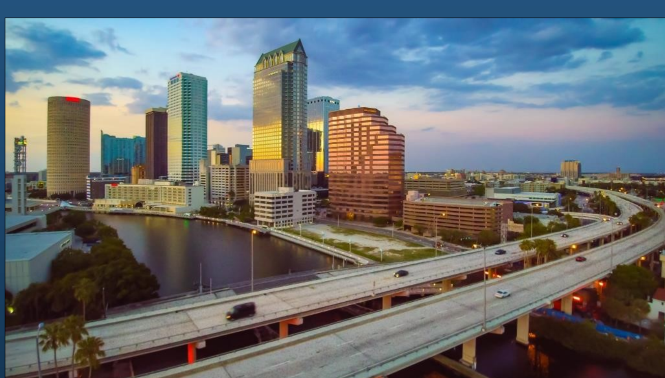
TRANSPORTATION AUTHORITY MONITORING AND OVERSIGHT

FISCAL YEAR 2017 REPORT

A Report by the Florida Transportation Commission



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FLORIDA TRANSPORTATION COMMISSION

October 3, 2018

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 2017 Report*, which was adopted at our public meeting on September 6, 2018. 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 fifth 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 2017 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 Board last met in June 2014 and approximately $135.2 million in bonds remain outstanding. The bonds are not backed by the Florida Department of Transportation (Department) or the State of Florida and no instances of Department noncompliance were noted during the review. Pursuant to House Bill 865, the Department,

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in consultation with the Division of Bond Finance, submitted an economic feasibility study relating to the acquisition of the Garcon Point Bridge (owned by SRBBA) to the Governor and Legislature in December 2017. Although the 2018 Legislature considered bills relating to the Department's acquisition of the Garcon Point Bridge, no such bills were passed.

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, Chair, Senate Transportation Committee
Honorable Wilton Simpson, Chair, Senate Transportation, Tourism and Economic Development Appropriations Subcommittee
Honorable Rob Bradley, Chair, Senate Appropriations Committee
Honorable Brad Drake, Chair, House Transportation and Infrastructure Subcommittee
Honorable Clay Ingram, Chair, House Transportation and Tourism Appropriations Subcommittee
Honorable Jeanette Nuñez, Vice Chair, 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 2017 Annual Report

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Authorities under Florida Transportation Commission Oversight

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 118 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); 32 miles of the Central Florida GreeneWay (SR 417); 31 miles of the Western Beltway (SR 429); 6 miles of the John Land Apopka Expressway (SR 414); 2 miles of SR 451; and, 2 miles of SR 453.

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.

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.

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.

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.

Tampa Bay Area Regional Transit Authority (TBARTA) is not currently operating any facilities. Effective July 1, 2017, legislation changed the composition of the Board and refocused TBARTA's purpose and 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 (Hernando, Hillsborough, Manatee, Pasco and Pinellas Counties). TBARTA is currently developing a Regional Transit Development Plan.

Northeast Florida Regional Transportation Commission (NEFRTC) is not currently operating any facilities. NEFRTC was created to of improve mobility and expand multimodal transportation options for persons 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.

Osceola County Expressway Authority (OCX) has been reclassified from an "emerging authority" to an "established toll authority" in this FY 2017 report and is reporting performance measures and operating indicators for the first time as a result of the full opening of the Poinciana Parkway. OCX developed a 2040 Master Plan and transferred the lead for the Master Plan development to CFX who began conducting feasibility studies on the unbuilt Master Plan projects. In March 2018, CFX voted to move the Osceola Parkway Extension and the Poinciana Parkway Extension forward to a PD&E Study.

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 2017 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 measure objectives were incorporated into this FY 2017 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 2017, 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 (Santa Rosa Bay Bridge Authority), 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 2017 performance results for Established Toll

Authority Performance Measures Results - FY 2017

Established Toll Authorities

Miami-Dade Expressway Authority (MDX) met or exceeded 12 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
- Image Review Processing Time
- Consultant Contract Management
- Construction Contract Adjustments: Time and Cost

Central Florida Expressway Authority (CFX) met or exceeded 18 of the 19 performance measure objectives. The measure not met was:

- Average Customer Call Wait Time

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 14 of the 15 applicable performance measure objectives. The measure not met was:

- MRP Safety Characteristic - Lighting

Florida's Turnpike System (Turnpike) met or exceeded 11 of the 19 performance measure objectives. The measures not met were:

- MRP Overall Rating
- Revenue Variance
- MRP Safety Characteristic - Signing
- MRP Safety Characteristic - Striping
- MRP Safety Characteristic - Guardrail
- MRP Safety Characteristic - Lighting
- Average Customer Call Wait Time
- Consultant Contract Management

Osceola County Expressway Authority (OCX) met or exceeded 6 of the 7 applicable performance measure objectives. The measure not met was:

- Bond Ratings

Mid-Bay Bridge Authority (MBBA) met or exceeded 13 of the 16 applicable performance measure objectives. The measures not met were:

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

Transit Authorities

Central Florida Regional Transportation Authority (CFRTA, dba LYNX) met or exceeded 4 of the 12 performance measure objectives. The measures not met were:

- Passenger Trips per Revenue Hour
- Operating Expense per Revenue Mile
- Operating Expense per Revenue Hour
- 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, 6 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
- Operating Expense per Passenger Trip
- Farebox Recovery Ratio
- Revenue Miles Between Safety Incidents

Skyway

- Operating Expense per Revenue Mile
- Operating Expense per Revenue Hour
- Operating Expense per Passenger Trip
- Operating Expense per Passenger Mile
- Customer Complaint Response Time

Figure 2: Authority Performance Measures Results - FY 2017.

Authorities and Transit Authorities. Emerging Authorities are not included because they did not operate any facilities in FY 2017.

During and subsequent to FY 2017, several authorities engaged in bonding activity. In September 2016, 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 2018, two of the three rating agencies upgraded their underlying ratings of MDX Bonds. Turnpike issued two series of bonds: Series 2016C issued in February 2017 for $142.6 million; and Series 2017A issued in December 2017 (FY 2018) for $131.9 million. Bond proceeds were used to refund outstanding bonds to achieve interest cost savings. Approximately $34.4 million in net present value savings was achieved from the two bond issues. In FY 2017, one rating agency upgraded its underlying ratings of Turnpike Bonds. Tampa-Hillsborough County Expressway Authority (THEA) issued three series of bonds: Series 2017 issued in September 2017 (FY 2018) for $157.8 million to finance a portion of the Selmon West Extension; and Series 2017B and Series 2017C issued in December 2017 (FY 2018) for $152.4 million and $36.2 million, respectively. The Series 2017B Bonds refunded outstanding Series 2012B Bonds resulting in a net present value savings of $15.3 million due to lower interest costs. The Series 2017C Bond proceeds were used to finance Selmon Expressway and Meridian Avenue improvement projects. In FY 2018, one rating agency upgraded its underlying ratings of THEA Bonds. In addition, Central Florida Expressway Authority (CFX) issued two series of bonds: Series 2016B issued in November 2016 for $631.3 million and Series 2017 issued in December 2017 (FY 2018) for $341.2 million. Bond proceeds were used to refund/advance refund various outstanding CFX bonds to achieve net present value savings of $105.2 million.

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/ Ultimate Urban Circulator (U2C) program is currently underway to examine capital, operating and financial plans for the continued operation of the Skyway. The U2C proposes retrofitting the existing elevated structure to accommodate next generation autonomous transit vehicles that can operate elevated or at ground level.

Several other authorities made changes to their tolling plans. In 2012, 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. 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 Frequent Driver Rewards Program during FY 2015 for certain qualified SunPass customers which resulted in dividend checks totaling $5.6 million being issued during FY 2017. Pursuant to Section 338.165, Florida Statues, Turnpike has indexed SunPass and Toll-by-Plate rates for inflation annually since FY 2013. However, unlike the previous four fiscal years, the Turnpike did not implement toll rate indexing on July 1, 2016 (FY 2017) because the SunPass and Toll-by-Plate rates, as the year-over-year change in the CPI, did not prompt a minimum of $0.01 adjustment in the two-axle toll rates. Cash toll rates, last indexed on June 24, 2012, will be indexed every five years to accommodate quarter increments. In November 2016, MBBA approved reducing the threshold to qualify for its frequent customer rebate from 41 transactions to 32 transactions per month. In February 2017, the CFX Board amended its Policy Regarding Toll Schedules. The previous policy included an automatic toll adjustment every five years to reflect the higher of either the cumulative change in the CPI or three percent per annum. This 15 percent toll increase was scheduled to occur on July 1, 2017 (FY 2018). The amended policy requires that beginning on July 1, 2018 (FY 2019) tolls will be adjusted annually based on increases in the CPI or one and one-half percent per annum. The rate for cash collections shall be increased upward to the next quarter when the electronic rate reaches to within 10 percent of the cash rate at each individual plaza.

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, in consultation with the Division of Bond Finance, submitted the completed study (*Economic Feasibility Study: State Acquisition of the Garcon Point Bridge*) to the Governor and Legislature in December 2017, as statutorily required. Although the 2018 Legislature considered bills relating to the Department's acquisition of the Garcon Point Bridge, no such bills were passed.

South Florida Regional Transportation Authority (SFRTA) assumed responsibility for dispatch and maintenance of the South Florida Rail Corridor on March 29, 2015. The Department must now annually transfer $15 million from the State Transportation Trust Fund (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 STTF funding). In addition, the Department will cover 100 percent of annual maintenance costs up to $14.4 million and will 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. Four contracts for services were set to expire on June 30, 2017. SFRTA, through the RFP process, decided to bundle these four contracts into one and awarded a $511 million, 7-year contract to Herzog Transit Services, Inc. on January 27, 2017. The Department's Office of Inspector General (OIG) conducted an audit to determine if SFRTA was in compliance with the provisions of an Operating Agreement between the Department and SFRTA for the South Florida Rail Corridor and issued a report, with findings, in November 2016. The OIG also conducted a review of the bundled contract award and issued an Advisory Report in September 2017 (FY 2018). 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 and plans to provide new Tri-Rail train service over an 8.5-mile extension directly into downtown Miami at the new Brightline MiamiCentral Station. Due to positive train control issues on this corridor, revenue service in planned for the third quarter of 2019.

In November 2015, Florida's Turnpike Enterprise (Enterprise) executed a contract to develop and implement a Centralized Customer Service System (CCSS). The CCSS provides electronic toll collection and SunPass customer support to toll agencies in Florida, including SunPass account management, Toll-By-Plate invoicing, and violation enforcement under a single operation, while delivering operational cost efficiencies and value to 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, 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. The CCSS is expected to process over two billion transactions a year in addition to managing approximately seven million SunPass accounts. On June 5, 2018, the Enterprise suspended SunPass toll transaction processing to switch from the legacy toll transaction processing system to the new CCSS back-office toll system. The Enterprise reported in July 2018 that issues encountered during the transition to the new CCSS resulted in a backlog of unprocessed transactions for trips on Florida's Turnpike and other toll roads serviced by the CCSS. By August 13, 2018, the CCSS vendor (Conduent State and Local Solutions) had substantially eliminated the backlog of toll transactions and had improved operations of the SunPass call center, website interface and the functionality of its mobile application. The Department advised SunPass customers that it will not impose any late fees or penalties related to the system transition.

In September 2012, an Agreement for Development of Poinciana Parkway was reached between Osceola County, Polk County, Avatar Properties and OCX that formally outlined 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 Osceola 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. The OCX Board approved a contract whereby CFX provides 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 was considered an "emerging authority" in last year's FY 2016 report. OCX has been reclassified in this FY 2017 report as an "established toll authority" and is reporting performance measures and operating indicators for the first time. Per Statute, governance and control of OCX will transfer to CFX sometime after December 31, 2018. In September 2016, 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 in April 2017. In March 2018, CFX voted to move the Osceola Parkway Extension and the Poinciana Parkway Extension to the next phase of evaluation, a Project Development and Environment (PD&E) Study.

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 2019. Another Turnpike expansion project, the Suncoast Parkway 2, was let for construction in October 2017 (FY 2018). MDX has substantially completed a PD&E Study for a new 2.3-mile expressway extension of SR 924 west to the HEFT. The MDX Five-Year Work Program includes funding for design-build of Segment 1 westbound and Segment 2, and for final design for Segments 1 and 3 eastbound. Another PD&E Study is underway to evaluate a potential new expressway connecting SR 836, SR 112, SR 924, and SR 826. Final design is funded but construction is not yet funded. In addition, a PD&E Study to evaluate a new 15-mile expressway extension of SR 836 to the southwest is ongoing. Final design and construction for this project are not yet funded. CFX opened its first five-mile section of the Wekiva Parkway, from SR 429 at US 441 to the Kelly Park Road Interchange, in July 2017 (FY 2018). CFX's remaining five-mile section is scheduled to be open to traffic in spring 2018. The Department continues construction on its sections of the Wekiva Parkway to complete the beltway around northwest metropolitan Orlando. Approximately $250 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 is focused on implementing the remaining two lines of its First Coast Flyer Bus Rapid Transit program; has taken over operations of the St. Johns River Ferry; and is continuing construction of the Jacksonville Regional Transportation Center.

THEA 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 as part of its Connected Vehicle Pilot Deployment Program. The final phase of the project, which is expected to begin in mid-2018, involves the full-scale operation of connected vehicle technology throughout downtown Tampa. SunTrax, a planned large-scale facility for testing connected and autonomous vehicle technologies, will be developed jointly by the Department, Florida's Turnpike Enterprise, Florida Polytechnic University, and industry partners. The 2.25-mile-long track will provide an opportunity for high-speed testing, while the 200-acre infield will allow for the testing of a multitude of different technologies. The groundbreaking ceremony to launch construction was held on November 13, 2017.

A summary of legislation passed by the 2016, 2017 and 2018 Florida Legislature (and signed into law) that impacted the authorities subject to Commission monitoring and oversight is provided in the Introduction section of this report. Several bills were passed that significantly amended MDX's enabling legislation. MDX compliance in this report is based on laws in effect during FY 2017. HB 299, effective July 1, 2016 (FY 2017), reduced MDX Board membership from 13 to 9; provides procedures when there is a vacancy; revises qualifications for Board membership; and provides termination from the MDX Board upon a finding of a violation of specified ethical conduct or failure to comply with financial disclosure requirements. HB 1049, effective July 1, 2017 (FY 2018), 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. In addition, HB 141, effective July 1, 2018 (FY 2019), requires MDX to provide information to the Governor, by October 1, 2018, regarding its compliance with the minimum five percent toll reduction for designated SunPass registrants. If the toll reduction has not taken place, effective October 31, 2018, the existing Board shall be dissolved and a new MDX Board shall be appointed. MDX will present impacts, if any, of HB 1049 and HB 141 in next year's report.

HB 1049, effective July 1, 2017 (FY 2018), amended Section 348.0004, Florida Statutes, and requires the Commission to determine the annual state average of administrative costs based on the annual administrative expenses of all the expressway authorities of this state. Administrative expenses include, but are not limited to, employee salaries and benefits, small business outreach, insurance, professional service contracts not directly related to the operation and maintenance of the expressway system, and other overhead costs. Based on this statutory guidance, Commission staff determined that the state average of administrative costs for FY 2017 is $5,080,569. The same process will be utilized by the Commission to compute the average administrative costs for FY 2018, the effective date of the legislation. The amount of toll revenues used for administrative expenses by MDX may not be greater than 10 percent above the annual state average of administrative costs.

SB 1672, passed by the 2017 Legislature, significantly amended Tampa Bay Area Regional Transportation Authority's (TBARTA's) enabling legislation, effective July 1, 2017. The legislation changed TBARTA into the Tampa Bay Area Regional *Transit* Authority and changed the composition of the TBARTA Board. The reconstituted Board held their first meeting in August 25, 2017 (no later than 60 days after creation of the authority). 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. The 2018 Legislature provided a $1 million appropriation to TBARTA to develop the Regional

Transit Development Plan. Ray Chiaramonte resigned as TBARTA's Executive Director, effective June 22, 2018, and the Board is currently conducting a nationwide search for a permanent Executive Director.

The Northwest Florida Transportation Corridor Authority (NFTCA) Board did not meet at least quarterly as required by statute. The Board met once in FY 2017 (October 2016) and did not meet again until February 2018 (16 months later) due to a lack of quorum necessary to conduct business. NFTCA indicated that due to the lack of activity by the authority, it has been difficult to get Board members spread out over eight counties together. As a result of the Board not meeting regularly, numerous compliance issues were noted. NFTCA's revenues and other financing sources totaled $44 thousand in its FY 2017 operating budget which consisted of $38 thousand in unused grant funds remaining from the original $2.2 million federal earmarks, and $6 thousand in cash reserves. Because the funding agreement expired on December 31, 2017, the FY 2018 operating budget consists of only $6 thousand in cash reserves. The Board met in February 2018 to discuss the possibility of dissolution of NFTCA or of pursuing a project. The NFTCA Board voted to accept a resolution expressing commitment and interest in partnering on Triumph Gulf Coast Inc. funded projects. Triumph Gulf Coast, Inc. is organized to oversee expenditure of 75 percent of funds recovered for economic damages resulting from the 2010 Deepwater Horizon oil spill. The funds are to be used in the same eight counties that are within NFTCA's jurisdiction.

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.

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. The Commission, in concert with the designated authorities, periodically considers any enhancements or changes to performance measures and operating indicators.

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 2017 report.

Legislative Update

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.

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)
Osceola County Expressway Authority (OCX)
Central Florida Regional Transportation Authority (CFRTA)
Jacksonville Transportation Authority (JTA)
South Florida Regional Transportation Authority (SFRTA)
Northwest Florida Transportation Corridor Authority (NFTCA)
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.

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.

2018 Legislature

HB 141 was signed into law by Governor Scott, effective July 1, 2018. HB 141 amends Chapter 348, Part 1, Florida Statutes (the Florida Expressway Authority Act) regarding certain expressway authorities, which currently includes only MDX. HB 141 requires MDX to submit to the Governor, by October 1, 2018, information regarding its compliance with the minimum five percent toll reduction prescribed in Section 348.0004(6), Florida Statutes. If the required toll reduction has not taken place, effective October 1, 2018, the existing board shall be dissolved and, except for the district secretary of the Department, a new board shall be appointed by that date. No member of the board on October 1, 2018, may be appointed to the new board. The legislation prescribes for appointment of new board members.

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 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 significant revisions to FY 2016 performance measures and operating indicators for both toll authorities and transit authorities that were identified in last year's report. For FY 2017, some of the transit performance measure objectives, with a cost component, were adjusted to reflect changes in the consumer price index (CPI). Specific performance measures, objectives and operating indicators for the various transportation authorities are presented in individual chapters of this report.

FY 2017 Changes to Performance Measures and Operating Indicators – "Established" Toll Authorities

No changes were made to toll authority performance measures or operating indicators for FY 2017.

FY 2017 Changes to Performance Measures and Operating Indicators – Transit Authorities

- CPI adjustment applied to Operating Expense per Revenue Mile objectives: <$7.74 JTA Bus, <$6.31 LYNX, <$21.43 SFRTA, <$27.38 JTA Skyway
- CPI adjustment applied to Operating Expense per Revenue Hour objectives: <$108.34 JTA Bus, <$89.29 LYNX, <$369.06 JTA Skyway
- CPI adjustment applied to Operating Expense per Passenger Trip objectives: <$6.31 JTA Bus, <$3.57 LYNX, <$17.86 SFRTA
- CPI adjustment applied to Operating Expense per Passenger Mile objectives: <$1.19 JTA Bus, <$0.56 LYNX, <$0.54 SFRTA

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.

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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 seven as "Established Toll Authorities," three as "Transit Authorities" and three as "Emerging Authorities." This section of the report pertains to Established Toll Authorities that include:

- Miami-Dade Expressway Authority (MDX)
- 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)
- Osceola County Expressway Authority (OCX)

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 seven Established Toll Authorities, all performance measures, operating indicators and governance areas are the same, given that nearly all the toll authorities are well established and have been operating for a considerable amount of time. OCX was reclassified from an Emerging Authority to an Established Toll Authority in this FY 2017 report since this is the first full year that OCX operated a toll facility. Reporting for these seven authorities is presented in the following format that includes:

- Background of the authority
- Performance measures results for fiscal year (FY) 2017
- Operating indicators for FY 2015 through FY 2017
- 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 2017

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 2017

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 ≤ 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 seven 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.

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

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 12 of the 19 performance measure objectives. The measures not met were Revenue Variance, two Maintenance Rating Program Safety Characteristics: Striping and Lighting, Image Review Processing Time, Consultant Contract Management, and Construction Contract Adjustments: Time and Cost.
- FY 2017 total operating revenue increased $2.3 million, or 1.0 percent, over FY 2016 while total operating expenses increased $4.9 million, or 5.9 percent.
- In February 2016, MDX approved a Master Agreement to be the first participating agency member of the Centralized Customer Service System which is expected to be fully operational by spring 2018.
- In September 2016, MDX issued $95.8 million in Series 2016A Bonds to refund its Series 2006 Bonds.
- House Bill (HB) 1049, effective July 1, 2017 (FY 2018), 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.
- HB 141, effective July 1, 2018 (FY 2019), requires MDX to provide information to the Governor, by October 1, 2018, regarding its compliance with the minimum five percent toll reduction for designated SunPass registrants. If the toll reduction has not taken place, effective October 31, 2018, the existing Board shall be dissolved and a new MDX Board shall be appointed.
- In December 2010, MDX terminated its contract with ETCC for an Account Management and Toll Enforcement System. In January 2018 (FY 2018), a court ruled in favor of ETCC and was awarded $43 million, plus $10 million in interest and $8 million in attorney fees and costs. MDX has filed an appeal on the judgement.

term or a remaining part of an 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. Including projects completed after the transfer, MDX currently oversees, operates and maintains five tolled expressways constituting approximately 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).

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.

SR 836 Wing ORT Gantry.

These contracts included the tolling lane system and the back-office, Account Management Toll Enforcement System (AMTES). In addition, MDX contracted for infrastructure modifications 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) 2017, MDX reported toll and fee revenues of $236.9 million (net of $20.6 million allowance for doubtful accounts) based on 495 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 spring 2018.

Prior to 2015, MDX competitively competed for loans from the Department's Toll Facility Revolving Trust Fund and State Infrastructure Bank to fund various projects. In FY 2016, MDX paid off all $15.7 million in outstanding debt due to the Department. No outstanding long-term debt due to the Department was reported for year ended June 30, 2017.

Performance Measures

Pursuant to the Florida Transportation Commission's (Commission) expanded role in providing oversight to specified authorities, the Commission conducts periodic reviews of each authority's operations and budget, acquisition of property, management of revenue and bond proceeds, and compliance with applicable laws and Generally Accepted Accounting Principles (GAAP). Consequently, the Commission, in concert with the authorities, developed performance measures and management objectives that establish best practices across the industry to improve the overall delivery of services to the traveling and freight moving communities that are critical to the overall economic well-being and quality of life in Florida.

FY 2017 results, as reported by MDX, are provided in Table 5. Results for the last five fiscal years are included in Appendix A. MDX met or exceeded 12 of the 19 performance measure objectives established by the Commission. The seven performance measure objectives MDX did not meet (Revenue Variance, two of the Maintenance Rating Program (MRP) Safety Characteristics (Striping and Lighting), Image Review Processing Time, Consultant Contract Management, and Construction Contract Adjustments (Time and Cost) are described below. Explanations are based on input from MDX management.

Revenue Variance

The three year average of actual MDX toll revenue for FY 2015 through FY 2017, without recovery of fines, represents a 9.3 percent variance from indicated revenue thereby not meeting the objective of less than 4.0 percent. Revenue variance operating indicators for FY 2015, FY 2016, and FY 2017 are 9.4 percent, 9.7 percent and 9.0 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 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 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 conservative 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

Table 5
Miami-Dade Expressway Authority
Summary of Performance Measures
FY 2017

Performance Measure	*Detail*	*Objective*	*Actual Results*	*Meets Objective*
Operations				
SHS Maintenance Rating Program (MRP) Overall Rating	Condition rating of at least 90	> 90	91.3	✓
Pavement Condition Rating	% SHS lane miles rated “excellent or good”	> 85%	94.5%	✓
Bridge Condition - Rating	% bridge structures rated “excellent or good”	> 95%	99.3%	✓
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%	9.3%	X
MRP Safety Characteristic - Signing	Condition rating of at least 90	> 90	95	✓
MRP Safety Characteristic - Striping	Condition rating of at least 95	> 95	84	X
MRP Safety Characteristic - Guardrail	Condition rating of at least 80	> 80	82	✓
MRP Safety Characteristic - Lighting	Condition rating of at least 85	> 85	78	X
Average Customer Call Wait Time	> 80% of calls answered within 1 minute	> 80%	89.4%	✓
Image Review Processing Time	> 90% of license plate images reviewed in < 2 weeks	> 90%	64.5%	X
Operations and Budget				
Consultant Contract Management	Final cost % increase above original award	< 5%	20.8%	X
Construction Contract Adjustments - Time	% contracts completed within 20% above original contract time	≥ 80%	0.0%	X
Construction Contract Adjustments - Cost	% projects completed within 10% above original contract amount	≥ 90%	50.0%	X
Toll Collection Expense as a Percentage of Toll Revenue	Toll collection expense (net of exclusions) / toll revenue	< 12%	9.9%	✓
Annual Operating, Maintenance and Administrative (OM&A) Forecast Variance	Actual OM&A to annual budget	< 110%	95.5%	✓
Applicable Laws				
Minority Participation[1]	M/WBE and SBE utilization as % of total expenditures (each agency establishes goal/target)	> 90%	101.0%	✓
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 10.1 percent (101.0 percent of the goal).

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 2017 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 2017, MDX had 225 points inspected for striping of which 36 points, or 16.0 percent, failed. The main reason for the striping failure is the west end of SR 924. MDX has just awarded a contract for this work which will be under construction this summer. A second location which resulted in the failure is the area of SR 836 in the vicinity of the Turnpike, which has a substantial amount of weaving traffic. This section of SR 836 is scheduled for re-striping in 2018. In addition, MDX has already implemented an action plan to improve striping that includes resurfacing as part of capacity improvement projects on SR 836 and has completed a resurfacing project on the entire length of SR 112. MDX has also implemented a new specification for thermoplastic striping utilizing all weather ceramic beads which provide better visibility in wet weather. The action plan also includes installing 3M all weather high performance tape with black contrast on all MDX bridges. MDX currently has three contracts scheduled within its approved Five Year Work Program to replace the existing pavement markings and Raised Pavement Markers (RPM's) along the portion of the System not currently being reconstructed.

