS Assistant Project Director recently created an Excel spreadsheet to track and monitor the status of TAPA due dates and required follow-up. We recommend that the Excel spreadsheet be provided to the appropriate TSM bi-monthly via email and that upcoming TAPA due dates be discussed during the bi-monthly Plaza Managers' meeting.		On February 1, 2016 URS created an Excel spreadsheet to track the due date and the completion date for TAPAs. The spreadsheet will be shared with the Plaza Managers on the 15th and 30th of each month. In addition, the information will be reviewed at the bi-monthly Plaza Managers' meeting. Action Plan has been fully implemented as of March 1, 2016.	Dan Goff, Project Director	Completed	Per discussion with Dan Goff, Project Director, Plaza Managers are notified of the requirements for completion of TAPAS. The Assistant Project Director maintains a tracking log and notifies Managers of any TAPAs that are past due, requests explanations, and follows-up to completion. Internal Audit obtained the tracking log from the Project Director and determined through inspection that the spreadsheet tracks and monitors the status of TAPA due dates and required follow-ups. In-lieu of sending the tracking log on specific dates, the log is reviewed weekly by the Assistant Project Director. In addition, Plaza Managers are reminded in Plaza Managers meetings to check the status for all new hires.	Completed	Concur

Toll Revenue Audit
March 2016 Recommendations
Status of Recommendations

Internal Audit Observation	Internal Audit Recommendation	Management Response	Management Action Plan	Responsible Party	Management Status at August 31, 2016	Testing Results	Due Date	IA Evaluation of Management's Status
All check, cash, money order transactions received via mail are processed in the back office mailroom or counting room located at the Authority's headquarters. To allow monitoring of the processing and handling of payments, the mailroom and the counting room are under video camera surveillance. Based on inquiry of EGIS management and Authority IT personnel, camera surveillance is not being actively monitored by either party and the camera footage is not digitally stored and available for retrieval. The IT department indicated that the camera storage system became obsolete when the Authority upgraded to the Windows 7 operating system due to compatibility issues. Management was aware of the obsolete camera system and made a business decision to not upgrade the system at the time.	We recommend that the Authority purchase new surveillance equipment that is compatible with its current operating system and allows for 30 days storage of surveillance data, at minimum, for retrieval as needed. We recommend that footage be recorded in digital format and maintained for a period of at least two weeks to one month based on leading practices. Additionally, the Authority should consider assigning the responsibility of periodic monitoring of the security cameras to EGIS to be performed at least weekly in order to improve monitoring of the mailroom and counting room where checks, cash, and money orders get processed.	Concur	The Authority will procure and deploy the needed equipment and EGIS will perform monitoring of the cameras at least weekly. The procurement of the system will be included in an upcoming camera installation project	Fred Nieves, Manager of E-PASS & Plaza Operations	In Progress	Per discussion with Fred Nieves, Manager of E-PASS & Plaza Operations, and Mahmood Haq, Manager of IT, procurement of cameras for use throughout the Authority's facilities to enhance security is being planned by the IT department. The cameras for the call center mail room and counting room will be included in this procurement. The work is currently scheduled to take place in Q1 of 2017, so the due date was revised to accomodate the current project plan.	Original: 12/31/16 Revised: 3/31/17	Concur
EGIS employees that work in the E-PASS Call Center and Violation Enforcement Section (VES) group are issued a unique badge and passcode for accessing the building and work area. Upon termination, it is the responsibility of the department manager to collect the terminated employee's badge and notify the IT Help Desk via an online ticket system that the employee's access rights should be terminated immediately. During testing, Internal Audit identified two (2) terminated employees with active badges and building access.	We recommend that an employee termination checklist be developed and distributed to all department managers. Department managers should complete the checklist, which should include procedures around collecting an employee's badge and notifying the Authority's IT department of the termination within a defined period of time (e.g. 3 days). The department manager should sign and date the checklist to indicate all termination procedures were completed. Additionally, the department manager should send the completed employee termination checklist to the EGIS HR Generalist or designee to sign and date the checklist as evidence of review.	Concur	EGIS will implement the recommendation once an HR Generalist is identified and hired.	Allie Braswell, Program Manager	Completed	Per discussion with Allie Braswell, Program Manager, the employee termination checklist was developed and distributed to all department managers. Internal Audit obtained a sample of a completed terminated employee checklist from the Program Manager and determined through inspection that there is a checklist item to ensure the termination form was sent to CFX IT for processing. Internal Audit further determined through inspection of the terminated employee checklist that the manager and the program manager approved by signing and dating the checklist.	12/31/16	Concur

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