During FY 2017, MDX had 217 points inspected for lighting of which 47 points, or 21.7 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. The failures consisted primarily of missing pull box cover bolts and unsecured inspection plates. When the MRP Standard requiring all pull boxes to have every bolt in place began to be enforced, it entailed a fairly large task of identifying and installing the missing bolts systemwide in order to meet the standard. As this work was being performed, subsequent inspections identified locations that had not been completed causing failures that had not yet been corrected. The MDX Asset Maintenance (AM) contractor has inspected and corrected all of these unsecured inspection plates and pull boxes. Additional initiatives undertaken include changing the MDX specification to include upgrading the standard roadway and underdeck lighting to LED lighting on all new projects, including all new single/double arm light pole luminaires to be equipped with a module receptacle for future intelligent lighting communications and updating the QA/QC process to insure the AM Contractor reporting is accurate. MDX currently has a contract scheduled within its approved Five Year Work Program to replace all existing high pressure sodium light fixtures with LED light fixtures on the MDX System. The LED light fixtures provide a much longer service life, while using less energy to provide the same level of lighting on the roadway.

Image Review Processing Time

At the start of FY 2017, MDX was in the midst of a transition to a new and enhanced image review system with its existing image review vendor; however, the transition encountered several unanticipated delays in software deployment causing a review backlog of images that exceeded the goal of 90 percent images reviewed within 2 weeks. At the same time, MDX was transitioning to the State's manual image review vendor who was also experiencing a delay in reviews resulting from a ramp up of image review resources. Once the new software was fully implemented on December 20, 2016, and manual review resources were ramped up, it required several months to catch up and to deplete the resulting backlog. By the close of the fiscal year, MDX was able to meet the goal of performing 90 percent image review within 2 weeks.

Consultant Contract Management

The final cost of the two consultant contracts (CEI) completed during FY 2017 exceeded the original contract awards by 20.8 percent. The CEI contract increases were a result of both construction contracts these CEI's were overseeing having their contract durations increased, resulting in the increase in consultant contract cost. One of the construction contracts also had additional work added to the contract.

Construction Contract Adjustments - Time

Of the two construction contracts completed in FY 2017, both failed to be completed within 20 percent of the original contract time thereby falling short of the performance measure objective. This was the result of adjusting the contract time for additional scope on one of the projects, while the second project was the result of contractor performance. That contractor was assessed damages for the costs incurred for the additional oversight required.

Construction Contract Adjustments - Cost

Of the two construction contracts completed in FY 2017, only one (or 50 percent) was completed within 10 percent of the original contract amount. This falls short of the 90 percent performance measure objective. The scope of one of the contracts was increased to facilitate ORT infrastructure improvements at two additional locations to provide infrastructure needed for the replacement of existing outdated tolling equipment.

Presented below are examples of some of the notable performance measures where MDX met the objective. 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 768,629 customer calls during FY 2017, answering 686,827 within one minute (89.4 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.

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 $33.5 million awarded in applicable service contracts during FY 2017, MDX reported achieving 10.1 percent SB participation commitment (or $3.4 million), thereby achieving the 10 percent SB participation commitment requirement. In addition, out of the $117.7 million paid in applicable service contracts during FY 2017, a total of $19.1 million (or 16.2 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 $33.5 million awarded in applicable service contracts during FY 2017, $3.0 million (or 9.0 percent), was committed to LB participation. In addition, out of the $117.7 million paid in applicable service contracts during FY 2017, a total of $21.4 million (or 18.2 percent) was paid to Local Businesses.

SR 836/SR 826 Interchange.

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 2017 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 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. FY 2017 operating indicators, as reported by MDX, are provided in Table 6. Also, to assist in trend analysis, FY 2015 and FY 2016 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 2017 include: SR 826/ SR 836 interchange improvements, SR 836 Extension westbound access ramp, SR 836 infrastructure modifications for ORT (west section),

Table 6
Miami-Dade Expressway Authority
Summary of Operating Indicators (in millions)
FY 2015 through FY 2017

Indicator	*Detail*	*Actual 15 Results (millions)*	*Actual 16 Results (millions)*	*Actual 17 Results (millions)*
Operations				
Growth in Value of Transportation Assets	Land Acquisition	$484.2	$495.9	$585.9
	Infrastructure Assets	$588.3	$615.4	$865.7
	Construction in Progress	$418.4	$468.2	$307.8
	Total Value of Transportation Assets	$1,490.9	$1,579.5	$1,759.4
Preservation of Transportation Assets	Renewal & Replacement of Infrastructure	$0.0	$0.0	$0.0
	Routine Maintenance of Infrastructure	$6.8	$7.0	$6.8
	Total Preservation Costs	$6.8	$7.0	$6.8
Toll Collection Transactions	Electronic Transactions	99.6%	100.0%	100.0%
	Revenue from Electronic Transactions	90.1%	100.0%	100.0%
Annual Revenue Growth	Toll and Operating Revenue	41.2%	28.3%	1.0%
Revenue Variance	Actual Revenue with "Recovery of Fines"	7.3%	4.7%	8.9%
	Actual Revenue without "Recovery of Fines"	9.4%	9.7%	9.0%
Safety	Fatalities per 100 Million Vehicle Miles Traveled	0.27	0.78	0.09
Operations and Budget				
Cost to Collect a Toll Transaction	Total Toll Collection Costs (Net of Exclusions) / Number of Transactions	$0.06	$0.05	$0.04
Operating Efficiency	Toll Collection Expense as % of Operating Expense	43.7%	46.8%	43.5%
	Routine Maintenance Expense as % of Operating Expense	9.2%	8.4%	7.7%
	Administrative Expense as % of Operating Expense	8.0%	9.2%	8.6%
	Operating Expense as % of Operating Revenue	40.7%	35.2%	37.0%
Rating Agency Performance	Toll Operations and Maintenance Expense as % of Operating Revenue	21.5%	19.4%	18.9%
Property Acquisition				
Right-of-Way	# Projects Requiring ROW Acquisition	N/A	3	3
	# Parcels Needed to be Acquired for Projects	N/A	20	44
	# Parcels Acquired via Negotiations	N/A	19	11
	# Parcels Acquired via Condemnation	N/A	1	33
	# Parcels Acquired with Final Judgments ≤ one half the Range of Contention	N/A	0	8
Revenue Management and Bond Proceeds				
Debt Service Coverage - Bonded/Commercial Debt	[(Rev - interest) - (toll operating & maintenance expense)] / commercial debt service expense	2.27	2.20	2.01
Debt Service Coverage - Comprehensive Debt	[(Rev - interest) - (toll operating & maintenance expense)] / all scheduled debt service expense	2.10	1.86	2.01
Underlying Bond Ratings (Uninsured)	Standard & Poor's Bond Rating	A-	A	A
	Moody's Bond Rating	A3	A2	A2
	Fitch Bond Rating	A	A	A

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

SR 836 toll system conversion, systemwide ORT hardware/software development, and systemwide implementation of dynamic message signs. Numerous on-going major capital projects during FY 2017 include: systemwide ITS improvements, 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 2018-2022 Work Program ($632 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 the Homestead Extension of Florida's Turnpike (HEFT). The Work Program includes funding for design-build of Segment 1 westbound and Segment 2, and for final design for Segments 1 and 3 eastbound. In addition, a PD&E study is underway to evaluate a potential new expressway connecting SR 836, SR 112, SR 924 and SR 826. Final design is funded but construction for this project is 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 2017 routine maintenance expenses decreased $0.2 million, or 3.3 percent, over FY 2016.

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. Due to MDX's conversion to All Electronic Tolling (AET) via ORT, cash is no longer accepted and all tolls on the MDX System are now collected through electronic tolling.

Annual Revenue Growth (Toll and Operating Revenue)

Total operating revenue for FY 2017 increased $2.3 million, or 1.0 percent, over FY 2016 primarily due to continuing transaction growth on the system. SunPass and recovery/fee revenue increased $6.8 million and $0.2 million, respectively. Although gross Toll-by-Plate revenue increased $3.6 million, net Toll-by-Plate revenue decreased $4.6 million due to an increase of $8.2 million for an allowance for doubtful accounts in FY 2017. Approximately $5.6 million was also rebated under the Frequent Driver Rewards Program in FY 2017, an increase of $0.3 million over the FY 2016 rebate.

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.

In addition, MDX implemented a Frequent Driver Rewards 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 rebate checks are mailed to those qualifying customers by December. During FY 2017, rebates were approved in the amount of $5.6 million.

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, three accident fatalities reported in CY 2014 and one accident fatality reported in CY 2016, the latest year for which accident statistics are available.

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 a community awareness program. In FY 2017 MDX continued the reconstruction of SR 836 from 97th Avenue to NW 17th Avenue. This reconstruction includes providing additional capacity, minimizing weaving conditions, safety improvements and the reconstruction of four interchanges. The interchange reconstruction will also include providing for all right hand exits at the LeJeune Road interchange. The interchange reconstructions will improve safety and improve the interchanges ability to process and store additional vehicles to minimize or eliminate backups onto the mainline.

FY 2017 was the first full year that MDX's integrated ITS System was in place and fully functioning to provide real time monitoring of traffic conditions through the use of MVDS Radar Units and CCTV, as well as providing real time traffic information and travel times to the travelling public, all of which is being monitored and coordinated through the MDX Transportation Management Center (TMC), which is co-located with the Department's TMC.

MDX has successfully implemented wrong way counter measure solutions at four pilot locations on the system, which includes direct wired LED

Wrong-Way Prevention (In-Road Solar Power LED Lights)

Wrong Way Signs, larger conventional signs, new pavement markings and solar powered LED RPMs that improve visibility. The system also includes automatic notification of the detection of a wrong way vehicle directly to the TMC. MDX is scheduled to let a contract to complete the installation of wrong way countermeasures on the balance of the System in FY 2018.

MDX continues to provide free 24 hours per day/ seven days per week roadside assistance on the five MDX expressways 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.

Cost to Collect a Toll Transaction

The cost to collect a toll transaction has decreased by 0.5 cents annually since FY 2014 culminating in the FY 2017 cost to collect a toll transaction of 4.5 cents.

Operating Efficiency and Rating Agency Performance

FY 2017 total operating revenues increased $2.3 million, or 1.0 percent, over FY 2016 while total operating expenses increased $4.9 million, or 5.9 percent. This resulted in an overall increase in the ratio of operating expenses to operating revenues in FY 2017. Toll collection, routine maintenance, and administrative expenses for FY 2017 decreased 1.4 percent, 3.3 percent, and 1.4 percent, respectively, over FY 2016 levels. The overall increase in total operating expenses is attributed to a $5.8 million increase in depreciation expenses attributed to additional assets placed in service in FY 2017, partially offset by decreases in toll collection, routine maintenance and administrative expenses. MDX reports depreciation on infrastructure (roads, bridges and other highway improvements), furniture and equipment, toll equipment, toll facilities and buildings. The $0.6 million decrease in FY 2017 toll collection expenses is primarily due to a decrease in image review staffing expenses as a result of transition in providers, SunPass transponder subsidy paid to Enterprise, toll equipment parts, billing service provider expenses and related TBP postage; partially offset by an increase in Enterprise pass-through charges for SunPass processing costs, ORT in-lane software/ hardware maintenance, service patrol expenses, and property insurance.

Right-of-Way

MDX had three projects requiring right-of-way acquisition in FY 2017. The total number of parcels needed to be acquired for these 3 projects total 73 over a 30-month period. Twenty parcels were acquired in FY 2016 and the balance of the parcels were acquired during FY 2017, with nine exceptions. Five of these remaining parcels have already been acquired in FY 2018. The final four parcels are being taken from a church, and MDX is currently working with the owners to ensure that the church can remain in operation during the construction phase of the project as part of the ROW negotiations. It is anticipated that these four remaining parcels will be acquired during FY 2018.

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

MDX reported debt service coverage for both Bonded/Commercial Debt and Comprehensive Debt as 2.01 for FY 2017. As previously noted, MDX has paid off all loans payable to other governments (subordinate debt) which included State Infrastructure Bank and Toll Facility Revolving Trust Fund loans.

Underlying Bond Ratings

During the reporting period, all three of the rating agencies upgraded their credit ratings on MDX bonds. In June 2015, Fitch upgraded its rating to A from A- with a Stable Outlook. In November 2015, Moody's upgraded its rating to A2 from A3 and again upgraded its ratings to A1 from A2 with a stable outlook in February 2018 (FY 2018). In March 2016, Standard and Poor's upgraded its rating to A from A- and again upgraded its ratings to A+ from A in November 2017 (FY 2018).

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. 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.

According to MDX, no ethics or conflict of interest violations or investigations were reported during FY 2017. MDX also indicated that no Board members abstained from voting on agenda items in FY 2017 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 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 FY 2017, the MDX Board was provided training on Gifts, Voting Conflicts, Sunshine Law, Florida Public Records, Robert's Rule of Order, MDX Bylaws and Delegation of Authority. In addition the Board was provided information concerning 2016 legislative changes concerning Public Records/Contractors, Financial Information/ Trade Secret and was provided new case law and Attorney General Opinions that pertain to the MDX mission. Two new Board members were added in FY 2017 and were provided an "Overview of MDX" which included a myriad of legal topics and ethics. MDX employees were provided information concerning these topics during quarterly employee meetings.

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 Board member 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, one Board member indicated that his daughter-in-law is a registered lobbyist, and two Board members noted that an immediate family member had an interest in real property located within a one-half mile radius of any actual or prospective roadway project.

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 2017, 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, 2017 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

SR 836 Capacity Improvements - Westbound Approaching NW 37th Avenue.

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 three 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 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 2017. As indicated in Table 7, 42 sub consultants were used by the general consulting firms for a total cost of $11.1 million in FY 2017.

Compliance with Bond Covenants

On September 16, 2016, 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. As of June 30, 2017, MDX bonds in the amount of approximately $1.6 billion (net of discount and premiums) 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.
- 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 2017, 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).
- MDX utilizes a nationally recognized Traffic and Revenue Consultant (CDM Smith).
- Debt service coverage ratios for FY 2017 exceed bond requirements.
- As of June 30, 2017, MDX has fully funded the Debt Service Reserve Fund in the amount of $113.8 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.

Litigation

In 2010, MDX entered into two multi-year, multi-million dollar contracts with Electronic Transaction Consultants Corporation (ETCC) for the

Table 7
Miami-Dade Expressway Authority
Summary of General Consultant Sub Consultant Activity
FY 2017

Consulting Contract	*Description*	*Sub Consultants >$25 K ($000)*
EAC Consulting, Inc.	**GEC Services - Construction Management (Contract RFP-15-04)**	
ASA Consultants, Inc.	Structural Support Services	$61
ASC Logic, Inc.	ITS Engineering & Implementation Services & Contract Admin Support Services	$167
Atkins North America, Inc.	Engineering Construction Management, Project & Document Controls Support Services	$155
GCES Engineering Services, LLC	Geotechnical & Materials Engineering Testing and Consulting Services	$72
H. Rodriguez Consulting Engineering, Inc.	Engineering Construction Management, Procurement & Contract Admin Support Services	$717
HBC Engineering Company	Design and Maintenance of Traffic Plans	$35
Holt Communications, Inc.	Public Involvement/Public Relations Services	$364
Kapsch TrafficCom Transportation NA, Inc.	Development of Construction Information Exchange Network Services	$73
R. J. Behar & Company, Inc.	Civil & Construction Inspections, Engineering, Environmental, Traffic Data, CADD, and Final Estimates Review Services	$109
RS&H, Inc.	Planning, Design & Traffic Operations Services	$140
Southwest Research Institute	ITS & Tolling Support Services	$78
Terracon Consultants, Inc.	Geotechnical, Materials Contract Administration/Support Services	$140
Transpath, Inc.	Engineering Consulting & Scheduling/Claim Analysis Services	$34
HNTB Corporation	**GEC Services - Work Program/Production (Contract RFQ-16-02)**	
Azimuth 360 Consulting Group, Inc.	Structural Inspections/GIS Services	$126
BCC Engineering, Inc.	Roadway & Structural Engineering Services	$79
Ballast, LLC	App Development & Website Maintenance	$91
Bentz Strategies, LLC	Public Relations Services	$67
Bermello, Ajamil & Partners, Inc.	Public Involvement & Architectural Services	$613
Botas Engineering, Inc.	Structures & Roadway Design Services	$62
CAB Professional Consulting	MRP Inspections	$89
CH Perez & Associates Consulting Engineering, Inc.	Roadway Design, Traffic Analysis & Surveys	$303
E Sciences, Inc.	Environmental Engineering Support	$30
EV Services, Inc.	Public Involvement	$97
Fabrizio Ward, LLC	Market Research Consulting	$102
Fernandez - Beraud, Inc.	Landscape Architecture	$109
Gannet Fleming, Inc.	Engineering Consulting	$776
Glass Land Acquisition Service	Right-of-Way Services	$1,074
Goal Associates, Inc.	PD&E, Engineering & Technical Support	$196
Manual G. Vera & Associates, Inc.	Surveying & Mapping	$419
Ribbeck Engineering, Inc.	Drainage & GIS Services	$465
Florida Drawbridges, Inc. (FDI)	**Asset Maintenance Services (Contract RFP-15-03)**	
AG Star Roofing, Inc.	Roofing	$390
Alcron, LLC	Concrete Repairs	$137
AmRoad, LLC	Bridge & Sign Repairs	$246
City & Environs Group, Inc.	Structural Repairs	$533
Eco Team, LLC	Janitorial Services	$173
FloTech Enviornment	Drainage Cleaning	$149
Hawthorne Services, Inc.	TMC Operator & Supervisor	$406
In and Out Projects	Pressure Washing	$45
Remington Steel & Signs, Corp.	Guardrail & Sign Repairs	$431
Star Cleaning	Mechanical Sweeping	$148
Tenusa, Inc.	Mowing & Landscape Maintenance	$1,529
CDM Smith, Inc.	**Traffic and Revenue Consulting Services (Contract RFP-16-03)**	
The Washington Economics Group, Inc.	Economic Analysis & Forecasting	$50
Total Sub consultants > $25 K		$11,080

implementation and maintenance of an ORT all electronic toll collection system (the In Lane Contract) and for the development, operation, and maintenance of an Account Management and Toll Enforcement System 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 as to both contracts, assessed liquidated damages, and issued a Letter of Default to the contractor and its surety as to the AMTES contract. MDX believes that express requirements of its contract that mandate ETCC meet certain completion, testing, and performance milestones relieve MDX of any current and specific future obligations to make payments to ETCC. MDX and ETCC settled the claims with respect to the In-Lane Contract in August 2014 and entered into a three year supplemental agreement that allows ETCC to maintain the lane portion of the system in exchange for a fixed monthly amount. As for the AMTES contract, ETCC's claim for damages is $58 million. MDX outside legal counsel believes that ETCC's claims for damages are overstated and not supported by the terms of the AMTES contract.

A full trial of claims concerning the AMTES Agreement began in September 2015 and concluded in October 2015. Since then, the original trial judge has been disqualified from taking any further action concerning the matter, leading to a mistrial. The entire case was retried again starting in October 2017 and concluded in November 2017 (FY 2018). In January 2018, ETCC obtained a favorable ruling from the Eleventh Judicial Circuit Court of Florida in its lawsuit against MDX. The ruling found in favor of ETCC and was awarded the principal amount of $43 million plus costs and reasonable attorney fees for an additional $10 million. MDX is currently evaluating all their legal options including filing an appeal.

House Bill 1049

House Bill (HB) 1049 was passed by the 2017 Legislature and signed into law by Governor Scott, effective July 1, 2017 (FY 2018). 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*.

House Bill 141

HB 141 was passed by the 2018 Legislature and amends MDX enabling legislation Section 348.003, Florida Statutes (Expressway authority; formation; membership). The bill requires the MDX Board to submit to the Governor, by October 1, 2018, information regarding its compliance with the minimum five percent toll reduction for designated SunPass registrants prescribed in Section 348.0004 (6), Florida Statutes. If the required toll reduction has not taken place, effective October 31, 2018, the existing Board shall be dissolved and, except for the District Secretary of the Department, a new Board shall be appointed by that date.

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 12 of the 19 management objectives established for performance measures. The seven performance measure objectives not met were revenue variance, two maintenance rating program safety characteristics: striping and lighting, image review processing time, consultant contract management, and construction contract adjustments: time and cost.

Operating indicator trend analysis showed that FY 2017 infrastructure assets increased $250.3 million over FY 2016 primarily due to major capital projects completed or placed in service during FY 2017 that include SR 826/SR 836 interchange improvements, SR 836 Extension westbound access ramp, SR 836 infrastructure modifications for ORT (west section), SR 836 toll system conversion, systemwide ORT hardware/software development, and systemwide implementation of dynamic message signs. Numerous on-going major capital projects include systemwide ITS improvements, 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.

FY 2017 total operating revenues increased $2.3 million, or 1.0 percent, over FY 2016 while total operating expenses increased $4.9 million, or 5.9 percent. Toll collection, routine maintenance, and administrative expenses for FY 2017 decreased 1.4 percent, 3.3 percent, and 1.4 percent, respectively, over FY 2016 levels. The overall increase in total operating expenses is attributed to a $5.8 million increase in depreciation expenses attributed to additional assets placed in service in FY 2017, partially offset by decreases in toll collection, routine maintenance and administrative expenses. The $0.6 million decrease in FY 2017 toll collection expenses is primarily due to a decrease in image review staffing expenses as a result of transition in providers, SunPass transponder subsidy paid to Enterprise, toll equipment parts, billing service provider expenses and related TBP postage; partially offset by an increase in Enterprise pass-through charges for SunPass processing costs, ORT in-lane software/ hardware maintenance, service patrol expenses, and property insurance.

MDX debt service coverage was in compliance with its bond covenants. MDX has paid off all loans payable to other governments (subordinate debt) which included State Infrastructure Bank and Toll Facility Revolving Trust Fund loans. In FY 2017, the underlying credit ratings on MDX bonds from all three of the rating agencies remained unchanged from FY 2016. In November 2017 (FY 2018), Standard and Poor's upgraded its rating of MDX bonds to A+ from A and in February 2018 (FY 2018), Moody's upgraded its rating of MDX bonds to A1 from A2 with a stable outlook.

In the area of governance, the FY 2017 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 November 2015, Enterprise executed a contract to develop and implement a new Centralized Customer Service System (CCSS). In February 2016, the MDX Board approved a Master Agreement to be the first participating agency member of the CCSS. The Tampa-Hillsborough County 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 the spring of 2018.

In September 2016, 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.

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 establishes the base Toll-by-Plate rate as twice the base SunPass rate. MDX also implemented a Frequent Driver Rewards 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 rebate checks totaling $5.6 million were issued to eligible SunPass customers during FY 2017.

House Bill (HB) 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 will present impacts, if any, of HB 1049 in next year's *Transportation Authority Monitoring and Oversight Report*.

HB 141 was passed by the 2018 Legislature. HB 141 amends MDX enabling legislation and requires the MDX Board to submit to the Governor, by October 1, 2018, information regarding its compliance with the minimum five percent toll reduction for designated SunPass registrants prescribed in Section 348.0004 (6), Florida Statutes. If the required toll reduction has not taken place, effective October 31, 2018, the existing Board shall be dissolved and a new MDX Board shall be appointed by that date.

In 2010, MDX entered into a contract with Electronic Transaction Consultants Corporation (ETCC) for the development, operation, and maintenance of an Account Management and Toll Enforcement System back office operation (the AMTES contract). In December 2012, MDX terminated the AMTES contract with ETCC due to ETCC's failure to perform the requirements of the contract. Litigation regarding this contract has been on-going between MDX and ETCC. In January 2018 (FY 2018), ETCC obtained a favorable ruling from the Eleventh Judicial Circuit Court of Florida which found that ETCC was in material compliance with its contract, was awarded the principal amount of $43 million plus $10 million in interest and $8 million for attorney fees and costs. MDX has filed an appeal on the judgement.

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 encourages MDX to continue to develop and pursue action plans to help meet established performance measure objectives. The Commission further recommends that MDX review its policies and finances to ensure compliance with the new statutory requirements prescribed in its enabling legislation. 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)

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, Brevard, 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, Brevard, 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

Highlights

- CFX met or exceeded 18 of the 19 performance measure objectives. The one objective not met was Average Customer Call Wait Time.
- FY 2017 operating revenue increased $33.1 million, or 8.3 percent, over FY 2016 while operating expenses increased $16.1 million, or 17.2 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 opened to traffic in July 2017 (FY 2018). The remaining five-mile section is scheduled to open in spring 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 completed four concept, feasibility and mobility studies on the unbuilt OCX Master Plan projects in March 2018.
- During and subsequent to FY 2017, CFX issued two series of bonds: Series 2016B issued in November 2016 for $631.3 million and Series 2017 issued in December 2017 (FY 2018) for $341.2 million. Bond proceeds were used to refund/advance refund various outstanding CFX bonds to achieve net present value savings of $105.2 million.
- In February 2017, the CFX Board amended its Policy Regarding Toll Schedules to provide for the reduction of automatically adjusted toll rates to occur on an annual basis, to be more consistent with other Florida toll agencies.

2016 and subsequent to completion of Phase 2 in November 2016, the entire facility was completed. 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 second round of public meetings to obtain input regarding the studies were held in February 2018. The goal of the four studies is to determine which, if any, meet CFX requirements for viability and funding. The study reports were accepted by the CFX board at their March 8, 2018 board meeting. The CFX board voted to move the Osceola Parkway Extension and the Poinciana Parkway Extension to the next phase of evaluation, a Project Development and Environment (PD&E) Study. The Southport Connector Study along with the Northeast Connector Study were determined not to be currently viable, however the study corridors will continue to be considered annually for any changes due to growth or other influences that may change in the region. 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. As of March 2018, CFX, OCX and Osceola County are beginning to determine how and when OCX and its assets and liabilities will merge into 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 ten members. The chairs of the county commissions of Seminole, Lake, Brevard, 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, Brevard, 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.

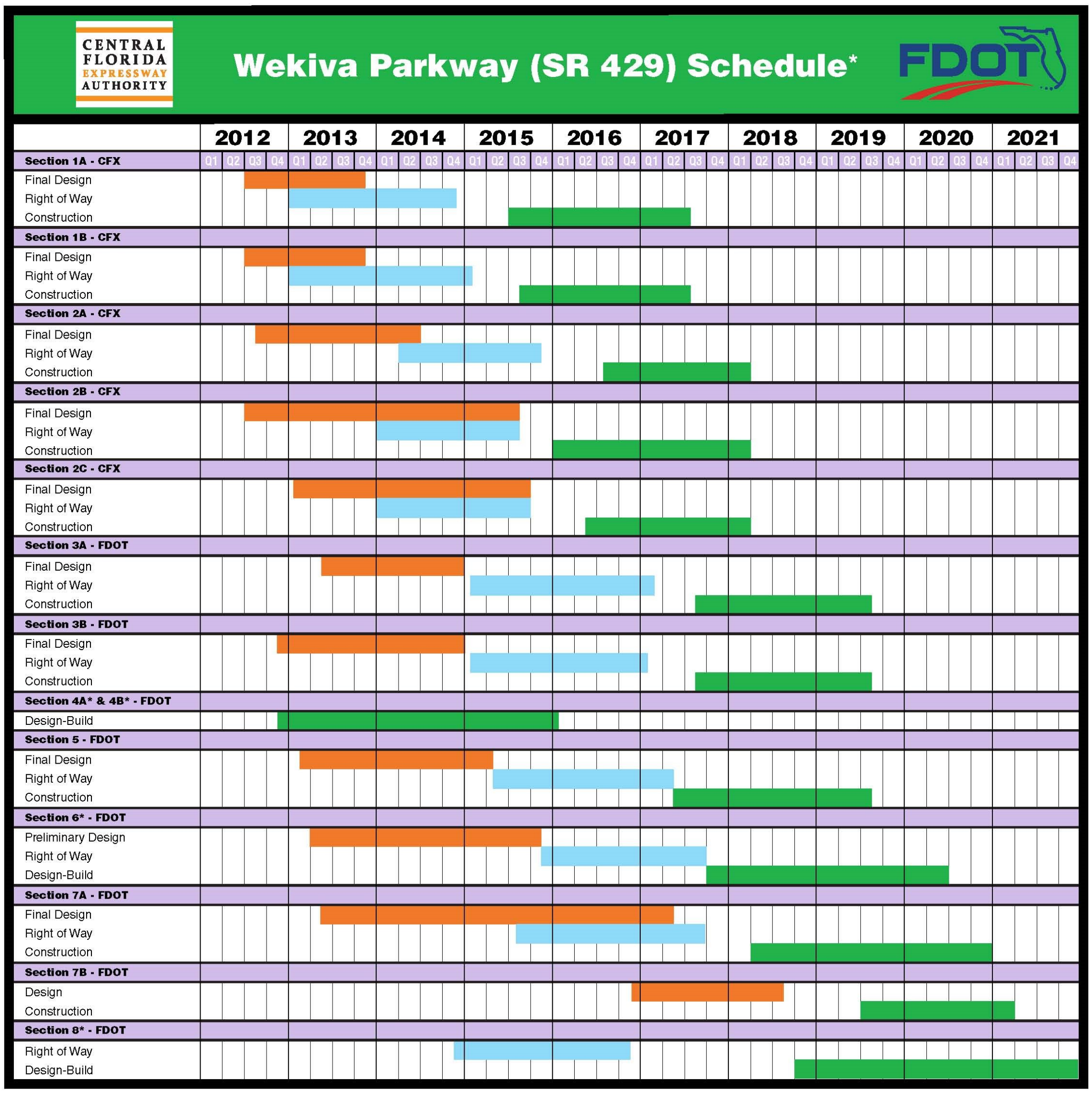
Table 8
Central Florida Expressway Authority
Current Board Members

Name	Affiliation	Position
Fred Hawkins, Jr.	Osceola County Commissioner	Chairman
Jay Madara	Governor's Appointee	Vice Chairman
Brenda Carey	Seminole County Commissioner	Treasurer
Jim Barfield	Brevard County Commissioner	Board Member
Buddy Dyer	Orlando Mayor	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 118 center-line miles of limited access expressways. The expressways include 22 miles of State Road 408, 23 miles of State Road 528, 32 miles of the State Road 417, 31 miles of State Road 429, 6 miles of the State Road 414, 2 miles of State Road 451 and 2 miles of State Road 453. CFX reported toll revenue of \$424 million in FY 2017 based on 436 million toll transactions.

CFX owns and operates the electronic pre-paid toll collection system branded E-PASS. In 2017, CFX continued to expand its customer focus programs for E-PASS including offering collegiate toll transponders partnering with Florida State University/Nolepass, University of Florida/ Gatorpass and University of Central Florida/ Knightpass. In addition, CFX redesigned the online E-PASS account management experience with a renewed focus on usability and customer-first navigation. The improved mobile-responsive capabilities make it even easier to manage an E-PASS account from any device, including a smartphone, tablet or desktop. CFX's toll discount programs in 2017 returned nearly \$17 million to its customers.

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 opened its first five-mile section (Sections 1A and 1B) of the Wekiva Parkway, from SR 429 at US 441 to the Kelly Park Road Interchange, on July 27, 2017 (FY 2018). Construction costs for this five-mile section totaled $102.6 million. CFX's remaining five-mile section (Sections 2A, 2B, and 2C) just north of the Kelly Park Road interchange between Round Lake Road, Mount Plymouth Road (County Road 435) and State Road 46, is scheduled to be open to traffic in spring 2018.



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

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

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 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. In May 2017, the CFX Board approved its record $1.6 billion Five-Year Work Plan (FY 2018 through FY 2022). Highlights of this Five-Year Work Plan include:

- $680 million for widening SR 408, SR 417, SR 429, and SR 528 (40 centerline miles).
- Resurfacing 60 centerline miles (more than half of the overall system).
- $230 million contribution to the Department to fund SR 408/I-4 interchange reconstruction.
- Completion of CFX's portion of Wekiva Parkway by spring 2018.
- Completing upgrades to SR 408/SR 417 interchange.
- Toll Collection System Upgrade that will replace or upgrade current system with state-of-the-art technology and equipment.
- Identifying transportation needs of the region through multiple concept, feasibility and mobility studies.

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 9 indicates that, as of June 30, 2017, approximately $2.8 million is owed to the Department for operating and maintenance expense advances and other Department loans.

Table 9
Central Florida Expressway Authority
Long-Term Debt Payable to the Department (in millions)
Year Ended June 30, 2017

Transaction	*(millions)*
Advances for Operating and Maintenance Expenses[1]	$1.7
Loans from State Infrastructure Bank[2]	$1.1
Total Due Department	$2.8

Source: CFX Notes to Audited Financial Statements and CFX Management.
[1] CFX repaid the Department $10 million in July 2012 and has repaid $20 million each subsequent year until FY 2017. In FY 2017, CFX exercised its discretionary authority to prepay the outstanding balance of its long term indebtedness owed to the Department in the amount of $150.9 million.
[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 agreed to establish 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.

Wekiva Parkway Construction.

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 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.

Amended Policy Regarding Toll Schedules

In February 2017, the CFX Board amended its Policy Regarding Toll Schedules. The previous policy included provisions for an automatic toll adjustment, every five years, to reflect the higher of either the cumulative annual increases in the Consumer Price Index (CPI) or three percent per annum. The rate for cash collections shall always be rounded upward to the next quarter and the rate for electronic collection shall be based upon the actual calculated percentage rounded to the nearest cent. This automatic adjustment for the previous five-year period was scheduled to occur on July 1, 2017 (FY 2018) in the amount of 15 percent.

The amended policy requires that beginning on July 1, 2018 (FY 2019) and every year thereafter, all then current tolls shall be automatically adjusted to an amount higher of either the annual increase to the CPI or one and one-half percent per annum. The rate for cash collections shall be increased upward to the next quarter when the electronic rate reaches to within 10 percent of the cash rate at each individual plaza. The rate for electronic collection shall be based upon the actual calculated percentage rounded to the nearest cent. The rate for Pay-by-Plate collection will be set by CFX based on actual costs. This amended policy provides for the reduction of automatically adjusted toll rates to occur on an annual basis, to be more consistent with other Florida toll agencies.

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.

FY 2017 results, as reported by CFX, are provided in Table 10. Results for the last five fiscal years are included in Appendix A. CFX met or exceeded 18 of the 19 performance measure objectives. The one performance measure objective the Authority did not meet, Average Customer Call Wait Time, is described below and include explanations which are based on input of CFX management.

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. CFX fell just short of meeting the objective of answering more than 80 percent of calls within one minute, with actual results of 78.8 percent reported in FY 2017. Significant improvement was noted from the 52.8 percent of calls answered within one minute reported in FY 2016.

The CFX Board and staff began focusing on Call Center wait times in 2016. CFX reconfigured the

Table 10
Central Florida Expressway Authority
Summary of Performance Measures
FY 2017

Performance Measure	*Detail*	*Objective*	*Actual Results*	*Meets Objective*
Operations				
SHS Maintenance Rating Program (MRP) Overall Rating	Condition rating of at least 90	> 90	92	✓
Pavement Condition Rating	% SHS lane miles rated "excellent or good"	> 85%	93.9%	✓
Bridge Condition - Rating	% bridge structures rated "excellent or good"	> 95%	98.7%	✓
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	94	✓
MRP Safety Characteristic - Striping	Condition rating of at least 95	> 95	98	✓
MRP Safety Characteristic - Guardrail	Condition rating of at least 80	> 80	86	✓
MRP Safety Characteristic - Lighting	Condition rating of at least 85	> 85	97	✓
Average Customer Call Wait Time	> 80% of calls answered within 1 minute	> 80%	78.8%	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%	-6.1%	✓
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%	10.5%	✓
Annual Operating, Maintenance and Administrative (OM&A) Forecast Variance	Actual OM&A to annual budget	< 110%	89.0%	✓
Applicable Laws				
Minority Participation[1]	M/WBE and SBE utilization as % of total expenditures (each agency establishes goal/target)	> 90%	113.5%	✓
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 17.03 percent, or 113.5 percent of the goal.

Call Center to accommodate the additional staff necessary to meet acceptable call wait times and more easily provide management assistance for calls when necessary. As call volumes steadily increased throughout this reporting period, CFX continued to add qualified customer service representatives to the E-PASS call center staff. CFX focused on recruiting and retention while also deploying new work force scheduling software. These management initiatives have provided positive trends, as well as provided more efficient work schedules to more effectively meet the needs of the business.

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

CFX uses results from the Maintenance Rating Program (MRP) to evaluate routine maintenance of its roadways 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 both FY 2016 and 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 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 both FY 2016 and FY 2017.

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 11 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 2017, CFX reported a 17.03 percent commitment towards D/M/WBE utilization, or 113.5 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)

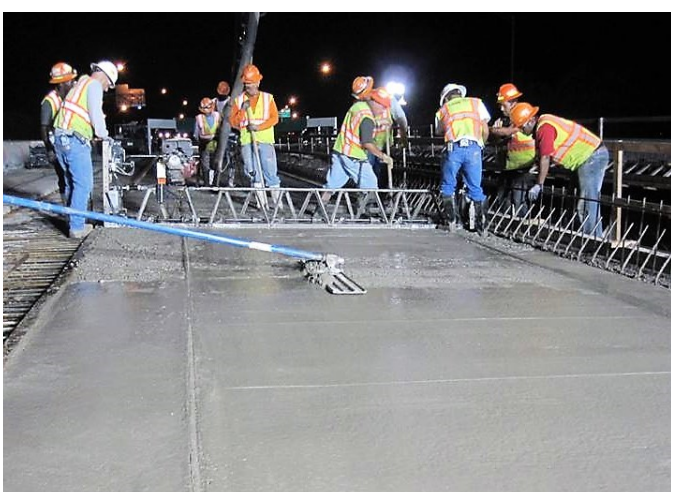
CFX debt service coverage was in compliance with its bond covenants. There were no downgrades to CFX bond ratings in FY 2017 and bond ratings met or exceeded the established objectives of greater than or equal to BBB (Standard & Poor's), Baa (Moody's), and BBB (Fitch).

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. FY 2017 operating indicators, as reported by CFX, are provided in Table 11. Also, to assist in trend analysis, FY 2015 and FY 2016 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 2017, infrastructure assets and construction in progress increased approximately $61 million and $181 million, respectively. Major capital asset events in FY 2017 included the completion of the demolition of the Airport Mainline toll plaza on SR 528, replacement of dynamic messaging signs, and implementation of wrong way driving countermeasures. Construction also started on the SR 429 Wekiva Parkway east of Mount Plymouth Road and the design build of SR 528 Innovation Way began.



SR 408 Widening.

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 2017 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 84.5 percent and 81.1 percent, respectively, of total transactions and toll revenue on CFX facilities in FY 2017. Total toll transactions in FY 2017 increased 6.1 percent over FY 2016 levels. Cash transactions decreased 4.2 percent while ETC transactions increased 8.2 percent.

Annual Revenue Growth (Toll and Operating Revenue)

FY 2017 revenue grew by $33.1 million, or 8.3 percent, over FY 2016, while toll transactions grew by 6.1 percent. For FY 2016, revenue grew by $41.7 million, or 11.6 percent, over FY 2015, while toll transactions grew by 12.0 percent. The

Table 11
Central Florida Expressway Authority
Summary of Operating Indicators (in millions)
FY 2015 through FY 2017

Indicator	*Detail*	*Actual 15 Results (millions)*	*Actual 16 Results (millions)*	*Actual 17 Results (millions)*
Operations				
Growth in Value of Transportation Assets	Land Acquisition	$657.3	$657.4	$704.1
	Infrastructure Assets	$2,611.0	$2,707.4	$2,768.0
	Construction in Progress	$329.0	$435.1	$616.0
	Total Value of Transportation Assets	$3,597.3	$3,799.9	$4,088.1
Preservation of Transportation Assets	Renewal & Replacement of Infrastructure	$4.0	$16.0	$22.4
	Routine Maintenance of Infrastructure	$14.4	$13.6	$15.1
	Total Preservation Costs	$18.4	$29.6	$37.6
Toll Collection Transactions	Electronic Transactions	81.4%	82.8%	84.5%
	Revenue from Electronic Transactions	78.1%	79.4%	81.1%
Annual Revenue Growth	Toll and Operating Revenue	10.3%	11.6%	8.3%
Revenue Variance	Actual Revenue with "Recovery of Fines"	1.3%	1.9%	1.0%
	Actual Revenue without "Recovery of Fines"	2.9%	3.8%	2.7%
Safety	Fatalities per 100 Million Vehicle Miles Traveled	0.20	0.26	0.34
Operations and Budget				
Cost to Collect a Toll Transaction	Total Toll Collection Costs (Net of Exclusions) / Number of Transactions	$0.10	$0.09	$0.10
Operating Efficiency	Toll Collection Expense as % of Operating Expense	46.2%	43.6%	42.4%
	Routine Maintenance Expense as % of Operating Expense	17.8%	14.6%	13.8%
	Administrative Expense as % of Operating Expense	6.9%	6.9%	6.5%
	Operating Expense as % of Operating Revenue	22.5%	23.3%	25.2%
Rating Agency Performance	Toll Operations and Maintenance Expense as % of Operating Revenue	14.4%	13.6%	14.2%
Property Acquisition				
Right-of-Way	# Projects Requiring ROW Acquisition	3	3	1
	# Parcels Needed to be Acquired for Projects	39	2	1
	# Parcels Acquired via Negotiations	9	6	1
	# Parcels Acquired via Condemnation	80	24	0
	# Parcels Acquired with Final Judgments ≤ one half the Range of Contention	16	23	18
Revenue Management and Bond Proceeds				
Debt Service Coverage - Bonded/Commercial Debt	[(Rev - interest) - (toll operating & maintenance expense)] / commercial debt service expense	2.19	2.41	2.26
Debt Service Coverage - Comprehensive Debt	[(Rev - interest) - (toll operating & maintenance expense)] / all scheduled debt service expense	1.81	2.08	2.00
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.

increase in both FY 2017 and FY 2016 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 2014, six accident fatalities reported in CY 2015, and nine accident fatalities reported in CY 2016.

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.

In 2012, CFX began the Wrong-Way-Driving (WWD) Prevention and Detection Pilot Program in partnership with the University of Central Florida (UCF). 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.

Wrong Way Driving Countermeasures Initiative.

In January 2016, CFX installed its first WWD detection system at the SR 528/SR 520 Interchange. As of 2017, 35 ramp locations have been equipped with the WWD 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 303 WWD detections have resulted in 244 confirmed documented turnarounds. This means that drivers are self-correcting on the ramps 80.5 percent of the time at WWD deployment locations. CFX continues to work with UCF to help identify other locations on the system for potential WWD countermeasures. Recently CFX added an additional camera downstream from the primary detection site at all 35 ramps equipped with WWD detection. This third camera provides additional real time visual continuation of an event to first responders for operational purposes as well as additional insight to the research team for reporting.

Operating Efficiency

FY 2017 total operating expenses increased $16.1 million, or 17.2 percent, over FY 2016 while total operating revenues increased $33.1 million, or 8.3 percent. This resulted in an overall increase in the ratio of operating expenses to operating revenues in FY 2017. Toll collection, routine maintenance and administrative expenses for FY 2017 increased 13.9 percent, 11.1 percent and 10.3 percent, respectively, over FY 2016 levels. The increase in total operating expenses is primarily due to a $5.7 million increase in toll collection expenses, a $6.5 million increase in renewal and replacement expenses, and a $2.3 million increase in other expenses relating to program support and feasibility studies that are not eligible to be capitalized.

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 2017 depreciation expenses decreased $0.5 million, or 3.5 percent, over FY 2016.

Right-of-Way

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 one project requiring some phase of right-of-way acquisition in FY 2017. The number of parcels where there was a determination of need totaled one. During FY 2017, CFX acquired and paid for one parcel through the negotiation process and zero parcels through the condemnation process. Regarding condemnation parcels that concluded with final judgments, 18 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 2.26 and 2.00, respectively, for FY 2017. Although FY 2017 toll revenue increased 8.4 percent, or $32.8 million, debt service coverage decreased from FY 2016 levels as a result of a $21.3 million increase in commercial debt payments in concert with an increase in toll operating and maintenance expenses.

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 2015 through 2017, 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. In FY 2017, Fitch kept CFX's outlook at stable, while Standard and Poor's and Moody's upgraded CFX's outlook to positive. In concert with the CFX Series 2017 Bond issue in December 2017 (FY 2018), Standard and Poor's upgraded CFX bonds to A+ from A and Moody's Investor Services upgraded CFX bonds to A1 from A2.

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.

According to CFX, no ethics or conflict of interest violations or investigations were reported during FY 2017. 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, 2017 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.

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 12. Recommendations drop from the list as they are independently verified by Protiviti as completed by CFX.

The following narrative provides a summary of various audits/reviews issued during FY 2017. All audit reports are posted on the CFX website at: https://www.cfxway.com/agency-information/investor-relations/reports-policies/internal-audit-reports.

- 2017 Vendor Security Review (September 2016) - The Internal Audit firm reviewed vendor IT connections entering the CFX environment and vendor systems within the CFX environment. All six of the recommendations identified in the review have been completed.

- DHSMV Data Security Assessment (September 2016) - The Internal Audit firm performed a Data Security Assessment of the Department of Highway Safety and Motor Vehicles data within the CFX environment. 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.

Table 12
Central Florida Expressway Authority
Status of Audit/Review Recommendations

	Implementation Status of Recommendations		
Audit/Review	***Completed***	***In Progress/ Not Completed (1)***	***Total***
2013 Toll Revenue Audit (March 2013)	5	1	6
2016 Toll Revenue Audit (March 2016)	5	1	6
2017 Public Records Review (November 2016)	3	5	8
Fiscal 2017 Contract Audits (February 2017)	1	1	2
Customer Service Center Performance Assessment (March 2017)	1	3	4
Human Resources Process Review (May 2017)	3	1	4
2017 Business Continuity Management Review (May 2017)	1	4	5
Toll System Replacement/Change Management Audit (June 2017)	0	1	1
Total Number of Recommendations	19	17	36

[1] The status of recommendations in progress/not completed by CFX as of August 31, 2017 is provided in Appendix B.

- 2017 Public Records Review (November 2016) - The Internal Audit firm evaluated CFX's public records management processes and internal controls for design effectiveness based on the requirements of the Florida Public Records Law. Based upon the work performed, Internal Audit identified eight opportunities that would strengthen CFX's overall public records management process and internal control environment. As described in Appendix B, as of August 31, 2017, three recommendations have been completed and the remaining five recommendations are in progress.

- Purchasing Spend Review (January 2017) - The Internal Audit firm performed an analysis of 46 months of expenditure data to identify potential financial leakage and other anomalies and trends in the data that may indicate opportunities to better control fraud or improve the efficiency and effectiveness of the Procure to Pay process at CFX. Both recommendations identified in the review have been completed.

- Fiscal 2017 Contract Audits (February 2017) - The Internal Audit firm audited three contracts with a combined contract value of approximately $54 million. The audit objectives were to audit the accuracy of items billed to CFX in accordance with contract terms and conditions, and identify and test key processes and controls related to contract bidding and execution, budgeting, billing, project oversight, reporting, and supplemental agreement management. The audit identified two areas for improvement in contract administration. As described in Appendix B, as of August 31, 2017, one recommendation has been completed and the remaining recommendation is in progress.

- Call Center Staffing Model Assistance (March 2017) - CFX requested that the Internal Audit firm, through partnership with its customer call center subject matter expert, assist with an independent analysis of its call center staffing model used to forecast agent staffing needs to match call volume patterns. Support services included pre-procurement and post-procurement advisory services specific to the acquisition of the Monet software package.

- Customer Service Center Performance Assessment (March 2017) - The Internal Audit firm conducted a follow-up assessment of the CFX customer contact center operation's performance. Since the last performance assessment in 2015, the third party vendor operating the contact center has changed, and a new scheduling system, Monet, has been implemented. The assessment indicated improvement in the effectiveness and efficiency of the customer contact center operations since the last review and identified four opportunities for improvement while performing the 2017 performance review. As described in Appendix B, as of August 31, 2017, one recommendation has been completed and the remaining three recommendations are in progress.

- Accounting Segregation of Duties and EDEN System Access Review (April 2017) - The Internal Audit firm performed a segregation of duties review over the key accounting and finance processes and the access rights within EDEN, the financial reporting system. EDEN supports all accounting functions within CFX, including General Ledger, Accounts Payable Subledger, Accounts Receivable Subledger, Capital Assets Module, and Payroll Module. The one finding identified in the review has been completed.

- Discount/Rebate Program Audit (May 2017) - The Internal Audit firm conducted a review of discounts provided to customers through the E-PASS Customer Loyalty Discount and Beltway Discount Programs, as well as rebates provided through the School Bus Toll Rebate. Both recommendations identified during the audit have been completed.

- Human Resources Process Review (May 2017) - The Internal Audit firm conducted a review of the Human Resources (HR) process, policies, procedures and related internal controls around key HR processes, the succession planning strategy, and merit-based compensation. As described in Appendix B, as of August 31, 2017, three recommendations have been completed and the remaining recommendation is in progress.

- 2017 Business Continuity Management Review (May 2017) - The Internal Audit firm performed a Business Continuity Management (BCM) review that focused on plans and procedures that CFX has in place to minimize the impact of interruptions to the business, such as: man-made, natural, and technological disruptions to either the geographic region or the corporate headquarters. The review identified five observations that should be addressed in order to strengthen the overall BCM program at CFX. As described in Appendix B, as of August 31, 2017, one recommendation has been completed and the remaining four recommendations are in progress.

- Information Security Risk Assessment - Phase 1 (May 2017) - The Internal Audit firm conducted Phase 1 of the Information Security Risk Assessment as outlined in Section 282.318, Florida Statutes (Security of Data and Information Technology). This phase of the review focused only on Asset Identification. As a result, 13 assets were identified that will be considered during the remaining phases of the Information Security Risk Assessment.

- Toll System Replacement/Change Management Audit (June 2017) - The Internal Audit firm performed vulnerability scans to determine if vulnerabilities existed on systems planned to support the new tolling system. Vulnerabilities are weaknesses on systems such as missing patches, outdated software, or insecure configurations. The critical and high vulnerabilities identified by the scanner have been remediated. As described in Appendix B, as of August 31, 2017, the remediation of medium vulnerabilities is contingent upon the completion of the Toll System Replacement project, currently planned for June 2019.

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, Osceola, and Brevard County Administration Buildings and Orlando City Hall.

Procurement

CFX's Procurement Policy is updated at least annually. In May 2017, the CFX Board amended its

Procurement Policy to add to Article IV (Governing Rules) and Article XII (Exemptions from Competitive Procurement Processes). 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 2017. As indicated in Table 13, 35 sub consultants were used by the general consulting firms for a total cost of nearly $5.8 million in FY 2017.

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, 2017, 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.

In November 2016, 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

Table 13
Central Florida Expressway Authority
Summary of General Consultant Sub Consultant Activity
FY 2017

Consulting Contract	*Description*	*Sub Consultants >$25 K ($000)*
Atkins North America, Inc.	**General Engineering Consultant**	
Dewberry	**General Engineering Consultant**	
Montgomery Consulting Group	General Program Support/CADD/GIS	$42
CAB Professional Consulting Services	Maintenance Rating Program Field Inspection Services	$56
Vanassee Hangen Brustlin, Inc.	PD&E/Electrical/Lighting/Traffic/Signing Consultant Services	$60
Walker Parking Consultants	Parking Garage Consulting	$43
CH2M Hill, Inc.	**I-4/SR 408 Interchange Corridor Consultant**	
CH2M Hill, Inc.	**Wekiva Parkway Corridor Consultant**	
Quest Corporation of America	Public Information	$138
HNTB	**General Systems Consultant**	
Kyra	IT/Systems Development, Maintenance, Design & Support	$660
EPIC	Systems Development, Maintenance, Design & Support	$356
Metric	IT/Systems Development, Maintenance, Design & Support	$129
AECOM	**General Systems Consultant**	
F.R. Aleman	ITS Support	$70
Montgomery Consulting Group	ITS & Traffic Support	$44
Ciber	IT Support	$867
BlueWave	Website Development & Migration Services	$84
CDM Smith, Inc.	**Traffic and Earnings Consultant**	
Fishkind & Associates	Analysis in Traffic & Revenue Forecasting Model Dev.	$48
Stantec Consulting Services, Inc.	**Construction Management Consultant**	
Infrastructure Corporation of America	**Facilities Asset Maintenance Management**	
Abra-Key-Dabra	Locksmith Services	$41
ABM Building Services	HVAC Equipment	$182
Falcon Lawn & Pest	Pest Control	$27
Modern Plumbing Industries	Plumbing	$42
Skyline Elevators	Elevator Repair	$38
South East Business Services	Janitorial Services	$125
Tecta America	Roof Repair	$80
Infrastructure Corporation of America	**Roadway Asset Maintenance Management**	
Central Florida Maintenance Solutions	Fertilizer Application	$135
B & B Outdoor Svcs.	Concrete Repair	$28
EnviroChem Environmental	Chemical Application	$25
Coastal Marine Construction	Bridge Maintenance	$93
Fifth M	Slope Mowing, Small Machine Mowing & Litter Removal	$87
MK Guardrail	Guardrail & Fence Repair	$53
Jorgensen Contract Services, LLC	**Roadway Asset Maintenance Management**	
Fifth M	Slope Mowing, Small Machine Mowing & Litter Removal	$152
Cheyenne Asphalt	Asphalt Pavement Repairs	$35
Coastal Marine Construction	Bridge Maintenance	$32
Earth Advisors	Landscape Consulting	$39
MK Guardrail	Guardrail Repairs	$499
Terrell Industries Inv.	Fuel Supplier	$83
Southeast Guardrail & Attenuator	Guardrail Repairs	$146
Total Pressure Cleaning Services	Power Washing	$51
USA Services	Roadway Sweeping/Labor Support	$1,172
Total Sub consultants > $25 K		$5,762

SR 528 - Innovation Way Interchange Project.

and Series 2010C Bonds for a net present value savings of $65.2 million.

In December 2017 (FY 2018), CFX issued $341.2 million in Central Florida Expressway Authority Senior Lien Refunding Revenue Bonds, Series 2017 to advance refund all of its outstanding Series 2007A Bonds, Series 2010A Bonds and Series 2010C Bonds and to advance refund a portion of its outstanding Series 2010B Bonds for a net present value savings of $40.0 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 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, Brevard, and Osceola Counties in addition to Orange County. Effective July 1, 2017 (FY 2018), House Bill 299 incorporated Brevard County into CFX and expanded the CFX Board by one person to include a member appointed by the Brevard County Board of County Commissioners.

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. In September 2016, the CFX board unanimously 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 to determine which, if any, meet CFX requirements for viability and funding. The study reports were accepted by the CFX board at their March 8, 2018 board meeting. The CFX board voted to move the Osceola Parkway Extension and the Poinciana Parkway Extension to the next phase of evaluation, a Project Development and Environment (PD&E) Study. The Southport Connector Study along with the Northeast Connector Study were determined not to be currently viable, however the study corridors will continue to be considered annually for any changes due to growth or other influences that may change in the region.

CFX met or exceeded 18 of the 19 management objectives established for performance measures in FY 2017. The one performance measure objective not met was average customer call wait time.

Operating indicator trend analysis showed that FY 2017 infrastructure assets and construction in progress increased $61 million and $181 million, respectively, over FY 2016. Major capital asset events in FY 2017 included the completion of the demolition of the Airport Mainline toll plaza on SR 528, replacement of dynamic messaging signs, and implementation of wrong way driving countermeasures. Construction also started on the SR 429 Wekiva Parkway east of Mount Plymouth Road and the design build of SR 528 Innovation Way began.

FY 2017 operating revenue grew by $33.1 million, or 8.3 percent, over FY 2016 while toll transactions grew by 6.1 percent. The increase in revenue is primarily the result of higher toll revenue attributed to an increase in traffic on the system. FY 2017 total operating expenses increased $16.1 million, or 17.2 percent, over FY 2016. Toll collection, routine maintenance and administrative expenses for FY 2017 increased 13.9 percent, 11.1 percent and 10.3 percent, respectively, over FY 2016 levels. The increase in total operating expenses is primarily due to a $5.7 million increase in toll collection expenses, a $6.5 million increase in renewal and replacement expenses, and a $2.3 million increase in other expenses relating to program support and feasibility studies that are not eligible to be capitalized.

In the area of governance, the FY 2017 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. All audit reports are posted on the CFX website at: https://www.cfxway.com/agency-information/investor-relations/reports-policies/internal-audit-reports. The status of all recommendations for CFX improvements that have not yet been implemented (as of August 31, 2017) is provided in Appendix B. The following list identifies audits and reviews that were issued during FY 2017.

- 2017 Vendor Security Review (September 2016)
- DHSMV Data Security Assessment (September 2016)
- 2017 Public Records Review (November 2016)

- Purchasing Spend Review (January 2017)
- Fiscal 2017 Contract Audits (February 2017)
- Call Center Staffing Model Assistance (March 2017)
- Customer Service Center Performance Assessment (March 2017)
- Accounting Segregation of Duties and EDEN System Access Review (April 2017)
- Discount/Rebate Program Audit (May 2017)
- Human Resources Process Review (May 2017)
- 2017 Business Continuity Management Review (May 2017)
- Information Security Risk Assessment - Phase 1 (May 2017)
- Toll System Replacement/Change Management Audit (June 2017)

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 October 2016, CFX exercised its right under the agreement and prepaid $150.9 million of its accumulated long-term debt owed to the Department. 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.

CFX opened its first five-mile section (Sections 1A and 1B) of the Wekiva Parkway, from SR 429 at US 441 to the Kelly Park Road Interchange, on July 27, 2017 (FY 2018). CFX's remaining five-mile section (Sections 2A, 2B, and 2C) is scheduled to be open to traffic in spring 2018.

In November 2016, CFX issued $631.3 million in 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. In December 2017 (FY 2018), CFX also issued $341.2 million in Senior Lien Refunding Revenue Bonds, Series 2017 to advance refund all of its outstanding Series 2007A Bonds, Series 2010A Bonds and Series 2010C Bonds and to advance refund a portion of its outstanding Series 2010B Bonds for a net present value savings of $40.0 million.

In February 2017, the CFX Board amended its Policy Regarding Toll Schedules. The previous policy included provisions for an automatic toll adjustment every five years to reflect the higher of either the cumulative annual increases in the Consumer Price Index (CPI) or three percent per annum. This 15 percent toll increase was scheduled to occur on July 1, 2017 (FY 2018). The amended policy requires that beginning on July 1, 2018 (FY 2019) tolls will be adjusted annually based on increases in the CPI or one and one-half percent per annum. The rate for cash collections shall be increased upward to the next quarter when the electronic rate reaches to within 10 percent of the cash rate at each individual plaza. The rate for Pay-by-Plate collection will be set by CFX based on actual costs.

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 recognizes the positive performance results and 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 14, 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.
- 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 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, in consultation with the Division of Bond Finance, submitted the completed study (*Economic Feasibility Study: State Acquisition of the Garcon Point Bridge*) to the Governor and Legislature in December 2017.
- Although the 2018 Legislature considered bills relating to the Department's acquisition of the Garcon Point Bridge, no such bills were passed.
- 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 2017 toll revenue increased 12.9 percent while toll transactions increased 13.3 percent over FY 2016 levels.

Table 14
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 15 indicates that these liabilities totaled $33.2 million on June 30, 2017.

Table 15
Santa Rosa Bay Bridge Authority
Long-term Debt Payable to the Department (in millions)
Year Ended June 30, 2017

Transaction	(millions)
Advances for Operating, Maintenance and R&R Expenses	$25.3
Loan from Toll Facilities Revolving Trust Fund	$7.9
Total Due the Department	$33.2

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.

FY 2017 results, as reported by the Department for SRBBA, are provided in Table 16. 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 13.0 percent of the $7.1 million in toll revenue reported in FY 2017, 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 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

Table 16
Santa Rosa Bay Bridge Authority
Summary of Performance Measures
FY 2017

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%	1.7%	✓
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%	13.0%	X
Annual Operating, Maintenance and Administrative (OM&A) Forecast Variance	Actual OM&A to annual budget	< 110%	97.5%	✓
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

made since the Acceleration Date and subsequent accrued interest and increases in accreted value was $135.2 million, as of July 1, 2017.

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 by FTI for consideration.

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. Following the Department's refusal to implement the specific requested toll increase, the Trustee filed a notice in September 2015 stating it would sue the Department to force the toll increase if a majority of Bondholders agreed to cover the potential costs of litigation. Currently, the suit has not been filed and the proposed toll rate increase has not been implemented on 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. Moody's later assigned a rating of "Baa2" in March 1998. 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. 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 rating was downgraded multiple times, reaching "Ca" in FY 2011, and they withdrew their rating entirely in FY 2012. The Standard & Poor's rating followed a similar path with their rating eventually being downgraded to "D" in FY 2011. Standard & Poor's withdrew their rating entirely in FY 2013. The Fitch rating was downgraded to "D" in FY 2011, and the rating was later withdrawn in FY 2013. The Bonds remain unrated by all three rating agencies.

Operating Indicators

The Commission, in concert with the authorities, developed operating indicators that provide meaningful operational and financial data that supplement performance measures in evaluating and monitoring organizational performance. The Commission did not establish objectives or goals for these indicators, as various authorities have unique characteristics. FY 2017 operating indicators are provided in Table 17. Also, to assist in trend analysis, FY 2015 and FY 2016 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

Table 17
Santa Rosa Bay Bridge Authority
Summary of Operating Indicators (in millions)
FY 2015 through FY 2017

Indicator	*Detail*	*Actual 15 Results (millions)*	*Actual 16 Results (millions)*	*Actual 17 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	$0.1	$0.1	$0.1
	Total Preservation Costs	$0.1	$0.1	$0.1
Toll Collection Transactions	Electronic Transactions	42.7%	43.6%	49.2%
	Revenue from Electronic Transactions	39.3%	41.0%	46.5%
Annual Revenue Growth	Toll and Operating Revenue	8.2%	12.1%	13.1%
Revenue Variance	Actual Revenue with "Recovery of Fines"	1.7%	1.5%	1.9%
	Actual Revenue without "Recovery of Fines"	1.7%	1.5%	1.9%
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	$0.61	$0.54	$0.47
Operating Efficiency	Toll Collection Expense as % of Operating Expense	90.9%	75.6%	51.1%
	Routine Maintenance Expense as % of Operating Expense	8.2%	5.6%	6.4%
	Administrative Expense as % of Operating Expense	0.0%	0.0%	0.0%
	Operating Expense as % of Operating Revenue	21.9%	23.0%	30.8%
Rating Agency Performance	Toll Operations and Maintenance Expense as % of Operating Revenue	21.7%	18.7%	17.7%
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	0.47	0.52	0.52
Debt Service Coverage - Comprehensive Debt	[(Rev - interest) - (toll operating & maintenance expense)] / all scheduled debt service expense	0.47	0.52	0.52
Underlying Bond Ratings (Uninsured)	Standard & Poor's Bond Rating	Withdrawn	Withdrawn	Withdrawn
	Moody's Bond Rating	Withdrawn	Withdrawn	Withdrawn
	Fitch Bond Rating	Withdrawn	Withdrawn	Withdrawn

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

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 49.2 percent and 46.5 percent, respectively, of total transactions and toll revenue in FY 2017. Total toll transactions increased 13.3 percent over FY 2016 levels. Cash transactions increased 2.0 percent over FY 2016, while ETC transactions increased 27.9 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 $520 thousand in FY 2017 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 $7.2 million in FY 2017 operating revenue consists of toll revenue. FY 2017 revenue increased $0.8 million, or 13.1 percent, over FY 2016 while toll transactions increased 13.3 percent. The increase in FY 2017 traffic and revenue can be attributed to generally improving economic conditions in Florida. Pointing to this recovery, FY 2017 hotel bed tax collections in Santa Rosa County were up 17 percent over FY 2016 collections.

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 generally improving economic conditions in Florida.

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.

Cost to Collect a Toll Transaction

The FY 2017 cost to collect a toll transaction of $0.47 decreased from $0.54 reported in FY 2016. The decrease is attributed to a 13.3 percent increase in FY 2017 toll transactions while toll collection costs (net) remained unchanged from FY 2016. Due to the relatively low percentage of ETC customers, staffing of “manned” lanes to accommodate cash customers creates a higher toll collection cost.

Operating Efficiency and Rating Agency Performance

Total operating revenues for FY 2017 increased approximately $0.8 million, or 13.1 percent, over FY 2016 while total operating expenses increased $0.8 million, or 51.6 percent. FY 2017 toll collection expenses increased $27 thousand, or 2.4 percent, while routine maintenance expenses increased $59 thousand. The significant increase in FY 2017 total operating expenses is primarily due to a $0.7 million increase in capital expenses for the Toll System Enhancement Project.

Operating Efficiency (Administrative Expenses)

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.

The Department is currently incurring minimal administrative expenses on behalf of SRBBA to ensure that the facility is operated and maintained effectively.

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 bonds remain unrated by all three rating agencies.

Governance

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

View of Garcon Point Bridge.

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 incurring minimal administrative expenses on behalf of SRBBA to ensure that the facility is operated and maintained effectively.

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 included: 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 2017.

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.

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 2016 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.

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.

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, the SRBBA website has not been updated since September 2016.

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 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. Following the Department's refusal to implement the specific requested toll increase, the Trustee filed a notice in September 2015 stating it would sue the Department to force the toll increase if a majority of Bondholders agreed to cover the potential costs of litigation. Currently, the suit has not been filed and the proposed toll rate increase has not been implemented on the Garcon Point Bridge.

Garcon Point Bridge.

Economic Feasibility Study: State Acquisition of the Garcon Point Bridge

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. As required, the Department, in consultation with the Division of Bond Finance, prepared and submitted the completed study (*Economic Feasibility Study: State Acquisition of the Garcon Point Bridge*) to the Governor, the President of the Senate and the Speaker of the House of Representatives in December 2017, prior to the legislatively mandated date of January 1, 2018. The complete report is available on the Electronic Municipal Market Access (EMMA) website at https://emma.msrb.org/ES1084577-ES847455-ES1248665.pdf.

Although the 2018 Florida Legislature considered bills relating to the Department's acquisition of the Garcon Point Bridge, no such bills were passed.

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).

The SRBBA Board last met in June 2014. Six vacancies currently exist on the seven member 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 by the financial advisor for consideration.

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 2017 toll revenue increased 12.9 percent while toll transactions increased 13.3 percent over FY 2016 levels. The increase in traffic and revenue can be attributed to generally 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 incurring minimal administrative expenses on behalf of SRBBA to ensure that the facility is operated and maintained effectively. Total operating revenues for FY 2017 increased $0.8 million, or 13.1 percent, over FY 2016 while total operating expenses increased approximately $0.8 million, or 51.6 percent. FY 2017 toll collection expenses increased $27 thousand, or 2.4 percent, and routine maintenance expenses increased $59 thousand. The significant overall increase in total operating expenses is primarily due to a $0.7 million increase in capital expenses for the Toll System Enhancement Project. Finally, the underlying bond ratings for SRBBA 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. Subsequently all three rating agencies withdrew their ratings and the bonds remain unrated.

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. 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 addition, the information posted to the SRBBA website was not compliant with the requirements of Section 189.069, Florida Statutes.

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 could 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. 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. Following the Department's refusal to implement the specific requested toll increase, the Trustee filed a notice in September 2015 stating it would sue the Department to force the toll increase if a majority of Bondholders agreed to cover the potential costs of litigation. Currently, the suit has not been filed and the proposed toll rate increase has not been implemented on the Garcon Point Bridge.

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. As required, the Department, in consultation with the Division of Bond Finance, prepared and submitted the completed study (*Economic Feasibility Study: State Acquisition of the Garcon Point Bridge*) to the Governor, the President of the Senate and the Speaker of the House of Representatives in December 2017, prior to the legislatively mandated date of January 1, 2018. The study indicated that it may be possible to formulate a mutually beneficial solution for the State and Bondholders with a restructuring of the debt on the Bridge through an acquisition by Florida's Turnpike to make it part of the Turnpike System. The cornerstone of any transaction could be that the State, through the Turnpike, would assume no financial liability beyond what could be paid from toll collections on the Bridge. Legislative action in addition to the assent of the Bondholders and/or the Trustee would be required. The complete report is available on the Electronic Municipal Market Access (EMMA) website at https://emma.msrb.org/ES1084577-ES847455-ES1248665.pdf. Although the 2018 Florida Legislature considered bills relating to the Department's acquisition of the Garcon Point Bridge, no such bills were passed.

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. The Commission will continue to monitor SRBBA, its Board vacancies, potential toll rate increase, possible acquisition of the Garcon Point Bridge by the Department, and the general operations of the 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.

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 18, 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

Highlights

- THEA met or exceeded 14 of the 15 applicable performance measure objectives. The measure not met was for the Maintenance Rating Program safety characteristic of lighting.
- FY 2017 total operating revenues increased $7.0 million, or 8.7 percent, over FY 2016 and total operating expenses increased $5.3 million, or 37.2 percent, primarily due to an increase in renewal and replacement expenses.
- The increase in FY 2017 revenue is due to a system-wide 2.5 percent toll indexing on July 1, 2016, 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 September 2017 (FY 2018), THEA issued $157.8 million in Series 2017 Revenue Bonds to finance a portion of the cost of the Selmon West Extension. In addition, in December 2017 (FY 2018), THEA issued $152.4 million in Series 2017B Refunding Revenue Bonds to refund their Series 2012B Bonds and $36.2 million in Series 2017C Revenue Bonds to finance Selmon Expressway and Meridian Avenue improvement projects.
- 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 18
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
Shaun Oxtal	Capright	Board Member
Robert Buckhorn	City of Tampa Mayor	Board Member
Lesley Miller	Hillsborough County Commissioner	Board Member
David Gwynn, P.E.	District Seven Secretary	Board Member

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 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 19 indicates that as of June 30, 2017, $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 19
Tampa-Hillsborough Expressway Authority
Long-Term Debt Payable to the Department (in millions)
Year Ended June 30, 2017

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 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 THEA FY 18-22 Work Program includes capital, preservation, as well as operations, maintenance and administration projects to maximize lifespan and efficiency. The most significant project in the $333 million THEA Five-Year Work Program is the Selmon West Extension. Approximately $250 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.

Other significant projects include initial planning for a phased development of a new toll facility

Selmon Expressway - Downtown at Night.

(East - West Expressway) with planning scheduled to begin in FY 2020. The project will be evaluated as a tollway and as a Bus Toll Lane concept to provide enhanced mobility options as well as providing additional capacity. 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.

Other capital projects included in the FY 18-22 Work Program include: the Selmon East Capacity Project, Selmon Greenway Pocket Parks, Connected Vehicle Pilot Deployment Program, the Meridian Ultimate Study, South Selmon Capacity Study, and resurfacing Selmon Expressway. These projects are a combination of mobility, capacity and technology projects and studies intended to increase THEA's operational footprint and ability to deliver transportation options for Tampa Bay. Preservation projects include resurfacing of Meridian Avenue, Traffic Management Center Video Wall upgrade, and replacement of THEA's in-lane toll equipment.

As part of its innovation culture, THEA joined the United States Department of Transportation (USDOT) Affiliated Test Bed Program for

Autonomous Vehicle Technology in 2014. 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. This initiative has grown from being a member of the USDOT Affiliated Test Bed Program to being awarded a $17 million contract ($21 million including the THEA local match) as part of its Connected Vehicle Pilot Deployment Program, one of three in the United States. In 2015, USDOT authorized THEA and its partners to proceed with design, testing and deployment. The final phase of the project, which is expected to begin in mid-2018, involves the full-scale operation of connected vehicle technology throughout downtown Tampa.

The Tampa Connected Vehicle Pilot will equip buses, streetcars and privately-owned vehicles with connected vehicle technology enabling them to communicate vital information with each other and elements of the transportation infrastructure. Pedestrians may also participate by downloading a smartphone app. Drivers, transit riders, and pedestrians in the connected vehicle environment are expected to benefit from a range of safety and mobility improvements.

As part of its strategic planning efforts, THEA contracted with the Center for Urban Transportation Research (CUTR) at the University of South Florida to research the economic impact and benefits of the Tampa Hillsborough Expressway Authority. The CUTR study found that THEA's capital infrastructure investments and operations contribute substantially to economic growth in Hillsborough County and the state of Florida. THEA's strategic investments increased business clustering and specialization, resulting in 14.1 percent more business establishments than in comparable areas within Hillsborough County over the past 10 years.

The Selmon Expressway produces substantial benefits in terms of travel time reductions, increased safety, and decreased harmful emissions. This study finds that the Selmon Expressway saves its users $274 million annually, of which $142 million consists of travel time and out-of-pocket cost savings. Each person saves on average 3.8 hours in travel time per year. This represents a 7.4 percent reduction in the 52 hours of travel time spent annually in congested conditions.

Improved transport mobility positively affected the property prices of both residential and commercial parcels located in proximity to the Selmon Expressway. During the period 2002 through 2016, single-family residential units exhibit on average 14.9 percent higher property sale prices than comparable parcels not located in proximity to the Selmon Expressway. Commercial properties exhibit 16.2 percent higher sale prices than comparable parcels located in the control areas.

Undertaking both strategic and innovative projects has allowed THEA to grow and stay relevant in an increasingly competitive environment.

Performance Measures

Pursuant to the Florida Transportation Commission's (Commission) expanded role in providing oversight to specified authorities, the Commission conducts periodic reviews of each authority's operations and budget, acquisition of property, management of revenue and bond proceeds, and compliance with applicable laws and Generally Accepted Accounting Principles (GAAP). Consequently, the Commission, in concert with the authorities, developed performance measures and management objectives that establish best practices across the industry to improve the overall delivery of services to the traveling and freight moving communities that are critical to the overall economic well-being and quality of life in Florida. FY 2017 results, as reported by THEA, are provided in Table 20. Results for the last five fiscal years are included in Appendix A.

Table 20
Tampa-Hillsborough Expressway Authority
Summary of Performance Measures
FY 2017

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%	3.0%	✓
MRP Safety Characteristic - Signing	Condition rating of at least 90	> 90	90	✓
MRP Safety Characteristic - Striping	Condition rating of at least 95	> 95	100	✓
MRP Safety Characteristic - Guardrail	Condition rating of at least 80	> 80	89	✓
MRP Safety Characteristic - Lighting	Condition rating of at least 85	> 85	75	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%	100.0%	✓
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%	5.2%	✓
Annual Operating, Maintenance and Administrative (OM&A) Forecast Variance	Actual OM&A to annual budget	< 110%	93.1%	✓
Applicable Laws				
Minority Participation	M/WBE and SBE utilization as % of total expenditures (each agency establishes goal/target)	> 90%	96.4%	✓
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	✓

THEA met or exceeded 14 of the 15 applicable performance measure objectives established by the Commission. The one performance measure objective not met was the Maintenance Rating Program (MRP) Safety Characteristic - Lighting and is described below.

Maintenance Rating Program (MRP) Safety Characteristic - Lighting

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 beginning in FY 2016.

THEA met the overall MRP objective of greater than 90, as well as 3 of the 4 MRP safety characteristics (signing, striping and guardrail) in FY 2017. However, THEA did not meet the objective of greater than 85 for the lighting characteristic with a score of 75 being reported. 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 100 percent during FY 2017 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 the lighting condition rating include corrective measures to secure all electrical inspection/access panel covers and identifying and replacing missing hardware at pull boxes.

Selmon Greenway.

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 2015 through FY 2017, without recovery of fines, represents a 3.0 percent variance from indicated revenue thereby meeting the objective of less than 4.0 percent. Revenue variance operating indicators for FY 2015, FY 2016, and FY 2017 are reported individually as 3.2 percent, 2.3 percent and 3.4 percent, respectively.

Average Customer Call Wait Time

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

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 2017, 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 2017, the consultants' SBE "goal" provided in project proposals, and amounts expended on other services provided by SBE designated companies. Based on total SBE expenditures, THEA achieved 96.4 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 2017 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. FY 2017 operating indicators, as reported by THEA, are provided in Table 21. Also, to assist in trend analysis, FY 2015 and FY 2016 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 2017 construction in progress increased $19.2 million over FY 2016 due to improvements related to preliminary costs for the Selmon West Extension.

Table 21
Tampa-Hillsborough Expressway Authority
Summary of Operating Indicators (in millions)
FY 2015 through FY 2017

Indicator	*Detail*	*Actual 15 Results (millions)*	*Actual 16 Results (millions)*	*Actual 17 Results (millions)*
Operations				
Growth in Value of Transportation Assets	Land Acquisition	$91.0	$91.0	$91.0
	Infrastructure Assets	$639.7	$639.7	$639.7
	Construction in Progress	$3.9	$7.6	$26.8
	Total Value of Transportation Assets	$734.6	$738.4	$757.5
Preservation of Transportation Assets	Renewal & Replacement of Infrastructure	$1.2	$0.9	$5.5
	Routine Maintenance of Infrastructure	$2.9	$2.9	$2.9
	Total Preservation Costs	$4.1	$3.8	$8.4
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	51.2%	17.5%	8.7%
Revenue Variance	Actual Revenue with "Recovery of Fines"	3.2%	2.3%	3.4%
	Actual Revenue without "Recovery of Fines"	3.2%	2.3%	3.4%
Safety	Fatalities per 100 Million Vehicle Miles Traveled	0.00	0.30	0.56
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	34.7%	34.8%	25.4%
	Routine Maintenance Expense as % of Operating Expense	21.9%	20.5%	15.0%
	Administrative Expense as % of Operating Expense	25.5%	26.4%	23.0%
	Operating Expense as % of Operating Revenue	19.5%	17.8%	22.5%
Rating Agency Performance	Toll Operations and Maintenance Expense as % of Operating Revenue	11.1%	9.9%	9.1%
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	2.81	3.10	3.18
Debt Service Coverage - Comprehensive Debt	[(Rev - interest) - (toll operating & maintenance expense)] / all scheduled debt service expense	2.68	2.86	3.00
Underlying Bond Ratings (Uninsured)	Standard & Poor's Bond Rating	A	A	A
	Moody's Bond Rating	A3	A2	A2
	Fitch Bond Rating	N/A	N/A	N/A

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

Preservation of Transportation Assets (Renewal and Replacement of Infrastructure)

FY 2017 renewal and replacement expenses increased $4.6 million over FY 2016, while routine maintenance expenses remained virtually unchanged at $2.9 million. The increase in renewal and replacement expenses is attributed to cleaning the REL, resurfacing portions of the expressway system and restriping lanes. 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 2017 revenue increased $7.0 million, or 8.7 percent, over FY 2016 while toll transactions increased 3.2 percent. These increases reflect the system-wide toll indexing on July 1, 2016, increased traffic attributed to an upswing in the economy and population growth in the area, and the slowing of traffic growth as the I-4 Connector has fully ramped up.

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 indexing 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 indexing 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 2015 and two accident fatalities reported in CY 2016.

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 their 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, FY 2016, and FY 2017 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

Selmon Expressway Toll Signage.

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 2018.

Operating Efficiency

As previously noted, FY 2017 operating revenues increased $7.0 million, or 8.7 percent over FY 2016, while total operating expenses increased $5.3 million, or 37.2 percent. FY 2017 toll collection expenses remained virtually the same as FY 2016 despite a 3.2 percent increase in toll transactions processed in FY 2017. Routine maintenance expenses increased a modest 0.5 percent while administrative expenses increased $0.7 million, or 19.4 percent, primarily due to a pension payout and an increase in the cost of benefits. The previously noted $4.6 million increase in FY 2017 renewal and replacement expenses reflect planned projects included in the FY 2017 Work Program that include resurfacing and restriping portions of the Selmon Expressway and cleaning the REL.

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 2017 depreciation expenses increased $140 thousand, or 13.4 percent, over FY 2016.

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 3.18 and 3.00, respectively, for FY 2017.

Underlying Bond Ratings

In December 2015, Moody's upgraded its basic underlying (uninsured) credit rating on THEA bonds from A3 to A2 Stable. In August 2017 (FY 2018), Standard and Poor's assigned a rating of A+ Stable to the new issue THEA Revenue Bonds, Series 2017, and upgraded its underlying credit rating on THEA's outstanding bonds to A+ from A. Standard and Poor's rating reflects strong revenue growth and debt service coverage levels, steady improvement in population growth and unemployment rates in the service area, and a tolling policy that includes automatic toll indexing increases of no less than 2.5 percent per year.

Public Art - Brandon Parkway.

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 2017).

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 a form (THEA Conflict Disclosure Circular) submitted by Shaun Oxtal who was appointed to the THEA Board in August 2017. The

Selmon REL Gantry.

disclosure form indicated a review by THEA in-house General Counsel and no conflict of interest determinations were noted. The General Counsel also reviewed the ethics policy with the newly appointed Board member.

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 Board approves the evaluation committee's recommendation during the selection of the auditor. The Audit Committee 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, 2017 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 for each Major Federal Program and State Project and Report on Internal Control over Compliance Required by the Uniform Guidance and Chapter 10.550, Rules of the Auditor General, 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 compliance requirements that could have a direct and material effect on its major federal program and state project. 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.

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 complied 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 and again on November 21, 2017.

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 2017. As indicated in Table 22, 15 sub consultants were used by the general consulting firms for a total cost of $1.8 million in FY 2017.

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

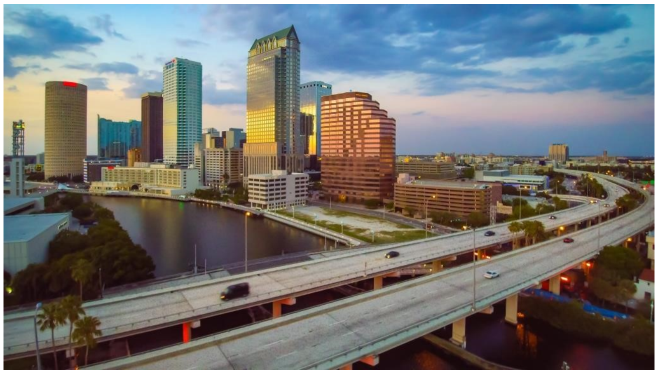
Table 22
Tampa-Hillsborough Expressway Authority
Summary of General Consultant Sub Consultant Activity
FY 2017

Consulting Contract	*Description*	*Sub Consultants >$25 K ($000)*
AECOM	**Miscellaneous Planning & Design Services**	
Parsons Brinckerhoff, Inc.	THEA Bus Toll Lane Application	$51
Floridian Partners, LLC	**Marketing & Communications Services**	
Playbook Public Relations, LLC	Marketing & Communications Services	$467
Heimburg Group, Inc.	**Miscellaneous Planning & Design Services**	
Hardesty & Hanover, LLC	Engineering Services - THEA Pocket Parks	$36
HNTB Corporation	**General Engineering Consultant**	
Bayside Engineering	Engineering, GIS/Database, Inspection & Surveying Services	$51
Johnson, Mirmiran & Thompson, Inc.	Inspector & Surveying Services	$102
Kisinger Campo & Associates Corp.	PD&E Management & Civil Design Services	$182
Omni Communications	Utility Coordination	$34
Tierra, Inc.	Geotechnical Services	$91
Parsons Brinckerhoff, Inc.	**Selmon West Extension Concept Plan**	
AREHNA Engineering, Inc.	Testing Services	$65
Echezabal & Associates, Inc.	Surveying Services	$68
ICON Consultant Group, Inc.	Engineering Support Services	$257
IF Rooks & Associates, Inc.	Surveying, Mapping & CADD Services	$64
Madrid Engineering Group, Inc.	Geotechnical Services	$291
RS&H, Inc.	**Planning/Feasibility Study Selmon East**	
Peggy Malone & Associates	Data Collection-Turning Movement Counts/Bluetooth Surveys	$52
Rummel, Kleppe & Kahl	**CEI for Meridian Avenue & Brandon Parkway Resurfacing**	
Tierra, Inc.	Asphalt Plant Inspector	$25
Total Sub consultants > $25 K		$1,836

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, 2017, bonds in the principal amount of approximately $439.3 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 2017 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



Selmon Expressway at Night.

covenants. The Traffic Engineers are required to provide an annual Traffic and Revenue Report to the Authority. Jacobs completed the *THEA Investment Grade Traffic and Revenue Study* on August 15, 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.

The following THEA bonds were issued subsequent to FY 2017:

In September 2017 (FY 2018), THEA issued $157.8 million in THEA Revenue Bonds, Series 2017, to finance a portion of the cost of acquisition, construction and equipping of the Selmon West Extension of the existing Expressway System, fund a deposit to the debt service reserve and pay costs of issuance.

In December 2017 (FY 2018), THEA issued $152.4 million in THEA Refunding Revenue Bonds, Series 2017B, and $36.2 million in THEA Revenue Bonds, Series 2017C. Proceeds from the Series 2017B Bonds were used to refund all of THEA's outstanding Refunding Revenue Bonds, Series 2012B, fund a deposit to the debt service reserve and pay costs of issuance. According to THEA, the refunding resulted in a net present value savings of $15.3 million due to lower interest costs. The Series 2017C Bonds will finance a portion of the costs of the South Selmon Expressway Improvements Project and the Meridian Ultimate Improvements Project, fund a deposit to the debt service reserve and pay costs of issuance.

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. 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 14 of the 15 applicable management objectives established for performance measures. The one performance measure objective not met was for the maintenance rating program (MRP) safety characteristic of lighting.

Operating indicator trend analysis showed that the $19.2 million increase in construction in progress in FY 2017 is primarily due to improvements related to preliminary work for the Selmon West Extension. FY 2017 operating revenue increased $7.0 million, or 8.7 percent, over FY 2016 while toll transactions increased 3.2 percent. These increases reflect the system-wide toll indexing on July 1, 2016, increased traffic attributed to an upswing in the economy and population growth in the area, and the slowing of traffic growth as the I-4 Connector has fully ramped up. Total operating expenses increased $5.3 million, or 37.2 percent, in FY 2017. FY 2017 toll collection expenses remained virtually the same as FY 2016 despite a 3.2 percent increase in toll transactions processed in FY 2017. Routine maintenance expenses increased a modest 0.5 percent while administrative expenses increased $0.7 million, or 19.4 percent, primarily due to a payout of a pension and an increase in the cost of benefits as well as the addition of a new position. A $4.7 million increase in renewal and replacement expenses reflect planned projects included in the FY 2017 Work Program including resurfacing and restriping portions of the Selmon Expressway and cleaning the REL. THEA debt service coverage was in compliance with its bond covenants. In August 2017 (FY 2018), Standard and Poor's assigned a rating of A+/Stable to the new issue THEA Revenue Bonds, Series 2017, and upgraded THEA's underlying bond rating to A+ from A.

In the area of governance, the FY 2017 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 by 2018.

THEA joined the United States Department of Transportation (USDOT) Affiliated Test Bed Program for Autonomous Vehicle Technology in 2014. 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. This initiative has grown from being a member of the USDOT Affiliated Test Bed Program to being awarded a $17 million contract ($21 million including the THEA local match) as part of its Connected Vehicle Pilot Deployment Program, one of three in the United States. In 2015, USDOT authorized THEA and its partners to proceed with design, testing and deployment. The final phase of the project, which is expected to begin in mid-2018, involves the full-scale operation of connected vehicle technology throughout downtown Tampa.

The most significant project in the $333 million THEA Five-Year Work Program (FY 2018 through FY 2022) is the Selmon West Extension. The Selmon Extension is currently under construction and with the total corridor enhancements and project development is committed at approximately $250 million. 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.

THEA issued bonds subsequent to FY 2017. In September 2017 (FY 2018), THEA issued $157.8 million in THEA Revenue Bonds, Series 2017, to finance a portion of the cost of acquisition, construction and equipping of the Selmon West Extension of the existing Expressway System. In addition, in December 2017 (FY 2018), THEA issued $152.4 million in THEA Refunding Revenue

Bonds, Series 2017B, and $36.2 million in THEA Revenue Bonds, Series 2017C. Proceeds from the Series 2017B Bonds were used to refund all of THEA's outstanding Refunding Revenue Bonds, Series 2012B, resulting in a net present value savings of $15.3 million due to lower interest costs. The Series 2017C Bonds will finance a portion of the costs of the South Selmon Expressway Improvements Project and the Meridian Ultimate Improvements Project.

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, or otherwise acquire, demolish, construct, improve, relocate, equip, repair, maintain, operate, and

Highlights

- Turnpike met or exceeded 11 of the 19 performance measure objectives. The measures not met were State Highway System Maintenance Rating Program (MRP) Overall Rating; Revenue Variance; MRP Safety Characteristics - Signing, Striping, Guardrail, and Lighting; Average Customer Call Wait Time; and Consultant Contract Management.
- FY 2017 total operating revenues increased \$57.4 million, or 5.8 percent, over FY 2016 primarily due to record high toll revenues of \$1.008 *billion* attributed to an increase in toll transactions.
- FY 2017 total operating expenses increased \$59.6 million, or 19.5 percent, over FY 2016. This increase is attributed to an increase in toll transactions, renewal and replacement costs, and planning and development costs.
- Construction continues on the First Coast Expressway, which is planned to open to traffic in FY 2019. Another Turnpike Expansion Project, the Suncoast Parkway 2, was let for construction in October 2017 (FY 2018).
- In September 2016, 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 CCSS facility will go live in June 2018.
- During and subsequent to FY 2017, Turnpike issued two series of bonds: Series 2016C issued in February 2017 for \$142.6 million and Series 2017A issued in December 2017 (FY 2018) for \$131.9 million. Bond proceeds were used to refund outstanding bonds to achieve interest cost savings.
- In FY 2017, Fitch Ratings upgraded Turnpike senior lien revenue bonds to AA from AA- in August 2016.

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

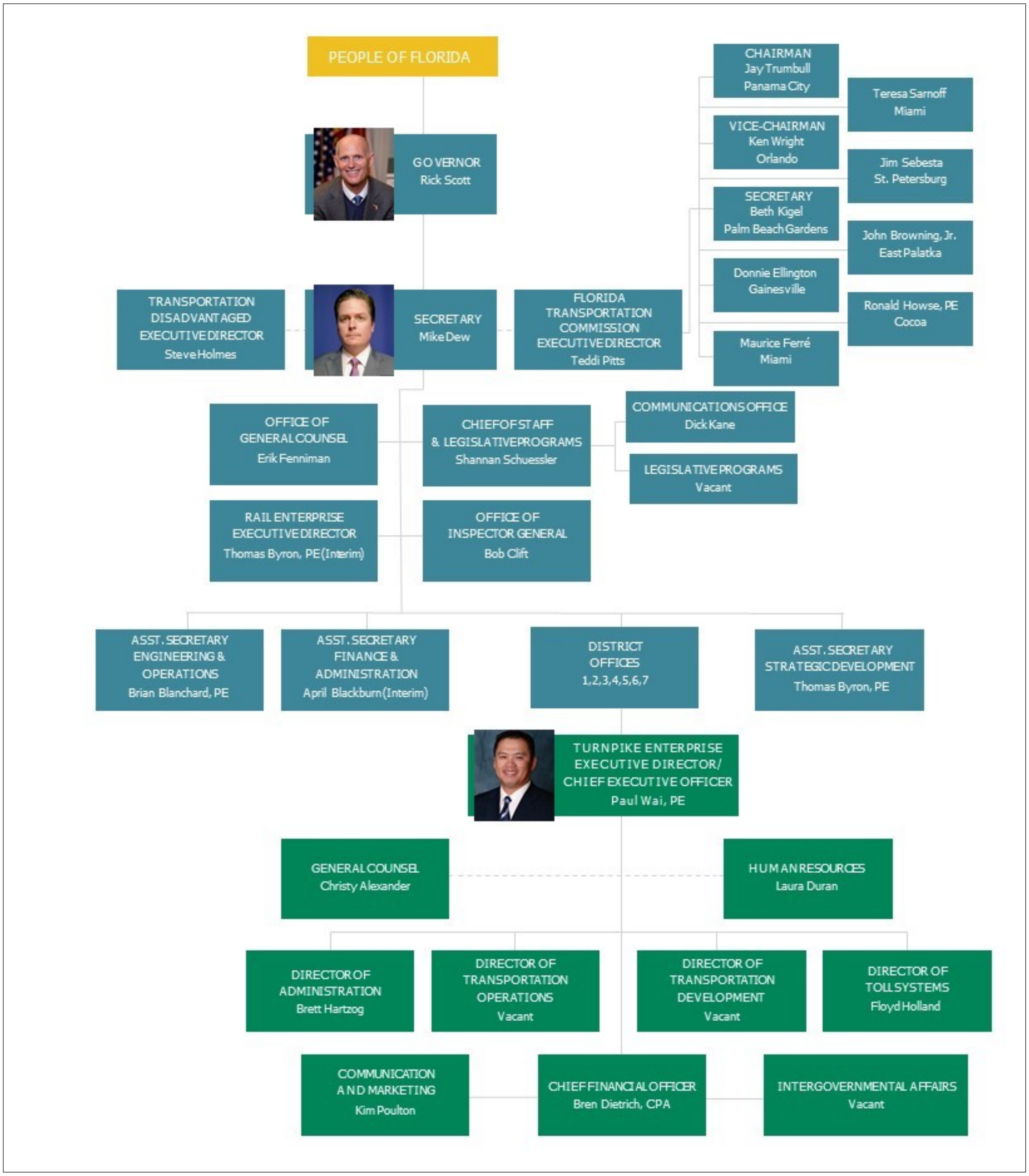


Figure 4: Florida's Turnpike Organizational Structure.

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 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, Chief Financial Officer and Intergovernmental Affairs. Diane Gutierrez-Scaccetti became the Executive Director and Chief Executive Officer of the Enterprise in August 2011 and competently served in that capacity until January 2018 (FY 2018) when she was appointed as the Transportation Commissioner of New Jersey. Paul Wai, PE, assumed the position in January 2018, having served the Enterprise since 1993 in various roles including Construction Engineer, Maintenance Engineer, and most recently as the Director of Transportation Operations.

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 23 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 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 873 million transactions and $1.0 billion in gross toll revenues in FY 2017. 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 completed work on seven of the service plazas by the end of FY 2017. The one remaining service plaza (Fort Pierce/Port St. Lucie) was opened in late 2017. 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 will connect 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 2019. 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 was let for construction in October 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 Department is also analyzing an extension of the Suncoast Parkway 2 to CR 486 which would add approximately 3 additional miles to the facility.

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 2019, the remaining

Table 23
Florida's Turnpike System
Traffic/Transactions and Gross Toll Revenue
FY 2017

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	201,715	23.1%	$179,416	17.8%	$0.89	1974
Southern Coin System	43	167,597	19.2	174,769	17.3	1.04	1957
Ticket System	155	56,530	6.5	179,277	17.8	3.17	1957 [1]
Northern Coin System	67	88,514	10.1	149,380	14.8	1.69	1963 [2]
Beachline West Expressway	8	32,763	3.8	28,019	2.8	0.86	1973
Total Mainline	**320**	**547,119**	**62.7%**	**$710,861**	**70.5%**	**$1.30**	
Sawgrass Expressway	23	89,551	10.3	85,417	8.5	0.95	1986 [3]
Seminole Expressway	18	42,067	4.8	55,302	5.5	1.31	1989 [4]
Veterans Expressway	15	60,321	6.9	51,645	5.1	0.86	1994
Southern Connector Extension	6	15,803	1.8	12,626	1.2	0.80	1996
Polk Parkway	25	35,441	4.1	33,595	3.3	0.95	1999
Suncoast Parkway	42	32,896	3.8	26,993	2.7	0.82	2001
Western Beltway, Part C	11	12,487	1.4	12,930	1.3	1.04	2005 [5]
I-4 Connector	1	17,577	2.0	13,448	1.3	0.77	2014 [6]
Beachline East Expressway	22	19,592	2.2	5,603	0.6	0.29	1974 [7]
Total Expansion Projects	**163**	**325,735**	**37.3%**	**$297,559**	**29.5%**	**$0.91**	
Total System	**483**	**872,854**	**100.0%**	**$1,008,420**	**100.0%**	**$1.16**	

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.

Figure 5: Florida's Turnpike System Map.

sections of the Southern Coin System from FY 2020 through FY 2021, the Northern Coin System in FY 2021, and the Ticket System and Polk Parkway in FY 2022.

Key projects planned in the Turnpike's five-year Work Program include widening: from SR 836 to the Miramar Toll Plaza on SR 821 (HEFT); from north of Atlantic to SR 7 on the Sawgrass Expressway; from SR 50 in Clermont to Minneola and from US 192/441 to the Osceola Parkway on the Northern Coin System; and from Boynton Beach Boulevard to Lake Worth Road on the Mainline in Palm Beach County.

The capital program also includes 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 2024. Significant interchange improvements are also planned for the Beachline West Expressway at the intersection with I-4, as well as the Golden Glades interchange at the southern tip of the Turnpike Mainline. Additionally, the program includes the Phase One Extension of the First Coast Expressway from Blanding Boulevard south and east over to the Shands Bridge in Clay County. The Department is also analyzing the potential funding of the final segment of the First Coast Expressway which would extend the facility across the bridge over to I -95. Numerous other improvement, resurfacing and safety projects are also included in the Work Program.

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. Interoperability agreements have also been executed with the South Carolina Department of Transportation and the Greenville Southern Connector, in addition to the US Central Hub, encompassing Texas, Oklahoma, and Kansas. 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 launched a Southeast US Toll Processing Hub to provide for transaction processing for other transportation agencies in the southeast.

In November 2015, Florida's Turnpike Enterprise (Enterprise) executed a contract to develop and implement a Centralized Customer Service System (CCSS). The CCSS provides electronic toll collection and SunPass customer support to toll agencies in Florida, including SunPass account management, Toll-By-Plate invoicing, and violation enforcement under a single operation, while delivering operational cost efficiencies and value to 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, 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. The CCSS is expected to process over two billion transactions a year in addition to managing approximately seven million SunPass accounts.

On June 5, 2018, the Enterprise suspended SunPass toll transaction processing to switch from the legacy toll transaction processing system to the new CCSS back-office toll system. The Enterprise reported in July 2018 that issues encountered during the transition to the new CCSS resulted in a backlog of unprocessed transactions for trips on Florida's Turnpike and other toll roads serviced by the CCSS. By August 13, 2018, the CCSS vendor (Conduent State and Local Solutions) had substantially eliminated the backlog of toll transactions and had improved operations of the SunPass call center, website interface and the functionality of its mobile application. The Department advised SunPass customers that it will not impose any late fees or penalties related to the system transition.

Florida is leading the way in the testing of Connected and Autonomous Vehicles (CAV). SunTrax is a large-scale test facility that will be developed jointly by the Department, Florida Polytechnic University, and industry partners. The 2.25-mile-long track will provide an opportunity for high-speed testing, while the 200-acre infield will allow for the testing of a multitude of different technologies. Many of the opportunities are related to CAV, and the entire site would be a connected environment for the testing of Vehicle-to-Infrastructure and Vehicle-to-Vehicle communications. With safety and enhanced customer experience as top priorities, SunTrax is uniquely poised to become an innovator for the testing of these emerging and disruptive technologies. The groundbreaking ceremony to launch construction was held on November 13, 2017.

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 24 indicates that approximately $37.1 million in outstanding debt is due to the Department as of June 30, 2017. The balance on the STTF loans was fully repaid in FY 2017.

Table 24
Florida's Turnpike System
Long-Term Debt Payable to the Department (in millions)
Year Ended June 30, 2017

Transaction	*(millions)*
Toll Facilities Revolving Trust Fund Loans (1)	$4.5
State Infrastructure Bank Loans (2)	$32.6
Total Due Department	$37.1

Source: Turnpike Notes to Audited Financial Statements and CAFR Statistical Section.
(1) TFRTF loans used for advances related to acquisition of Seminole County Expressway, design costs of Western Beltway C, 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.
(2) 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) 2017 is the fifth 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. FY 2017 results, as reported by the Turnpike, are provided in Table 25. Results for the last five fiscal years are included in Appendix A.

The Turnpike met or exceeded 11 of the 19 performance measure objectives. The eight performance measure objectives the Turnpike did not meet (State Highway System Maintenance Rating Program (MRP) Rating; Revenue Variance; MRP Safety Characteristics - Signing, Striping, Guardrail and Lighting; Average Customer Call Wait Time; 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 2017, 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 2015 through FY 2017, 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 2015, FY 2016, and FY 2017 are reported individually as 5.6 percent, 6.1 percent, and 4.9 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. As a result, the FY 2017 variance (4.9 percent) was 19.7 percent less than FY 2016 (6.1 percent), a marked improvement.

Maintenance Rating Program (MRP) Safety Characteristics - Signing, 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. In FY 2017, the Turnpike did not meet the four established performance measure objectives.

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. Although the

Table 25
Florida's Turnpike System
Summary of Performance Measures
FY 2017

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%	97.1%	✓
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	83	X
MRP Safety Characteristic - Striping	Condition rating of at least 95	> 95	94	X
MRP Safety Characteristic - Guardrail	Condition rating of at least 80	> 80	75	X
MRP Safety Characteristic - Lighting	Condition rating of at least 85	> 85	63	X
Average Customer Call Wait Time	> 80% of calls answered within 1 minute	> 80%	67.2%	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%	20.0%	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%	10.4%	✓
Annual Operating, Maintenance and Administrative (OM&A) Forecast Variance	Actual OM&A to annual budget	< 110%	102.9%	✓
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 $141.3 million in MBE expenditures in FY 2017, compared to MBE expenditures of $97.7 million in FY 2016, a 44.7 percent increase.

Turnpike met the objective of at least 90 in FY 2016, results for FY 2017 fell short of the objective. This deficiency was limited to small signs and was predominantly associated with mile markers that incurred impact damage as well as a height deficiency. The Turnpike is addressing this issue with its asset maintenance vendors as well as in-house staff.

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 94 in FY 2017, falling just short of the objective of at least 95. Improvement was noted over the score of 92 reported in FY 2016. 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. It is anticipated that such efforts will help the Turnpike meet the objective in the future.

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 75 in FY 2017, falling 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. Additionally, the Turnpike has added a periodic maintenance contract to enhance the on-going routine maintenance activities to address such issues on a wider scale.

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 2017 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 implementation of a performance based lighting maintenance contract for a portion of the Turnpike System. Also, additional Quality Assurance/Quality Control efforts have been implemented to monitor the areas in which work has been performed by various contractors to ensure that the access covers are properly secured upon completion of their work.

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,

New SunPass Service Center in Orlando.

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. 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 June 2018.

The objective for the average customer call wait time performance measure is to answer more than 80 percent of calls within one minute. For FY 2017, the Turnpike reported answering 67 percent of calls within one minute. An initial loss of contract staff occurred when transitioning to the new back-office vendor. Additionally, new Interactive Voice Response and Automated Call Distribution systems were implemented during the period which allowed for more calls coming into the service center. By fiscal year-end, additional staff were added and the metric improved, despite falling short of the benchmark for the year. Additionally, it is anticipated that the new back office customer relationship module which will go live in the last quarter of FY 2018 will enhance the Turnpike's ability to provide excellent customer service as it will replace the legacy system which is made up of two separate applications (one for SunPass and one for Toll-By-Plate). The new system will provide a unified interface which will improve overall call center efficiency, allowing customer service representatives to address all customer needs without changing between applications.

Consultant Contract Management

The final cost of consultant contracts (CEI and design) completed during FY 2017 exceeded the original awards by 20.0 percent. The difference results primarily from additional design necessary for two projects that needed to be updated prior to going to construction and also the addition of post-design services that were not included in the original contracts, but were added as amendments once the projects were underway. The remaining difference was due to the extension of a CEI contract due to a delay in the related construction contract as a result of inclement weather. 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.

Image Review Processing Time

Image review processing time was established as a new performance measure in FY 2016 with the Turnpike reporting results for the first time in FY 2017. The objective is to review 90 percent of video images (license plates) in less than 2 weeks. The Turnpike reported that 100 percent of video images were reviewed in less than 2 weeks. Timely review of video images provides for expeditious billing of toll customers, enhanced revenue recognition, and better customer service.

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

FY 2017 operating, maintenance and administrative (OM&A) expenses for the Turnpike only exceeded the annual budget by 2.9 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 2017, the Turnpike's actual MBE expenditures totaled $141.3 million, compared to FY 2016 MBE expenditures of $97.7 million, a 44.7 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 2017 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. FY 2017 operating indicators, as reported by the Turnpike, are provided in Table 26. Also, to assist in trend analysis, FY 2015 and FY 2016 operating results are provided. Results for the last five fiscal years are included in Appendix A.

Minneola Interchange.

Table 26
Florida's Turnpike System
Summary of Operating Indicators (in millions)
FY 2015 through FY 2017

Indicator	*Detail*	*Actual 15 Results (millions)*	*Actual 16 Results (millions)*	*Actual 17 Results (millions)*
Operations				
Growth in Value of Transportation Assets	Land Acquisition	$903.6	$924.2	$951.9
	Buildings[1]	$60.4	$68.8	$68.8
	Infrastructure Assets	$7,224.9	$7,629.8	$7,811.7
	Construction in Progress	$949.4	$918.0	$1,206.4
	Total Value of Transportation Assets	$9,138.2	$9,540.8	$10,038.7
Preservation of Transportation Assets	Renewal & Replacement of Infrastructure	$59.2	$64.6	$76.8
	Routine Maintenance of Infrastructure	$39.1	$42.9	$46.3
	Total Preservation Costs	$98.4	$107.5	$123.1
Toll Collection Transactions	Electronic Transactions	89.9%	91.2%	91.9%
	Revenue from Electronic Transactions	85.4%	87.2%	88.9%
Annual Revenue Growth	Toll and Operating Revenue	9.5%	10.3%	5.8%
Revenue Variance	Actual Revenue with "Recovery of Fines"	5.4%	5.9%	4.9%
	Actual Revenue without "Recovery of Fines"	5.6%	6.1%	4.9%
Safety	Fatalities per 100 Million Vehicle Miles Traveled	0.46	0.49	0.59
Operations and Budget				
Cost to Collect a Toll Transaction	Total Toll Collection Costs (Net of Exclusions) / Number of Transactions	$0.12	$0.11	$0.11
Operating Efficiency	Toll Collection Expense as % of Operating Expense	50.8%	48.8%	44.2%
	Routine Maintenance Expense as % of Operating Expense	14.4%	14.0%	12.6%
	Administrative Expense as % of Operating Expense	N/A	N/A	N/A
	Operating Expense as % of Operating Revenue	30.4%	31.0%	35.0%
Rating Agency Performance	Toll Operations and Maintenance Expense as % of Operating Revenue	19.8%	19.5%	19.9%
Property Acquisition				
Right-of-Way	# Projects Requiring ROW Acquisition	3	4	6
	# Parcels Needed to be Acquired for Projects	0	191	100
	# Parcels Acquired via Negotiations	16	60	68
	# Parcels Acquired via Condemnation	0	9	32
	# Parcels Acquired with Final Judgments ≤ one half the Range of Contention	0	0	14
Revenue Management and Bond Proceeds				
Debt Service Coverage - Bonded/Commercial Debt	[(Rev - interest) - (toll operating & maintenance expense)] / commercial debt service expense	2.83	3.04	3.25
Debt Service Coverage - Comprehensive Debt	[(Rev - interest) - (toll operating & maintenance expense)] / all scheduled debt service expense	2.69	2.87	2.53
Underlying Bond Ratings (Uninsured)	Standard & Poor's Bond Rating	AA-	AA	AA
	Moody's Bond Rating	Aa3	Aa2	Aa2
	Fitch Bond Rating	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.

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 2017, infrastructure assets increased approximately $182 million primarily due to the completion of certain widenings, including portions of the Veterans Expressway in Hillsborough County and SR 821 (HEFT) in Miami-Dade County, as well as the completion of a new Mainline interchange near the City of Minneola in Lake County.

Major ongoing projects include construction of the new First Coast Expressway in Clay and Duval counties; widening of the Beachline West Expressway; widening of SR 821 (HEFT) in Miami-Dade County; widening five miles of the Mainline in Orange County; widening three miles of the Veterans Expressway in Hillsborough County; as well as other interchange improvements and resurfacing projects.

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 in the period incurred in lieu of depreciating the asset.

Certain planning and development expenses related to transportation projects and programs have historically been included as renewal and replacement costs; however, as project costs grow in line with the System's overall growth, these costs have become more significant. To increase transparency, the Turnpike has separated these planning and development costs into a new expense classification separate from renewal and replacement costs. The Turnpike indicated that such costs do not meet the definitions of operating, maintenance, or renewal and replacement expenses as provided in the Turnpike bond covenants, and primarily relate to expenditures associated with studies and concept work related to potential projects or programs prior to feasibility. Costs incurred subsequent to assessing feasibility for projects that move forward are ultimately capitalized.

Renewal and replacement costs for FY 2017 are reported at $76.8 million. This represents a $12.3 million, or 19.0 percent, increase from FY 2016. In addition, planning and development costs for FY 2017 are reported at $36.6 million. Note that for this report, amounts for planning and development costs for fiscal years prior to FY 2017 have *not* been reported separately and are included in renewal and replacement costs. Fluctuations in renewal and replacement expense levels from year to year are based on the assessment of the Turnpike's General Engineering Consultant regarding necessary system preservation, in accordance with the Consultant's responsibilities outlined in the Turnpike bond covenants.

Preservation of Transportation Assets (Routine Maintenance of Infrastructure)

FY 2017 routine maintenance expenses increased $3.4 million, or 8.0 percent, over FY 2016 primarily due to additional maintenance expenses associated with the growth in traffic.

Toll Collection Transactions (Electronic Toll Transactions and Revenue)

Electronic Toll Collection (ETC) transactions and toll revenue comprised 91.9 percent and 88.9 percent, respectively, of total transactions and toll revenue on Turnpike facilities in FY 2017. Both ETC transactions and revenue include TOLL-BY-

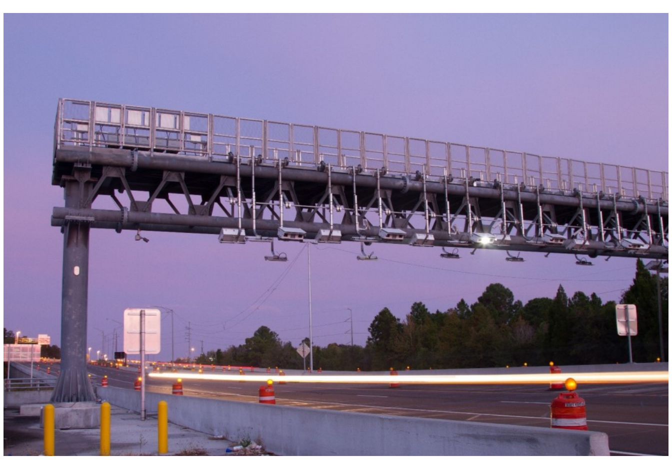
PLATE transactions and revenue in the calculations for the five-year reporting period (FY 2013 through FY 2017).

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.



Veterans Expressway Widening.

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.

The $57 million, or 5.8 percent, increase in FY 2017 total operating revenue is primarily due to record high toll revenues of $1.008 *billion*. The increase in toll revenue is largely attributed to systemwide commuter and truck traffic growth due to a strengthening economy. Unlike the previous three fiscal years, the SunPass and TOLL-BY-PLATE toll rates were not annually indexed as the year-over-year change in the CPI of 0.1 percent did not prompt a minimum of $0.01 adjustment in the two-axle toll rates. As such the Turnpike did not implement toll rate indexing on July 1, 2016 (FY 2017). Additionally, in response to the threat of Hurricane Matthew, tolls were suspended on facilities in south and central Florida to facilitate evacuation and recovery efforts for approximately four days starting on October 5, 2016. The total estimated revenue loss from this suspension is $9.7 million.

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 38, 45, and 58 accident fatalities reported on Turnpike facilities in CY's 2014, 2015, and 2016.

For CY 2016, traffic volumes exceeded prior years partially contributing to the increase in fatal crashes. Additionally, the Turnpike has seen a higher trend in vulnerable user fatalities such as motorcyclists and pedestrians (disabled motorists/ workers), as well as fatal crashes related to distracted driving and lane departures. As such, the Turnpike Traffic Operations program has focused on the following:

- Working with safety partners to communicate the dangers of distracted driving to the public by way of the media, service plaza displays, and dynamic message sign messaging;
- Communicating to FTE staff and contractors the risks associated with working along the roadside;
- Increased Road Ranger safety patrols to respond to disabled vehicles, debris and crashes, and;
- Continuing to invest in roadway infrastructure and safety features on the entire Turnpike system.

Operating Efficiency and Rating Agency Performance

As previously noted, FY 2017 total operating revenues increased $57 million, or 5.8 percent, over FY 2016 primarily due to record traffic and toll revenue on the Turnpike System. Total operating expenses increased $59.6 million, or 19.5 percent, in FY 2017 resulting in a slight increase in the ratio of operating expenses to operating revenues. A $12.3 million, or 8.2 percent, increase in toll collection expenses and a $3.4 million, or 8.0 percent, increase in routine maintenance expenses are primarily attributed to the overall growth in system toll transactions and traffic utilizing System roadways. Toll transactions increased from 888 million in FY 2016 to 929 million in FY 2017, a 4.6 percent increase. As previously noted, renewal and replacement expenses increased $12.3 million and the Turnpike reported $36.6 million in planning and development expenses. 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 Turnpike had 6 projects requiring right-of-way acquisition in FY 2017. The number of parcels needed to be acquired for these 6 projects totaled 100, of which all 100 parcels were acquired during the year.

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

The Turnpike reported debt service coverage for Bonded/Commercial Debt and Comprehensive Debt as 3.25 and 2.53, respectively, for FY 2017. The higher debt service coverage ratios in FY 2017 are primarily attributed to an increase in net operating revenues available for debt service, due to the effects of traffic growth on the Turnpike System.

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 19, 2017. 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 General Counsel as the Department's Ethics Officer and, in conjunction with the Office of Human Resources and the Office of Organizational Development, 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 2017. 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, 2017 was performed. The Independent Auditor's Report indicated that the financial statements were prepared in conformity with GAAP and the auditor issued 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. OIG conducted an audit of the Turnpike Enterprise Intelligent Transportation System's (ITS) adherence to the Department's procedural requirements for the proper accountability and reporting of tangible personal property (TPP). The OIG determined (Audit Report No. 16P-1006, dated February 20, 2017) that the Turnpike fully complied with three of the four provisions tested in Procedure No. 350-090-310, but has not fully complied with the provision concerning properly tagging and recording items. Turnpike ITS staff made corrections to 10 of the 25 ITS TPP discrepancies identified during the course of the audit and the District Traffic Operations Engineer completed corrective actions for the remainder of the discrepancies.

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.

First Coast Expressway.

- 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 Rule Development Public Workshop. 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.

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-h)

  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 2017. As indicated in Table 27, 42 sub consultants were used by the general consulting firms for a total cost of $13.8 million in FY 2017.

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

Table 27
Florida's Turnpike System
Summary of General Consultant Sub Consultant Activity
FY 2017

Consulting Contract	Description	Sub Consultants >$25 K ($000)
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	$96
Citilabs, Inc.	Application Development & Graphic Support Services for Traffic & Revenue Engineering	$50
EPIC Engineering & Consulting Group, LLC	Transportation System Planning & Traffic Engineering Analysis, Reviews & Support	$511
Montgomery Consulting Group, Inc.	Coordination of Task Force & Agency/Community Workshop Meetings	$250
Peggy Malone & Associates, Inc.	Traffic Counts, Turning Movement Counts, Speed/Delay Runs, Directionality Counts	$185
Resource Systems Group, Inc.	Traffic Simulation Model Development, Stated Preference Surveys & O/D Studies	$487
Vanasse Hangen Brustlin, Inc.	Model Development for Time-of-Day Forecasting Models & Express Lane Forecasts	$91
HNTB Corporation	**General Engineering Consultant (Contract No's C-9A68 & C-9T95)**	
Chen Moore and Associates	Landscape Design Services	$479
E Sciences Incorporated	Environmental Permitting and PD&E In House Support/Field Review of Endangered Species	$174
Epic Engineering & Consulting Group, LLC	Application Development, Data Analysis & Asset Management Support Services	$714
Fagan	Toll System Back Office Analysis and Industry Research Related to Tolling Operations	$51
Independence Acquisiton & Appraisal	Property Management; Appraisal & Property Acquisition Support	$401
Inwood Consulting Engineers, Inc.	PD&E Noise Study Services	$235
Kyra Solutions, Inc.	Application Development for Web Services Related to Enhancing Business Processes at FTE	$43
L Squared Business Solutions, Inc.	Tolls Commercial Account Support	$198
Mehta and Associates, Inc.	Field Office Survey Support	$233
Montgomery Consulting Group, Inc.	CADD & IT Support Services	$290
Murray Design Group, Inc.	Landscape Design Services	$30
NW Financial Group, LLC	Financial Review of Assets as it Relates to GEC Bond Covenant Requirements	$41
Southeastern Archaeological Research, Inc.	Archeological Investigative Services and Coordination with SHPO on Behalf of FTE	$60
Stokes Creative Group, Inc.	Video Production Services/Technical Documentary	$51
Terracon Consultants, Inc.	Hazardous Waste/Containment Technical, Management and Coordination Services	$186
Atkins North America, Inc.	**General Engineering Consultant (Contract No. C-9A92)**	
Akupara	TDC Project Management & Toll Systems Technology Support	$105
Brindley Pieters & Associates, Inc.	Utility Coordination & Engineering Support	$252
Building Codes Administrative Services, Inc.	Building Permitting & Inspection Services	$133
Faller, Davis & Associates, Inc.	Shop Drawing Process Support	$434
McCarey Consulting	Manages SunPass Back Office Operations & CCSS Program/FTE Registration Hold Process	$364
Michael M. Houston, Architect	LEED Architecture Support on Service Plaza Reconstruction Project	$48
Montgomery Consulting Group, Inc.	Project Management, Data Maintenance, Plans Processing & Asset Management Support	$933
Omni Communications, LLC	Survey & Mapping	$247
Jacobs Engineering Group, Inc.	**Maintenance & Traffic Operations General Engineering Consultant (Contract No. C-9M19)**	
AECOM Technical Services, Inc.	Traffic Management Center Oversight & Staffing	$1,225
Airquest Environmental, Inc.	Turnpike Facilities Environmental Services & Asbestos Abatement	$34
Carnahan	Traffic Management Center Staffing & Facilities Contract Management	$385
Castillo Engineering	Contract Management for Roadway Maintenance	$140
Faller, Davis and Associates, Inc.	Traffic Management Center Staffing & Roadway Maintenance Support Services	$1,270
Procopio & Associates, Inc.	Roadway & Facilities Maintenance Support Services	$244
Roy Jorgensen Associates, Inc.	Contract Management for Roadway & Facilities Maintenance	$672
Scheda Ecological Associates, Inc.	Contract Management & Environmental Management Services	$289
T.Y. Lin International, Inc.	Contract Management & Structures Maintenance Support for Roadway Maintenance	$449
WSP USA (Formerly Parsons Brinckeroff)	**Construction & Materials General Engineering Consultant (Contract No. C-9K24)**	
Castillo Engineering, Inc.	Construction Project Management, Utility Coordination & Earthwork & Pavement Services	$1,080
Draper & Associates	Construction Project Management & Plans Review	$480
LPE Enterprises, Ltd.	Document Control	$180
Total Sub consultants > $25 K		$13,820

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, 2017, the Turnpike has $2.6 billion of outstanding revenue bonds related to the financing of the construction of expansion projects and system improvements. Accordingly, $7.4 billion remains of the statutory limitation on outstanding bonds. The following Turnpike bonds were issued during, and subsequent to, FY 2017:

- In February 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.

- In December 2017 (FY 2018), the Turnpike issued $131.9 million in State of Florida, Department of Transportation Turnpike Revenue Refunding Bonds, Series 2017A, to refund a portion of the outstanding Series 2008A and Series 2010A Turnpike Revenue and Revenue Refunding Bonds, and to pay the costs of issuance. The refunding resulted in a net present value savings of $12.6 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 2017 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 2017 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 19 management objectives established for performance measures. The eight performance measure objectives not met include the state highway system maintenance rating program (MRP) overall rating; revenue variance; MRP safety characteristics - signing, striping, guardrail and lighting; average customer call wait time; 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 2017 infrastructure assets increased $182 million over FY 2016 primarily due to the completion of certain widenings, including portions of the Veterans Expressway in Hillsborough County and SR 821 (HEFT) in Miami-Dade County, as well as the completion of a new Mainline interchange near the City of Minneola in Lake County. Major ongoing projects include construction of the new First Coast Expressway in Clay and Duval counties; widening of the Beachline West Expressway; widening of SR 821 (HEFT) in Miami-Dade County; widening five miles of the Mainline in Orange County; widening three miles of the Veterans Expressway in Hillsborough County; as well as other interchange improvements and resurfacing projects.

Total operating revenue for FY 2017 increased $57.4 million, or 5.8 percent, over FY 2016, primarily due to record high toll revenue of $1.008 *billion*. The increase in revenue is primarily attributed to systemwide commuter and truck traffic growth due to a strengthening economy. Unlike the previous four fiscal years, the Turnpike did not implement toll rate indexing on July 1, 2016 (FY 2017) because the SunPass and TOLL-BY-PLATE toll rates, as the year-over-year change in the CPI, did not prompt a minimum of $0.01 adjustment in the two-axle toll rates. Additionally, estimated revenue loss from suspension of tolls in response to the threat of Hurricane Matthew in October 2016 totaled $9.7 million.

FY 2017 total operating expenses increased $59.6 million, or 19.5 percent, over FY 2016. A $12.3 million, or 8.2 percent, increase in toll collection expenses and a $3.4 million, or 8.0 percent, increase in routine maintenance expenses are primarily attributed to the overall growth in system toll transactions and increased traffic on Turnpike roadways. Toll transactions increased from 888 million in FY 2016 to 929 million in FY 2017. A $12.3 million increase in renewal and replacement expenses is due to the Turnpike's assessment of needed system preservation. Historically, certain planning and development expenses relating primarily to various studies and concepts have been included in renewal and replacement expenses. For FY 2017, the Turnpike has separated these costs into a new expense classification separate from renewal and replacement costs. As such, the Turnpike has reported planning and development costs of $36.6 million for FY 2017.

In the area of governance, the FY 2017 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 also conducted an audit of the Turnpike Enterprise Intelligent Transportation System's adherence to the Department's procedural requirements for the proper accountability and reporting of tangible personal property. The OIG determined that the Turnpike fully complied with three of the four areas tested but identified discrepancies related to properly tagging and recording items. Turnpike staff completed corrective actions for all the noted discrepancies. Required annual ethics training was provided to all Turnpike employees.

In November 2015, Florida's Turnpike Enterprise (Enterprise) executed a contract to develop and implement a Centralized Customer Service System (CCSS). The CCSS provides electronic toll collection and SunPass customer support to toll agencies in Florida, including SunPass account management, Toll-By-Plate invoicing, and violation enforcement under a single operation, while delivering operational cost efficiencies and value to 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, 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. The CCSS is expected to process over two billion transactions a year in addition to managing approximately seven million SunPass accounts.

On June 5, 2018, the Enterprise suspended SunPass toll transaction processing to switch from the legacy toll transaction processing system to the new CCSS back-office toll system. The Enterprise reported in July 2018 that issues encountered during the transition to the new CCSS resulted in a backlog of unprocessed transactions for trips on Florida's Turnpike and other toll roads serviced by the CCSS. By August 13, 2018, the CCSS vendor (Conduent State and Local Solutions) had substantially eliminated the backlog of toll transactions and had improved operations of the SunPass call center, website interface and the functionality of its mobile application. The Department advised SunPass customers that it will not impose any late fees or penalties related to the system transition.

During, and subsequent to, FY 2017, Turnpike issued two series of bonds:

- In February 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 December 2017 (FY 2018), the Turnpike issued $131.9 million in State of Florida, Department of Transportation Turnpike Revenue Refunding Bonds, Series 2017A, to refund a portion of the outstanding Series 2008A and Series 2010A Turnpike Revenue and Revenue Refunding Bonds, and to pay the costs of issuance. The refunding resulted in a net present value savings of $12.6 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.

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

Table 28
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
Dewey "Parker" Destin	Restaurateur	Secretary-Treasurer
Robert "Bobby" Griggs	Real Estate & Land Development	Board Member
Vacant	Vacant	Board Member
Bryant Paulk	District Three Secretary Designee	Ex-Officio

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

Highlights

- MBBA met or exceeded 13 of the 16 applicable performance measure objectives. The measures not met were State Highway System Maintenance Rating Program (MRP) Overall Rating and the MRP Safety Characteristics - Signing and Striping.
- FY 2017 total operating revenues decreased $1.0 million, or 3.7 percent, from FY 2016 while total operating expenses increased $0.4 million, or 9.7 percent.
- The decrease in FY 2017 operating revenue is primarily due to a decrease in toll revenue attributed to the Governor's suspension of tolls from September 5th through September 21st to support the emergency evacuation and relocation of Florida citizens from the peninsula in preparation for Hurricane Irma.
- In the area of governance, the FY 2017 independent financial statement audit reflected an unmodified opinion. Board members and the Executive Director completed annual ethics training.
- MBBA entered into a Lease-Purchase Agreement with the Department, whereby the Department maintains and operates the System and remits all tolls collected to MBBA. When MBBA bonds are fully paid, the Department will acquire full ownership of 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 $26.4 million in Fiscal Year (FY) 2017 based on 10.3 million toll transactions.

Mid-Bay Bridge.

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 29 indicates that approximately $7.8 million in long-term debt was due to the Department as of September 30, 2017.

Table 29
Mid-Bay Bridge Authority
Long-Term Debt Payable to the Department
Year Ended September 30, 2017

Transaction	*(millions)*
Advances for Operating, Maintenance and R&R Expenses[1]	$3.4
Loan from State Transportation Trust Fund[2]	$4.4
Total Due Department	$7.8

Source: MBBA Notes to Audited Financial Statements.
[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.

FY 2017 results, as reported by MBBA, are provided in Table 30. Results for the last five fiscal years are included in Appendix A. MBBA met or exceeded 13 of the 16 applicable performance measure objectives. The three 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 2017 performance data is based on the MBBA fiscal year which spans from October 1, 2016 through September 30, 2017 (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 2017, the roadway maintenance condition rating of 85 fell short of the objective of at least 90, but improved from the rating of 83 reported in FY 2016. 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. MBBA indicated that the Department's District Three is soliciting a new asset maintenance contract for Okaloosa County and has included the Commission's enhanced MRP criteria for transportation authorities in the contract language.

MRP Safety Characteristics - Signing and Striping

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 two of the four MRP safety characteristics (guardrail and lighting) in FY 2017 but did not meet the objectives established for signing or striping.

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 intended according to specifications.

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. As previously noted, District Three is soliciting a new asset maintenance contract for Okaloosa County and has included the Commission's enhanced MRP criteria for transportation authorities in the contract language.

Table 30
Mid-Bay Bridge Authority
Summary of Performance Measures
FY 2017

Performance Measure	*Detail*	*Objective*	*Actual Results*	*Meets Objective*
Operations				
SHS Maintenance Rating Program (MRP) Overall Rating	Condition rating of at least 90	> 90	85	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%	2.4%	✓
MRP Safety Characteristic - Signing	Condition rating of at least 90	> 90	77	X
MRP Safety Characteristic - Striping	Condition rating of at least 95	> 95	73	X
MRP Safety Characteristic - Guardrail	Condition rating of at least 80	> 80	86	✓
MRP Safety Characteristic - Lighting	Condition rating of at least 85	> 85	100	✓
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%	-3.2%	✓
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%	9.7%	✓
Annual Operating, Maintenance and Administrative (OM&A) Forecast Variance	Actual OM&A to annual budget	< 110%	95.3%	✓
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	✓

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 2015 through FY 2017, without recovery of fines, represents a 2.4 percent variance from indicated revenue thereby meeting the objective of less than 4.0 percent. Revenue variance operating indicators for FY 2015, FY 2016, and FY 2017 are reported individually as 1.3 percent, 2.9 percent and 2.8 percent, respectively.

Average Customer Call Wait Time

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

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

The final cost of the one consultant contract completed during FY 2017 ($123 thousand - Engineering and CEI for System Enhancements) was 3.2 percent below the original contract award.

Construction Contract Adjustments (Time and Cost)

The one construction contract completed during FY 2017 was completed within 20 percent above the original contract time and within 10 percent above the original contract amount.

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 2017 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. FY 2017 operating indicators, as reported by MBBA, are provided in Table 31. Also, to assist in trend analysis, FY 2015 and FY 2016 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

Table 31
Mid-Bay Bridge Authority
Summary of Operating Indicators (in millions)
FY 2015 through FY 2017

Indicator	*Detail*	*Actual 15 Results (millions)*	*Actual 16 Results (millions)*	*Actual 17 Results (millions)*
Operations				
Growth in Value of Transportation Assets	Land Acquisition	$0.7	$0.7	$0.7
	Infrastructure Assets	$233.6	$234.2	$234.6
	Construction in Progress	$0.9	$0.5	$0.6
	Total Value of Transportation Assets	$235.2	$235.4	$235.9
Preservation of Transportation Assets	Renewal & Replacement of Infrastructure	$0.1	$0.6	$1.1
	Routine Maintenance of Infrastructure	$0.3	$0.2	$0.3
	Total Preservation Costs	$0.4	$0.9	$1.4
Toll Collection Transactions	Electronic Transactions	74.1%	75.9%	76.1%
	Revenue from Electronic Transactions	64.3%	67.0%	66.8%
Annual Revenue Growth	Toll and Operating Revenue	14.2%	32.3%	-3.7%
Revenue Variance	Actual Revenue with "Recovery of Fines"	1.3%	2.8%	2.8%
	Actual Revenue without "Recovery of Fines"	1.3%	2.9%	2.8%
Safety	Fatalities per 100 Million Vehicle Miles Traveled	3.40	0.00	0.00
Operations and Budget				
Cost to Collect a Toll Transaction	Total Toll Collection Costs (Net of Exclusions) / Number of Transactions	$0.23	$0.24	$0.25
Operating Efficiency	Toll Collection Expense as % of Operating Expense	63.7%	60.5%	59.3%
	Routine Maintenance Expense as % of Operating Expense	7.7%	5.3%	5.7%
	Administrative Expense as % of Operating Expense	16.1%	13.8%	12.4%
	Operating Expense as % of Operating Revenue	20.1%	16.2%	18.5%
Rating Agency Performance	Toll Operations and Maintenance Expense as % of Operating Revenue	14.4%	10.7%	12.0%
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	1.47	1.43	1.35
Debt Service Coverage - Comprehensive Debt	[(Rev - interest) - (toll operating & maintenance expense)] / all scheduled debt service expense	1.47	1.43	1.35
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.

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 2017, construction in progress increased $82 thousand while infrastructure assets increased $341 thousand. This is primarily due to a $423 thousand increase in construction in progress resulting from Spence Parkway project additions, enhancements and easement restoration, coupled with a $341 thousand transfer from construction in progress to infrastructure for various system enhancement projects being completed.

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 2017 are reported at $1.1 million. This $0.5 million increase over FY 2016 is primarily attributed to the toll system upgrade at the Mid-Bay Bridge toll plaza.

Preservation of Transportation Assets (Routine Maintenance of Infrastructure)

FY 2017 routine maintenance expenses increased $40 thousand, or 16.9 percent, over FY 2016.

Toll Collection Transactions (Electronic Toll Transactions and Revenue)

Electronic Toll Collection (ETC) transactions and toll revenue (includes TOLL-BY-PLATE) comprised 76.1 percent and 66.8 percent, respectively, of total transactions and toll revenue on MBBA facilities in FY 2017. Total toll transactions increased 3.9 percent over FY 2016 levels. Cash transactions increased 2.8 percent over FY 2016, while ETC transactions increased 4.2 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 31 SunPass transactions per month on a facility. The toll rate structure provides 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 2017 decreased $1.0 million, or 3.7 percent, from FY 2016 primarily as a result of the Governor's suspension of tolls from September 5 to September 21 to support the emergency evacuation and relocation of Florida citizens from the peninsula in preparation for Hurricane Irma.

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 two accident fatalities reported on MBBA facilities in CY 2015 and zero accident fatalities reported in CY 2016 and CY 2017.

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 2017 cost to collect a toll transaction of $0.25 increased slightly from $0.24 reported in FY 2016. Toll transactions increased 3.9 percent in FY 2017, while toll collection costs (net of exclusions) increased 6.7 percent.

Operating Efficiency and Rating Agency Performance

FY 2017 total operating expenses increased $0.4 million, or 9.7 percent, over FY 2016 while total operating revenues decreased $1.0 million, or 3.7 percent. This resulted in an overall increase in the ratio of operating expenses to operating revenues in FY 2017. Toll collection expenses for FY 2017 increased 7.4 percent, or $0.2 million, with 3.9 percent more toll transactions on the system. Routine maintenance expenses increased 16.9 percent while administrative expenses decreased 1.2 percent over FY 2016 levels. The $0.5 million increase in FY 2017 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 2015, FY 2016 or FY 2017.

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

The decrease in FY 2017 debt service coverage is due to a decrease in toll revenue attributed to the Governor's suspension of tolls from September 5 to September 21 for Hurricane Irma.

Underlying Bond Ratings

During the reporting period, there were no changes to the rating agencies credit ratings of BBB+/BBB for MBBA's First Senior Lien Bonds and Second Senior Lien Bonds, 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, 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 2017. 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, 2017 and 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. 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

Spence Parkway.

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.

Procurement

MBBA adopted a Procurement Policy in October 2015 and updated it in January 2016 and again in December 2016. 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
- Advertising and Marketing
- Bond Counsel
- Bond Trustee
- Bond Underwriter
- Financial Advisor
- Lobbyist
- Mid-Bay Bridge Inspection

Consultant Contract Reporting

MBBA indicated that it utilized only one general engineering consultant firm (HDR) in FY 2017 and the consultant did not use any sub consultants that exceeded $25 thousand.

Compliance with Bond Covenants

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, 2017, the only bonds that remain outstanding are the Series 2015 Bonds in the principal amount of $281.3 million. MBBA Bonds are not backed by the Department, the State of Florida, or Okaloosa County and are payable solely from pledged revenues.

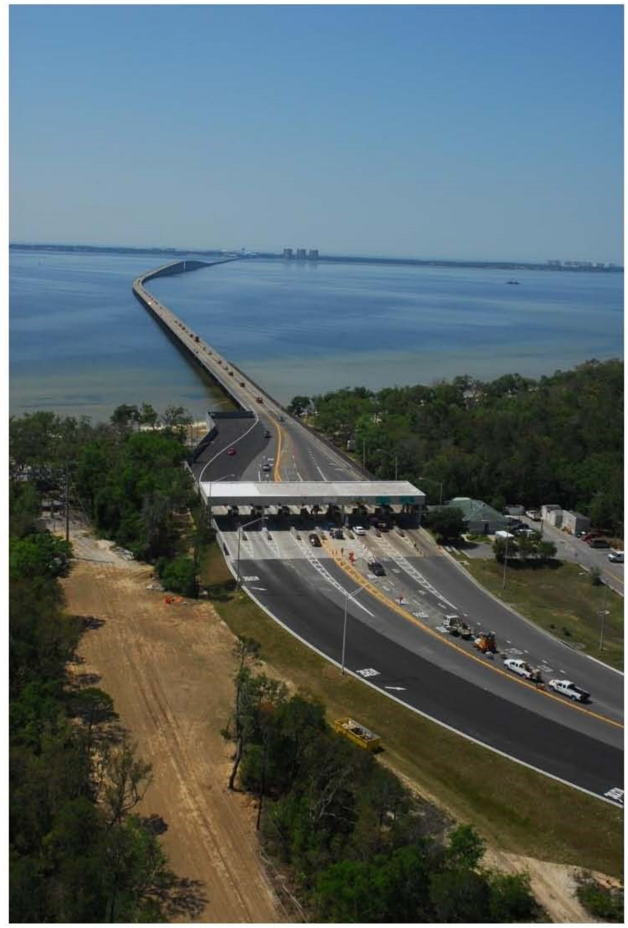
The following areas were noted to be in compliance with bond covenants:

- 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 2017 exceed bond requirements.

- As of September 30, 2017, MBBA has fully funded the Debt Service Reserve Funds.

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.



Mid-Bay Bridge Tolling Location.

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 13 of the 16 applicable management objectives established for performance measures. The three performance measure objectives not met include the state highway system maintenance rating program (MRP) overall rating and the MRP safety characteristics – signing and striping. 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 2017 infrastructure assets remained relatively stable. FY 2017 total operating revenues decreased $1.0 million, or 3.7 percent, over FY 2016 while total operating expenses increased $0.4 million, or 9.7 percent. The $1.0 million revenue decrease in FY 2017 is primarily due to a decrease in toll revenue attributed to the Governor's suspension of tolls from September 5 to September 21 to support the emergency evacuation and relocation of Florida citizens from the peninsula in preparation for Hurricane Irma. Toll collection expenses for FY 2017 increased 7.4 percent, or $0.2 million, with 3.9 percent more toll transactions on the system. Routine maintenance expenses increased 16.9 percent while administrative expenses decreased 1.2 percent over FY 2016 levels. A $0.5 million increase in FY 2017 renewal and replacement (preservation) expenses accounted for the majority of the overall increase in total operating expenses. This $0.5 million increase is attributed to the toll system upgrade at the Mid-Bay Bridge toll plaza. As previously noted, total toll transactions increased 3.9 percent over FY 2016 levels. Cash transactions increased 2.8 percent, while ETC transactions increased 4.2 percent. Factors influencing ETC transactions and revenue include the January 2014 opening of the AET Spence Parkway and a SunPass toll rate that is less than the cash and TOLL-BY-PLATE rate on MBBA facilities.

In the area of governance, the FY 2017 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. Board members and the Executive Director complete annual ethics training. 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. The policy formalizes procurement activities and establishes delegated procurement authority thresholds.

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 is 2040.

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 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.

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.

As provided in Table 32, 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

Highlights

- 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 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.
- OCX has been reclassified in this FY 2017 report as an established toll authority and is reporting performance measures and operating indicators for the first time. OCX met six of the seven applicable performance measure objectives. The measure not met was Bond Ratings.
- Operating revenues increased $3.5 million (from $0.2 million in FY 2016 to $3.6 million in 2017) due to the phased opening of the Poinciana Parkway. Total operating expenses increased $1.3 million (from $0.8 million in FY 2016 to $2.1 million in FY 2017) primarily due to a $1.4 million increase in depreciation expenses attributed to placing the Poinciana Parkway in service in FY 2017.
- 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 2040 Master Plan development to CFX. CFX began conducting concept, feasibility and mobility studies on the unbuilt OCX Master Plan projects in April 2017. In March 2018, the CFX Board voted to move the Osceola Parkway Extension and the Poinciana Parkway Extension to the next phase of evaluation, a Project Development and Environment (PD&E) Study.

the initial members 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 32
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
Mike Shannon, 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, was 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 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.

- 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 Central Florida Expressway Authority (CFX), through an Interlocal Agreement with Osceola County and OCX, conducted concept, feasibility

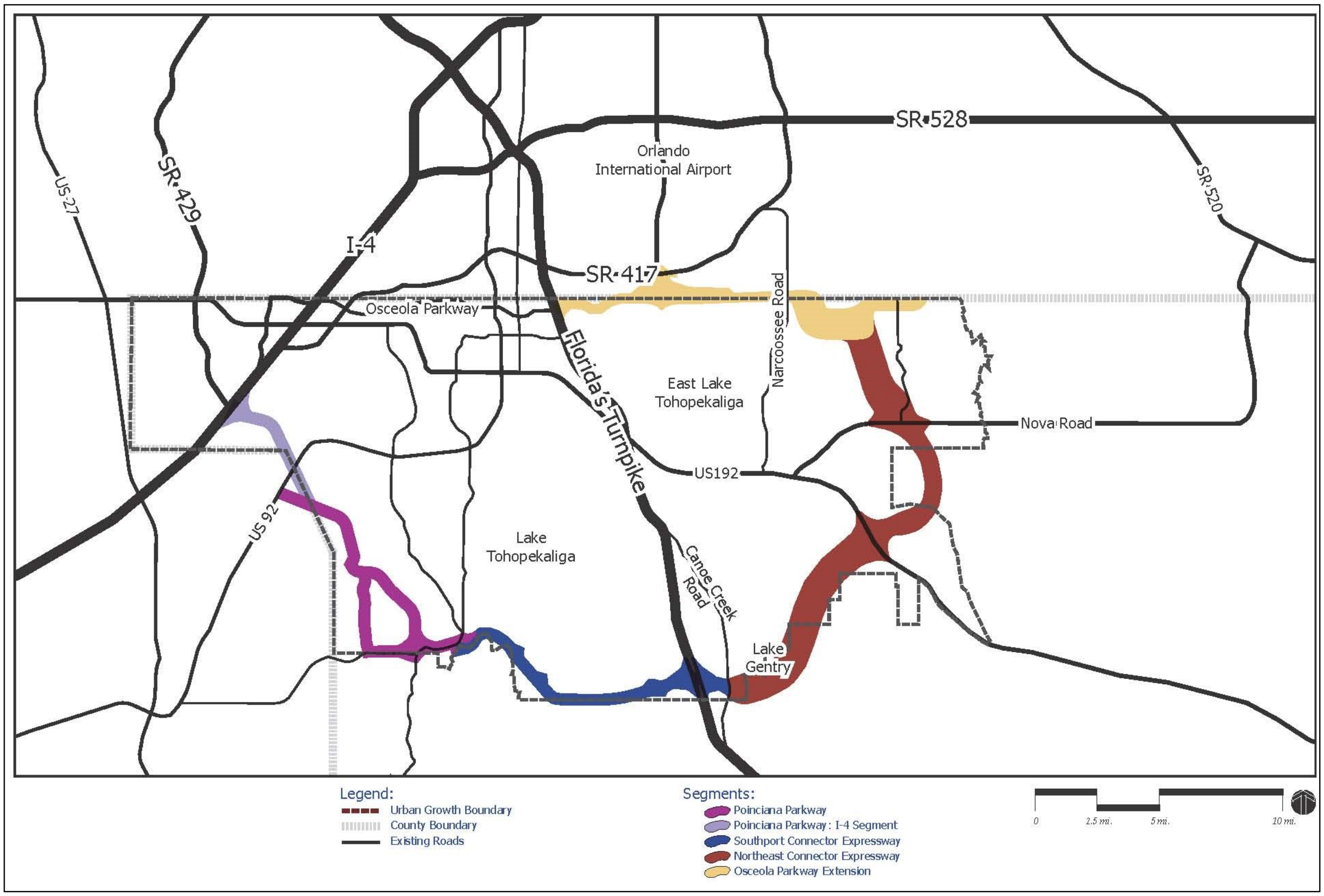


Figure 6: OCX Master Plan 2040 Projects (August 12, 2014).

and mobility studies on the unbuilt OCX Master Plan projects to determine which, if any, meet CFX requirements for viability and funding. The study reports were accepted by the CFX Board at their March 8, 2018 meeting. The CFX Board voted to move the Osceola Parkway Extension and the Poinciana Parkway Extension to the next phase of evaluation, a PD&E Study. The Southport Connector Expressway and the Northeast Connector Expressway were determined not to be currently viable projects.

- 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 to conduct a PD&E Study for this project. As previously noted, CFX determined through its concept, feasibility and mobility study of the Northeast Connector Expressway that it is not currently a viable project.

- 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. The OCX PD&E Study was completed in January 2017, with the adoption of a Build Alternative by OCX. Osceola County has secured additional funding from the Department and private property owners that will allow design and right-of-way acquisitions. As previously noted, CFX determined through its concept, feasibility and mobility study of the Osceola Parkway Extension that it is a viable project and will move forward.

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 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. Prior to the issuance of the Series 2014 Bonds, Osceola County and OCX entered into a Contribution Agreement whereby the County 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. Series 2014 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 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.

As indicated in Table 33, the OCX long-term debt, as of June 30, 2017, totaled approximately $92.3 million. The $3.6 million loan payable is the amount owed to Osceola County pursuant to the August 2012 Contribution Agreement for operation and startup costs advanced to OCX. The $88.7 million is the authority's obligation under the Lease-Purchase Agreement between Osceola County and OCX.

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. 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

Table 33
Osceola County Expressway Authority
Long-Term Debt (in millions)
Year Ended June 30, 2017

Transaction	*(millions)*
Loan Payable[1]	$3.6
Lease Payable[2]	$88.7
Total Long-Term Debt Payable	$92.3

Source: OCX Notes to Audited Financial Statements.

[1] Amounts owed to Osceola County pursuant to an August 2012 Contribution Agreement whereby the County provided OCX funding for operation and startup costs.

[2] In April 2014 OCX entered into a Lease-Purchase Agreement with Osceola County in which the County issued its Series 2014 Bonds to pay a portion of the costs of the Poinciana Parkway and make proceeds available for requistion by OCX. The County also entered into a SIB Loan agreement with the Department and made the loan proceeds available to OCX. OCX leased right-of-way from the County and is responsible for design,construction, operation, and maintenance of the tolled portions of the project. Series 2014 Bonds are secured by a pledge of net revenues of the expressway system.

-by-Plate on January 31, 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. OCX indicated that a new traffic and revenue report for the Poinciana Parkway is currently being prepared and will consider the need for any toll increase at the Marigold Avenue Toll Plaza to comply with bond documents.

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. Figure 7 provides traffic counts from when the Poinciana Parkway first opened to traffic until the end of FY 2017. As indicated, actual traffic volumes (weekday average vehicles per day) at the Marigold toll gantry increased from a low of 4,628 for the week ending June 18, 2016 to a high of 8,299 for the week ending March 4, 2017 whereby traffic leveled off. Actual traffic volumes (weekday average vehicles per day) at the KOA toll gantry increased from a low of 1,288 in its opening week ending November 26, 2016 to a high of 2,626 for the week ending May 13, 2017.

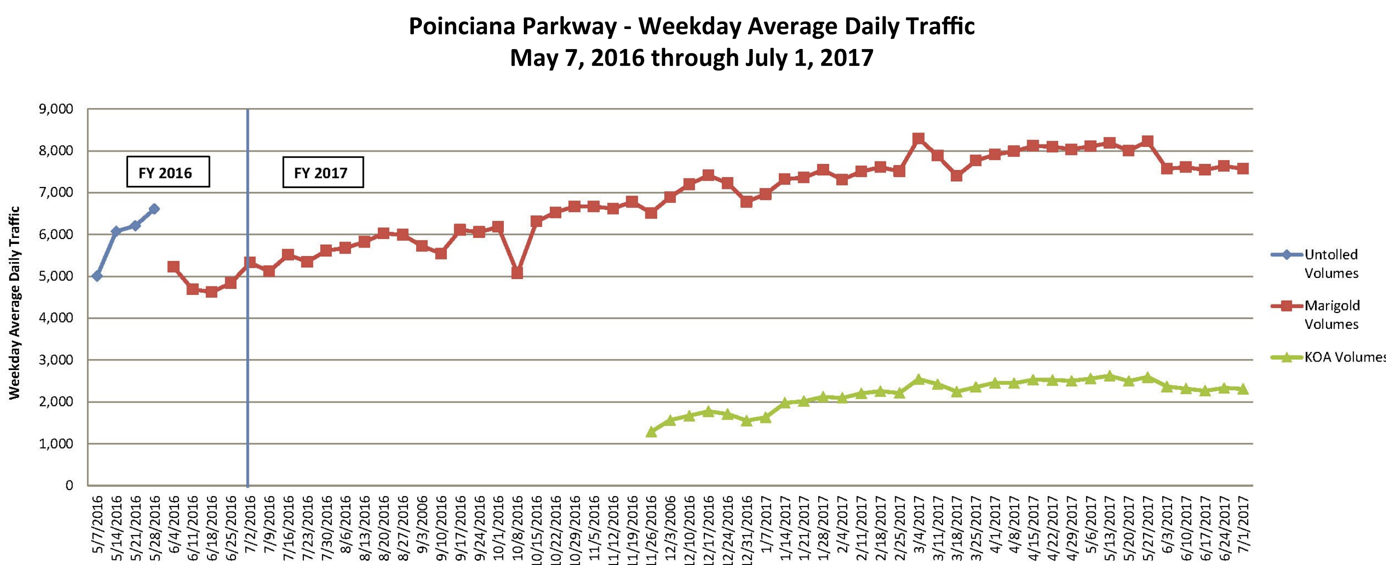


Figure 7: Poinciana Parkway Weekday Average Daily Traffic (May 7, 2016 - July 1, 2017).

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.

OCX had been classified in previous reports as an emerging transportation authority since it did not operate any facilities. Therefore, performance measures and operating indicators were not applicable. Poinciana Parkway was only partially open to traffic and tolled for only 30 days in FY 2016. In this FY 2017 report, OCX has been reclassified as an established toll authority and is reporting performance measures and operating indicators for the first time since the Poinciana Parkway was fully opened to traffic on November 19, 2016 (FY 2017).

FY 2017 results, as reported by OCX, are provided in Table 34. Results for the last five fiscal years are included in Appendix A. OCX met or exceeded six of the seven applicable performance measure objectives established by the Commission. The one performance measure objective OCX did not meet, Bond Ratings, is described below.

Debt Service Coverage - Bond Ratings

The objectives established for this performance measure are that the bond ratings be greater than or equal to BBB (Standard & Poor's), Baa (Moody's), and BBB (Fitch) and that there were no downgrades to the bond ratings from the previous year.

In April 2014, Osceola County issued the Expressway System Series 2014 Bonds to pay for Poinciana Parkway project costs incurred by OCX. Standard & Poor's rated the bonds as BBB-. There has been no change to the underlying bond ratings since the original issue. However, the Standard & Poor's BBB- rating falls short of the objective of BBB or greater.

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

OCX actual FY 2017 OM&A expenses totaled $0.6 million, or 15.4 percent, of the $3.6 million budget. This meets the performance measure objective of actual OM&A expenses being less than 110 percent of the budgeted amount. Approximately $2.9 million was included in the FY 2017 OCX budget for planning and design of the proposed Osceola Parkway Extension that was not spent. CFX, through an Interlocal Agreement with Osceola County and OCX, conducted concept, feasibility and mobility studies on the unbuilt OCX Master Plan Projects to determine which, if any, meet CFX requirements for viability and funding.

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

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

OCX monitors the quality and effectiveness of its routine maintenance program by periodic surveys using the Department's MRP. OCX uses MRP results to evaluate routine maintenance in five broad categories: roadway, roadside, vegetation

Table 34
Oseola County Expressway Authority
Summary of Performance Measures
FY 2017

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%	N/A	N/A
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%	5.1%	✓
Annual Operating, Maintenance and Administrative (OM&A) Forecast Variance	Actual OM&A to annual budget	< 110%	15.4%	✓
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	No	X

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 OCX'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.

OCX indicated that final acceptance of the Poinciana Parkway was December 23, 2017, therefore MRP surveys/inspections have not yet been performed.

Revenue Variance

The three year average of actual OCX toll revenue variance from indicated revenue is not applicable because the Poinciana Parkway has been tolled for less than two years. However, revenue variance operating indicators for FY 2016 and FY 2017 are 0.6 percent and 13.7 percent, respectively.

Poinciana Parkway - Crossing Over RCMB Bridge.

Average Customer Call Wait Time

CFX maintains all E-PASS accounts and customer call centers and provides for all toll operations on the OCX System. At this time, this performance measure is not applicable.

Image Review Processing Time

Timely review of video images provides for expeditious billing of toll customers, enhanced revenue recognition, and better customer service. CFX provides for all toll operations on the OCX System, therefore this performance measure is not applicable at this time.

Consultant Contract Management

OCX indicated that it did not close out any consultant contracts (design or CEI) in FY 2017, therefore this performance measure is not applicable at this time.

Construction Contract Adjustments (Time and Cost)

OCX indicated that it did not close out any construction contracts in FY 2017, therefore this performance measure is not applicable at this time.

Minority Participation

OCX 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

In the Osceola County, Expressway System, Senior Lien, Series 2014 Bonds, OCX covenants that, beginning with the first full FY in which the Poinciana Parkway project is in operation, the net revenues of the Poinciana Parkway will not be less than 120 percent of the long-term debt service requirement for senior lien indebtedness and subordinate lien indebtedness for such FY and that the required deposits be made to the Senior Lien Parity Reserve Account, Subordinate Lien Parity Reserve Account, and the Debt Service Reserve Account for such FY.

OCX indicated that the first segment of the Poinciana Parkway (initial bonded project) opened in April 2016 (FY 2016) and was fully opened to traffic in November 2016 (FY 2017). Therefore, the first full FY of Poinciana Parkway operations is FY 2018 and the net debt service coverage covenant of 1.2 is not applicable for FY 2017. As previously noted, a new traffic and revenue report for the Poinciana Parkway is currently being prepared and will consider the need for any toll increase on the facility to comply with bond covenants. OCX indicated that revenues on the toll facility continue to perform above initial projections in the Official Statement.

Operating Indicators

The Commission, in concert with the authorities, developed operating indicators that provide meaningful operational and financial data that supplement performance measures in evaluating and monitoring organizational performance. The Commission did not establish objectives or goals for these indicators, as various Authorities have unique characteristics. FY 2017 operating indicators, as reported by OCX, are provided in Table 35. Also, to assist in trend analysis, FY 2015 and FY 2016 operating results are provided. Results for the last five fiscal years are included in Appendix A. Note that many of the FY 2015 operating indicators are not applicable because OCX was not operating any facilities in FY 2015. The Poinciana Parkway partially opened in FY 2016.

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.). The significant decreases in construction in progress and increases in infrastructure assets is primarily attributed to completion of the Poinciana Parkway toll road.

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. OCX 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.

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 Poinciana Parkway. Cash is not accepted on the facility.

Annual Revenue Growth (Toll and Operating Revenue)

Total operating revenue increased from approximately $0.2 million in FY 2016 to $3.6 million in FY 2017. Similarly, toll transactions increased from approximately 0.1 million in FY 2016 to 2.1 million in FY 2017. The significant increase in traffic and revenue is due to the phased opening of the new Poinciana Parkway. As previously noted, tolling of the first segment of the

Table 35
Osceola County Expressway Authority
Summary of Operating Indicators (in millions)
FY 2015 through FY 2017

Indicator	*Detail*	*Actual 15 Results (millions)*	*Actual 16 Results (millions)*	*Actual 17 Results (millions)*
Operations				
Growth in Value of Transportation Assets	Land Acquisition	$0.0	$0.0	$0.0
	Infrastructure Assets	$0.0	$55.5	$81.7
	Construction in Progress	$59.0	$26.1	$2.3
	Total Value of Transportation Assets	$59.0	$81.6	$84.0
Preservation of Transportation Assets	Renewal & Replacement of Infrastructure	$0.0	$0.0	$0.0
	Routine Maintenance of Infrastructure	$0.0	$0.0	$0.1
	Total Preservation Costs	$0.0	$0.0	$0.1
Toll Collection Transactions	Electronic Transactions	N/A	100.0%	100.0%
	Revenue from Electronic Transactions	N/A	100.0%	100.0%
Annual Revenue Growth	Toll and Operating Revenue	N/A	100.0%	2181.6%
Revenue Variance	Actual Revenue with "Recovery of Fines"	N/A	0.6%	13.7%
	Actual Revenue without "Recovery of Fines"	N/A	0.6%	13.7%
Safety	Fatalities per 100 Million Vehicle Miles Traveled	N/A	N/A	0.00
Operations and Budget				
Cost to Collect a Toll Transaction	Total Toll Collection Costs (Net of Exclusions) / Number of Transactions	N/A	$0.15	$0.09
Operating Efficiency	Toll Collection Expense as % of Operating Expense	N/A	1.6%	9.0%
	Routine Maintenance Expense as % of Operating Expense	N/A	1.5%	6.2%
	Administrative Expense as % of Operating Expense	10.8%	76.9%	11.5%
	Operating Expense as % of Operating Revenue	N/A	482.0%	56.7%
Rating Agency Performance	Toll Operations and Maintenance Expense as % of Operating Revenue	N/A	14.8%	8.7%
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	N/A	1.87	1.32
Debt Service Coverage - Comprehensive Debt	[(Rev - interest) - (toll operating & maintenance expense)] / all scheduled debt service expense	N/A	1.87	1.32
Underlying Bond Ratings (Uninsured)	Standard & Poor's Bond Rating	BBB-	BBB-	BBB-
	Moody's Bond Rating	N/A	N/A	N/A
	Fitch Bond Rating	N/A	N/A	N/A

Note: OCX was not operating any facilities in FY 2015. The first segment of the Poinciana Parkway opened to traffic on April 30, 2016 (partial FY 2016). The remaining segment of the facility opened to traffic on November 19, 2016 (FY 2017).

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) when the final tolled segment of the facility was completed.

Revenue Variance

Actual toll revenue for FY 2017 represents a 13.7 percent variance from indicated revenue.

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. OCX indicated that there were no accident fatalities reported on the Poinciana Parkway in CY 2016 or CY 2017.

Operating Efficiency and Rating Agency Performance

Total operating revenues increased by $3.5 million in FY 2017 (from $0.2 million in FY 2016 to $3.6 million in FY 2017) while total operating expenses increased $1.3 million (from $0.8 million in FY 2016 to $2.1 million in FY 2017). This resulted in a significant decrease in the ratio of operating expenses to operating revenues in FY 2017. As previously noted, the first segment of the Poinciana Parkway was tolled for only 30 days in FY 2016. The significant increase in FY 2017 revenue is attributed to a full year of tolling of the first segment of the Poinciana Parkway and tolling of the final segment that opened in November 2016. The overall increase in total operating expenses is attributed to a $1.4 million increase in depreciation expenses (from $0.2 million in FY 2016 to $1.5 million in FY 2017). This is attributed to the Poinciana Parkway being placed in service in FY 2017. OCX reports depreciation on infrastructure (roads, bridges and other highway improvements), furniture and equipment, toll equipment, toll facilities and buildings. Significant administrative expenses (approximately $0.6 million) were noted in FY 2016 primarily due to legal and consulting services incurred just prior to the opening of the Poinciana Parkway.

Right-of-Way

OCX entered into a Lease-Purchase Agreement with Osceola County whereby OCX leased Osceola County right-of-way from the county and is responsible for designing, constructing, operating and maintaining the tolled portions of the Poinciana Parkway. Upon expiration of the term of the Lease-Purchase Agreement, Osceola County will convey the Osceola right-of-way to OCX. In addition, $37.8 million in developer contributions for right-of-way, design, engineering and permitting was provided for the project.

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

OCX reported debt service coverage for both Bonded/Commercial Debt and Comprehensive Debt as 1.32 for FY 2017.

Underlying Bond Ratings

During the reporting period, there were no changes to the BBB- bond rating by Standard & Poor's.

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. During the June 13, 2017 OCX Board meeting, OCX Counsel gave a presentation regarding 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, 2017 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 2018 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.

Consultant Contract Reporting

In FY 2017, 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. As indicated in Table 36, four sub consultants that exceeded $25 thousand were used by the consulting firm for a total cost of $1.4 million in FY 2017.

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.

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

Table 36
Osceola County Expressway Authority
Summary of General Consultant Sub Consultant Activity
FY 2017

Consulting Contract	*Description*	*Sub Consultants >$25 K ($000)*
AECOM Technical Services, Inc.	**Construction Management/Construction Engineering & Inspection (CEI) Services**	
Ardaman & Associates	Testing, Inspection, Sampling, Soil Testing & Laboratory Testing	$202
Hanson, Walter & Associates	Survey, Design & Engineering	$431
Quest Corporation	Public Information	$26
Kissinger Campo	Consulting on Issues Related to Construction	$726
Total Sub consultants > $25 K		$1,385

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 second round of public meetings to obtain input regarding the studies were held in February 2018. The goal of the four studies is to determine which, if any, meet CFX requirements for viability and funding. The study reports were accepted by the CFX board at their March 8, 2018 board meeting. The CFX board voted to move the Osceola Parkway Extension and the Poinciana Parkway Extension to the next phase of evaluation, a Project Development and Environment (PD&E) Study. The Southport Connector Study along with the Northeast Connector Study were determined not to be currently viable, however the study corridors will continue to be considered annually for any changes due to growth or other influences that may change in the region. 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. As of March 2018, CFX, OCX and Osceola County are beginning to determine how and when OCX and its assets and liabilities will merge into 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 (FY 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.

OCX had been classified in previous reports as an emerging transportation authority since it did not operate any facilities. Therefore, performance measures and operating indicators were not applicable. Poinciana Parkway was only partially open to traffic and tolled for only 30 days in FY 2016. In this FY 2017 report, OCX has been reclassified as an established toll authority and is reporting performance measures and operating indicators for the first time since the Poinciana Parkway was fully opened to traffic on November 19, 2016 (FY 2017). OCX met or exceeded six of the seven applicable management objectives established for performance measures. The one performance measure objective not met was for Bond Ratings. Standard & Poor's assigned an investment grade rating of BBB- to the original Osceola County Expressway System, Series 2014, Bonds to pay for Poinciana Parkway project costs. However, this rating falls short of the bond rating established by the Commission of at least BBB or greater.

Operating indicator trend analysis showed that FY 2017 infrastructure assets increased by $26.2 million and construction in progress decreased by $23.8 million over FY 2016 primarily due to the

Poinciana Parkway being placed in service. Cash is not accepted on the facility, therefore electronic toll collection transactions and toll revenue comprised 100 percent of total transactions and toll revenue. Total operating revenues increased by $3.5 million in FY 2017 (from $0.2 million in FY 2016 to $3.6 million in FY 2017) while total operating expenses increased $1.3 million (from $0.8 million in FY 2016 to $2.1 million in FY 2017). As previously noted, the first segment of the Poinciana Parkway was tolled for only 30 days in FY 2016. The significant increase in FY 2017 revenue is attributed to a full year of tolling of the first segment of the Poinciana Parkway and tolling of the final segment that opened in November 2016. The overall increase in total operating expenses is primarily attributed to a $1.4 million increase in depreciation expenses (from $0.2 million in FY 2016 to $1.5 million in FY 2017). This is due to the Poinciana Parkway being placed in service in FY 2017. OCX reports depreciation on infrastructure (roads, bridges and other highway improvements), furniture and equipment, toll equipment, toll facilities and buildings.

The FY 2017 annual independent financial statement audit reflected an unmodified opinion. No internal control or compliance issues were noted and the Independent Auditor's Management Letter did not have any recommendations for improvement. In June 2017, OCX Legal Counsel gave a presentation to Board members on the Sunshine Law, Public Records and Gifts.

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. The study reports were accepted by the CFX board at their March 8, 2018 board meeting. The CFX board voted to move the Osceola Parkway Extension and the Poinciana Parkway Extension to the next phase of evaluation, a Project Development and Environment (PD&E) Study. The Southport Connector Study along with the Northeast Connector Study were determined not to be currently viable, however the study corridors will continue to be considered annually for any changes due to growth or other influences that may change in the region. 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.

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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) 2017
- Operating indicators for FY 2015 through FY 2017
- 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 37, 38 and 39.

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 39, beginning with the Central Florida Regional Transportation Authority (CFRTA, dba, LYNX).

Table 37
Florida Transportation Commission
Transit Authority Performance Measures
Bus, Automated Guideway and Rail
FY 2017

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 late 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 38
Florida Transportation Commission
Transit Authority Operating Indicators
Bus, Automated Guideway and Rail
FY 2017

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 39
Florida Transportation Commission
Transit Authority Performance Measures and Operating Indicators
JTA Highway Operations
FY 2017

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 4 of the 12 fixed route objectives established for performance measures. The eight measures not met were Passenger Trips per Revenue Hour, Operating Expense per Revenue Mile, Operating Expense per Revenue Hour, Operating Expense per Passenger Trip, Operating Expense per Passenger Mile, Farebox Recovery Ratio, Revenue Miles versus Vehicle Miles, and On-Time Performance.
- The 5.4 percent decrease in passenger trips (ridership) in FY 2017 negatively impacted performance results. LYNX attributed this decrease in ridership to the continued effect of the decline in fuel prices, general improving economic conditions in Florida, and the competition from ridesharing services.
- FY 2017 operating expenses increased $8.3 million, or 8.6 percent, while operating revenues decreased $0.4 million, or 1.1 percent, over FY 2016.
- 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 July 30, 2018.
- LYNX continued its conversion of buses to compressed natural gas, completed its Transit Development Plan major update in December 2017 (FY 2018), and is currently working on a Route Optimization Study (ROS). The ROS will utilize results from its recently completed origin and destination survey to optimize transit service and ensure travel patterns are served effectively while minimizing operating costs.

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.

As provided in Table 40, 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. The board of directors (Board) generally meets monthly to conduct Authority business. Responsibility for managing day-to-day operations rests with the Chief Executive Officer (CEO).

Table 40
Central Florida Regional Transportation Authority
Current Board Members

Name	Appointment	Position
Lee Constantine	Seminole County Commissioner	Chairman
Buddy Dyer	Mayor City of Orlando	Vice Chairman
Mike Shannon, P.E.	District Five Secretary	Secretary
Teresa Jacobs	Orange County Mayor	Board Member
Viviana Janer	Osceola County Commissioner	Board Member

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 2017, 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 2017 annual operating budget totaled approximately $132.7 million, an increase of 3.2 percent from the previous year. Approximately 24.8 million passenger trips were provided for LYNX fixed route services in FY 2017.

LYNX receives significant financial support from its funding partners. For FY 2017 operating funding, the Orange County Commission approved $41.8 million for LYNX (a 4.7 percent increase from FY 2016), the Seminole County Commission approved $7.0 million for LYNX (a 5.6 percent increase from FY 2016), and the Osceola County Commission approved $6.9 million in funding for LYNX (a 7.8 percent increase from FY 2016).

Over the past few fiscal years, LYNX, through the effective leadership of its Governing Board, has continued to enhance public transportation in Central Florida. In FY 2017, LYNX purchased excess property that is contiguous to the LYNX Operations Center on John Young Parkway and is currently in design and phasing work to address capacity constraints and will ultimately relocate its paratransit and NeighborLink operations and maintenance to this new site.

In FY 2017, LYNX kicked off the 23-mile SR 436 Transit Corridor Study that will evaluate application of several premium transit service options, such as Bus Rapid Transit (BRT) to potentially serve the corridor from Orlando International Airport to SR 434 in Seminole County.

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. LYNX has placed into revenue service 70 CNG buses and anticipates purchasing a total of 150 CNG buses over the first five year period pursuant to the terms of the agreement.

LYNX continued to provide several human service agencies with operating funding from the Federal Transit Administration Job Access and Reverse Commute and New Freedom grant programs 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.

Projects completed by LYNX in FY 2017 include: implementation of mobile payments to enhance customer service, reduce the cost of fare operations and deliver long-term value; completion of a system-wide 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; installation of Wi-Fi on all fixed route buses; release of the LYNX Bus Tracker mobile application whereby customers can see the location of buses operating on routes and the estimated time of arrival of the next bus; installation of 25 bus shelters throughout the tri-county service area; and completion of the 2.1-mile LYMMO Line Extension on Parramore (BRT - Lime Line).

LYNX submitted, and the Department approved, its Transit Development Plan (TDP) major update in December 2017. The TDP serves as the strategic guide for public transit services throughout the LYNX service area. The document directs public transportation over the next 10 years (FY 2018 through FY 2027) and is posted on the Authority's website www.golynx.com. LYNX is currently working on a Route Optimization Study (ROS) to optimize transit service and ensure user travel patterns are served effectively while minimizing total system operating costs. The ROS will identify new route alignments, changes to existing route alignments and schedules, and advanced integration with other travel modes. Mobility options designed to speed regional travel such as regional express, commuter based express and limited stop services will ensure faster travel times through the service area. Once the ROS is complete, LYNX will prepare the TDP annual update to include the ROS capital and operating improvements. Collectively, the TDP and ROS are called *LYNX FORWARD*.

LYNX Downtown LYMMO Service.

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: Chair Viviana Janer, Osceola County Commissioner; Vice-Chair Buddy Dyer, Mayor of the City of Orlando; Secretary Bob Dallari, Seminole County Commissioner; Pat Patterson, Volusia County Council Member; and Teresa Jacobs, Mayor of Orange County. 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 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

SunRail Station Adjacent to LYNX Central Station.

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.

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.

FY 2017 results, as reported by LYNX, are provided in Table 41. Results for the last five fiscal years are included in Appendix A. LYNX performance data used for this report represent information collected during FY 2017, which spans from October 1, 2016 through September 30, 2017 (LYNX reports on a federal fiscal year). LYNX was successful in achieving 4 of the 12 objectives for performance.

Passenger Trips per Revenue Hour

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 22.1 was less than the objective of greater than 26.9 by 4.8 (17.8 percent) and decreased from the 23.7 passenger trips per revenue hour

Table 41
Central Florida Regional Transportation Authority
Summary of Performance Measures
FY 2017[1]

Performance Measure	*Detail*	*Objective*	*Actual Results*	*Meets Objective*
Unlinked Passenger Trips per Revenue Hour	Passenger trips divided by revenue hours	>26.9	22.1	X
Operating Expense per Revenue Mile	Operating expenses divided by revenue miles	<$6.31	$6.96	X
Operating Expense per Revenue Hour	Operating expenses divided by revenue hours	<$89.29	$93.40	X
Operating Expense per Passenger Trip	Operating expenses divided by annual ridership	<$3.57	$4.23	X
Operating Expense per Passenger Mile	Operating expenses divided by passenger miles	<$0.56	$0.74	X
Farebox Recovery Ratio	Passenger fares divided by operating expenses	>27.6%	21.9%	X
Revenue Miles between Safety Incidents	Annual revenue miles divided by safety incidents	>124,513	188,889	✓
Revenue Miles between Failures	Revenue miles divided by revenue vehicle system failures[2]	>10,500	14,123	✓
Revenue Miles versus Vehicle Miles	Revenue miles divided by vehicle miles[3]	>.90	0.885	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	0.9	✓
On-time Performance	% trips end to end on time "departures < 5 minutes late and 1 minute early"	>80%	79.0%	X

[1] Fiscal Year 2017 represents 12 months of data from October 1, 2016 through September 30, 2017.
[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.

reported in FY 2016. FY 2017 passenger trips decreased 5.4 percent while revenue hours increased 1.8 percent from FY 2016.

The 5.4 percent decrease in passenger trips (ridership) in FY 2017 can be attributed to the continued effect of the decline in fuel prices, general improving economic conditions in Florida, and the competition from ridesharing services. The decrease in passenger trips negatively impacted numerous performance measures including passenger trips per revenue hour, operating expense per passenger trip, 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 $6.96 was higher than the objective of $6.31 by $0.65 (10.3

percent) and increased from the $6.41 reported in FY 2016. FY 2017 operating expenses increased 8.6 percent while revenue miles remained virtually unchanged from FY 2016.

The 8.6 percent increase in FY 2017 operating expenses is primarily attributed to increases in fringe benefits associated with pension deferrals, an increase in casualty and liability insurance, as well as a general increase among various operating cost components. 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 and CNG buses. 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, 2017, the maturity dates of the open contracts are September 2018. As previously noted, LYNX ordered and placed into service 70 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 $93.40 was higher than the objective of less than $89.29 per hour by $4.11 (4.6 percent). FY 2017 operating expenses increased 8.6 percent while revenue hours increased 1.8 percent, thereby negatively impacting FY 2017 results.

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 $4.23 was higher than the objective of less than $3.57 by $0.66 (18.5 percent). This compares to $3.69 reported for FY 2016. FY 2017 operating expenses increased 8.6 percent over FY 2016, while ridership (passenger trips) decreased 5.4 percent, thereby negatively impacting FY 2017 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 $0.74 exceeded the objective of less than $0.56 by $0.18, and was higher than the $0.65 reported for FY 2016. Passenger miles decreased 5.2 percent in FY 2017, while operating expenses increased 8.6 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

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 21.9 percent fell short of the objective of greater than 27.6 percent. This compares to 25.5 percent reported for FY 2016. FY 2017 operating expenses increased 8.6 percent over FY 2016, while passenger fare revenue decreased 6.6 percent, thereby negatively impacting FY 2017 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 188,889 revenue miles between safety incidents reported in FY 2017 (51.7 percent above the target). In FY 2017, revenue miles remained virtually unchanged from FY 2016, while safety incidents significantly declined by 28.6 percent (from 112 in FY 2016 to 80 in FY 2017).

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

LYNX Articulated Bus.

bus performance. LYNX achieved the performance measure objective of greater than 10,500 revenue miles between revenue vehicle system failures with 14,123 revenue miles between failures reported in FY 2017. This compares to 11,833 revenue miles between failures reported in FY 2016. In FY 2017, revenue miles remained virtually unchanged, while revenue system vehicle failures decreased 16.2 percent (from 1,277 in FY 2016 to 1,070 in FY 2017).

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 missed meeting the performance measure objective of greater than 0.900 with 0.885 reported for FY 2017. This compares to the 0.896 reported for FY 2016.

LYNX attributes the large difference in vehicle revenue miles and vehicle miles to several factors including the elimination of KnightLYNX Route 211. Additionally, LINK 18 was relocated to operate out of the LYNX Operations Center instead of the Osceola Satellite Facility increasing the deadhead for trips starting or ending at the Kissimmee Intermodal Facility. LYNX will 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 as a part of the LYNX FORWARD Route Optimization Study (ROS).

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 2017.

Customer Service – Number of Complaints per Boarding

LYNX achieved the performance objective of less than two complaints per 5,000 boardings with 0.9 complaints.

On-time Performance

LYNX reported 79.0 percent on-time performance, falling just 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 78.8 percent on-time performance reported in FY 2016.

LYNX has begun implementing components of its bus stop consolidation starting with its highest ridership routes to reduce the number of stops a bus has to make along its route. To address corridors with poor on-time performance, LYNX has begun a series of route analyses and incorporates schedule adjustments to accommodate changes in traffic and congestion on the longer, high ridership routes to improve efficiencies. LYNX analyzes on time performance quarterly to continue enhancing the rider experience.

Operating Indicators

The Commission, in concert with the authorities, developed indicators that provide meaningful operational and financial data that supplement performance measures in evaluating and monitoring organizational performance. The Commission did not establish objectives or goals for these indicators, as various authorities have unique characteristics. FY 2017 operating indicators, as reported by LYNX are provided in

Table 42. In order to observe current trends, operating indicators for FY 2015 and FY 2016 are also provided. Results for the last five fiscal years are included in Appendix A.

FY 2017 operating expenses increased $8.3 million, or 8.6 percent, while operating revenues decreased $0.4 million, or 1.1 percent, over FY 2016. LYNX logged 1.4 million, or 5.4 percent, fewer passenger trips and the average trip length remained unchanged at 5.7 miles in FY 2017. As a result, passenger miles decreased by 7.8 million to 141.9 million (a decrease of 5.2 percent). FY 2017 revenue miles remained virtually unchanged while revenue hours increased 1.8 percent from FY 2016. Average headway decreased from 25.6 minutes in FY 2016 to 25.3 minutes in FY 2017 and the average fare slightly decreased from $0.94 to $0.93. Average weekday ridership decreased 3.2 percent (from 82,353 in FY 2016 to 79,723 in FY 2017). LYNX attributed this decrease in ridership to the continued effect of the decline in fuel prices, general improving economic conditions in Florida, and the competition from ridesharing services.

Nationally, transit ridership continues to decline as a result of a number of factors. A recent study by UCLA indicated that the trend in more auto ownership for historically low-income households has also added to the trend in reduced transit ridership. Additionally, as cities begin to build more residential housing in the urban core with supportive transit-oriented uses, some residents are relocating from suburban areas into centrally located downtowns which provide opportunities to live-work.

The average age of the fleet increased from 5.8 years to 5.9 years and the operating spare ratio of 19.6 percent allows the Authority flexibility in terms of providing expanded service in the future.

The unrestricted cash balance increased $4.0 million (from $37.2 to $41.2 million) and LYNX committed 86 percent of capital investment to system preservation and 14 percent to system expansion. Investments in system expansion include funding for rolling stock, bus rapid transit, passenger amenities, technology, security, facilities and support equipment.

Intermodal Connections

LYNX currently provides 21 intermodal transfer points or connections that include connections to airports, circulator bus systems, park and ride lots, and the 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.

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

Table 42
Central Florida Regional Transportation Authority
Summary of Operating Indicators
FY 2015 through FY 2017

Operating Indicator	Detail	Actual 15 Results	Actual 16 Results	Actual 17 Results
Operating Expense per Capita (Potential Customer)	Annual operating budget divided by service area population	$48.08	$47.21	$49.29
Average Headway	Average time (minutes) for vehicle to complete its portion of total route miles one time	26.7	25.6	25.3
Service Area Population	Approximation of overall market size	2,003,626	2,052,373	2,134,411
Service Area Population Density	Persons per square mile based on service area population and size	789.5	808.7	841.0
Operating Expense	Spending on operations, including administration, maintenance, and operation of service vehicles	$96,340,963	$96,893,730	$105,206,408
Operating Revenue[1]	Revenue generated through operations of transit authority	$42,734,827	$39,742,629	$39,307,646
Total Annual Revenue Miles	Miles vehicles operated in active service[2]	14,791,484	15,110,465	15,111,138
Total Annual Revenue Hours	Hours vehicles operated in active service	1,089,453	1,106,199	1,126,406
Vehicle Miles Between Failures	Vehicles miles divided by revenue vehicle system failures[3]	13,424	13,210	15,949
Total Revenue Vehicles[4]	Vehicles available to meet annual maximum service requirement	308	319	322
Peak Vehicles	Vehicles operated to meet annual maximum (peak) service requirements	252	265	259
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	18.2%	16.9%	19.6%
Annual Passenger Trips[6]	Passenger boardings on transit vehicles	28,327,951	26,259,736	24,845,029
Average Trip Length	Average length of passenger trip, generally derived through sampling	5.7	5.7	5.7
Annual Passenger Miles	Passenger trips multiplied by average trip length (in miles)	162,035,880	149,680,495	141,865,116
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	$0.94	$0.94	$0.93
Passenger Trips per Revenue Mile	Passenger trips divided by revenue miles	1.92	1.74	1.64
Passenger Trips per Revenue Hour	Passenger trips divided by revenue hours	26.0	23.7	22.1
Passenger Trips per Capita	Passenger trips divided by service area population	14.1	12.8	11.6
Average Age of Fleet	Age of fleet (in years) average	5.6	5.8	5.9
Unrestricted Cash Balance	End of year cash balance from financial statement	$42,316,042	$37,237,563	$41,248,462
Weekday Ridership	Average ridership on weekdays	88,600	82,353	79,723
Capital Commitment to System Preservation	% of capital spent on system preservation	77.0%	43.0%	86.0%
Capital Commitment to System Expansion	% of capital spent on system expansion	23.0%	57.0%	14.0%
Intermodal Connectivity	Intermodal transfer points available	6	6	21

[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.

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.

Available Intermodal Transfer Points

LYNX defines an Intermodal Transfer Point as a facility where LYNX buses can connect to other modes of transportation, such as trains, airplanes, bicycles, demand response, and multi-modal facilities, etc. The following list identifies the 21 LYNX Intermodal Transfer Points and the connecting transportation option:

- Sanford SunRail Station (SunRail)
- Lake Mary SunRail Station (SunRail)
- Altamonte Springs SunRail Station (SunRail)
- Maitland SunRail Station (SunRail)
- Winter Park SunRail Station (SunRail)
- LYNX Central Station (SunRail, Juice Bike Share)
- Church Street Station (SunRail)
- Orlando Health SunRail Station (SunRail)
- Sand Lake SunRail Station (SunRail)
- Orlando International Airport (Airlines, People Mover, Parking, Rental Car, and Hotel Shuttles)
- Disney Transportation and Ticketing Center (Disney Transportation)
- Disney Springs Transfer Center (Disney Transportation)
- University of Central Florida Superstop (UCF campus shuttles)
- Kissimmee Intermodal Station (NeighborLink)
- Universal Studios Parking Garage (Universal shuttle buses)
- West Oaks Mall (NeighborLink)
- Poinciana Walmart (NeighborLink)
- Seminole Center Walmart (NeighborLink)
- Oviedo Mall (NeighborLink)
- Valencia College Osceola Campus (NeighborLink)
- Destination Parkway Superstop (NeighborLink)

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 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.

An annual independent audit of the Central Florida Regional Transportation Authority's financial statements for the fiscal year ended September 30, 2017 was performed. The Independent Auditor's Report (dated February 22, 2018) indicated that the financial statements were prepared in conformity with GAAP and received an unmodified opinion. The Independent Auditor's

LYNX Headquarters.

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.

In the Independent Auditor's Management Letter, the auditors had two recommendations for improvement. Statement of Condition 2017-01 concerns information provided to the self-insurance program actuary related to general liability and worker compensation coverage. The auditors recommend that CFRTA strengthen internal controls for the accumulation and review of claims information to ensure that it is complete, timely and accurate and to ensure that all claims are turned over to the qualified third party administrator for handing and reporting. In Statement of Condition 2017-02, the auditors recommend that CFRTA review and finalize its Information Security Policy Manual and to implement a recurring security awareness training program to provide periodic IT security training for all CFRTA employees. Management concurred with the findings and is in the process of implementing the recommendations.

Public Records and Open Meetings

On August 24, 2006, LYNX issued Administrative Rule 9 Public Records, pursuant to Article 1,

LYNX Operations Center.

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). The Board amended and restated the Bylaws in July 2010, September 2014, and December 2017. 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 January 2014, 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 other capital projects, 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. In a letter dated July 18, 2017, the USDOT Federal Transit Administration concurred with CFRTA's DBE goal of 7.6 percent for FFYs 2017-2019.

Consultant Contract Reporting

LYNX provided a list of all "General Consulting" contracts and those sub contracts that exceeded $25 thousand in FY 2017. As indicated in Table 43, 16 sub consultants were used by the general consulting firms for a total cost of $0.9 million in FY 2017.

Table 43
Central Florida Regional Transportation Authority
Summary of General Consultant Sub Consultant Activity
FY 2017

Consulting Contract	*Description*	*Sub Consultants >$25k*
AECOM Technical Services, Inc.	**Construction Management, Engineering and Inspection**	
R.V. Bravo	Bus Condition Assessment	$73
Alesig Consulting, LLC	**VTRACS**	
Balfour Beatty Construction	**Construction Management, Engineering and Inspection**	
HDR Engineering, Inc.	Signal Design for Parramore BRT	$42
Cardno, Inc.	Post Design EOR Services for Parramore BRT	$92
JCB Construction, Inc.	Construction on Parramore BRT	$75
Florida Industrial Electric	Electrical Contractor on Parramore BRT	$35
Brightview (formerly Valley Crest)	Parramore BRT Landscape Contractor	$28
Cambridge Systematics, Inc.	**VTRACS**	
Boston Human Factors	Signal Design for Parramore BRT	$36
ETC Institute	**System-Wide Onboard Origin/Destination Survey**	
A+ Student Staffing	Survey Team for Origin/Destination Survey	$152
Connetics Transportation Group	Data Analysis Support for Origin/Destination Survey	$57
HDR Engineering, Inc.	**Transit Development Plan (TDP) & Route Optimization Study (ROS)**	
Connetics Transportation Group	Lead ROS and Support TDP	$107
Jacobs Engineering	**General Engineering Consulting**	
Tindale Oliver & Associates, Inc.	Mobility Manager Framework Transition for Paratransit and NeighborLink Services - Phase 1	$58
Tindale Oliver & Associates, Inc.	Mobility Manager Framework Transition for Paratransit and NeighborLink Services - Phase 2	$62
Tindale Oliver & Associates, Inc.	DoubleMap Technical Assistance	$46
Tindale Oliver & Associates, Inc.	TD Voucher Program	$42
Kimley Horn	**General Engineering Consulting**	
Kittelson and Associates, Inc.	**SR 436 Corridor Study**	
Foursquare Integrated Transportation Planning	Service Planning and Operations Analysis	$37
WSP, Inc.	**General Engineering Consulting**	
Total Sub Consultants >$25k		$942

Compliance with Bond Covenants

LYNX has no outstanding revenue bonds issued at this time.

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 matured October 1, 2016. The loan was non-interest bearing until October 1, 2007, and bore 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. As indicated in Table 44, LYNX paid off the remaining $813 thousand balance of the SIB Loan in FY 2017.

Table 44
Central Florida Regional Transportation Authority
Loans Payable
September 30, 2017

Loan	*Beginning Balance*	*Payments*	*Ending Balance*	*Amounts Due Within One Year*
SIB	$ 813,225	$ 813,225	$ -	$ -
Total	$ 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 4 of the 12 fixed route objectives established for performance measures. The eight fixed route measures that were not met include: passenger trips per revenue hour, operating expense per revenue mile, operating expense per revenue hour, 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 2017 operating expenses increased $8.3 million, or 8.6 percent, while operating revenues decreased $0.4 million, or 1.1 percent, over FY 2016. LYNX logged 1.4 million, or

LYNX Bus Tracker Mobile Application.

5.4 percent, fewer passenger trips and the average trip length remained unchanged at 5.7 miles in FY 2017. As a result, passenger miles decreased by 7.8 million to 141.9 million (a decrease of 5.2 percent). FY 2017 revenue miles remained virtually unchanged while revenue hours increased 1.8 percent from FY 2016. Average headway decreased from 25.6 minutes in FY 2016 to 25.3 minutes in FY 2017 and the average fare slightly decreased from $0.94 to $0.93. Average weekday ridership decreased 3.2 percent (from 82,353 in FY 2016 to 79,723 in FY 2017). LYNX attributed this decrease in ridership to the continued effect of the decline in fuel prices, general improving economic conditions in Florida, and the competition from ridesharing services. The average age of the fleet increased from 5.8 years to 5.9 years and the operating spare ratio of 19.6 percent allows the Authority flexibility in terms of providing expanded service in the future. The unrestricted cash balance increased $4.0 million (from $37.2 to $41.2 million) and LYNX committed 86 percent of capital investment to system preservation and 14 percent to system expansion.

The FY 2017 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 had two recommendations for improvement.

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 July 30, 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.

Projects completed by LYNX in FY 2017 include: implementation of mobile payments to enhance customer service and reduce the cost of fare operations; installation of Wi-Fi on all fixed route buses; release of the LYNX Bus Tracker mobile application whereby customers can see the location of buses operating on routes and the estimated time of arrival of the next bus; installation of 25 bus shelters throughout the tri-county service area; and completion of the 2.1-mile LYMMO Line Extension on Parramore (BRT - Lime Line). LYNX continued its conversion to Compressed Natural Gas (CNG) and has placed 70 CNG buses into revenue service and anticipates purchasing a total of 150 CNG buses over a five year period.

In December 2017 (FY 2018), LYNX completed its Transit Development Plan major update and is currently working on a Route Optimization Study

(ROS) that will utilize results from its recently completed origin and destination survey to optimize transit service and ensure user travel patterns are served effectively while minimizing total system operating costs. The ROS will identify new route alignments, changes to existing route alignments and schedules, and advanced integration with other travel modes. Mobility options designed to speed regional travel such as regional express, commuter based express and limited stop services will ensure faster travel times through the service area.

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.

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 14 mobility corridors, as defined by the Local Option Gas Tax (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, Operating Expense per Passenger Trip, Farebox Recovery Ratio and Revenue Miles Between Safety Incidents.
- JTA's Skyway met or exceeded six of the 11 applicable performance measures. The five measures not met were Operating Expense per Revenue Mile, Operating Expense per Revenue Hour, Operating Expense per Passenger Trip, Operating Expense per Passenger Mile, 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/Ultimate Urban Circulator (U2C) program is currently underway to examine capital, operating and financial plans for the continued operation of the Skyway.
- 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.
- JTA started construction on the bus transfer facility, JTA administrative offices and intercity bus terminal for the new Jacksonville Regional Transportation Center. In addition, JTA is focused on implementing the remaining two lines of the First Coast Flyer Bus Rapid Transit system.

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 45). 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 45
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. The current labor agreement with ATU No. 1197 went into effect on October 1, 2017 and will remain in effect until September 30, 2020.

Maintenance employees are covered under a contract between the International Association of Machinists (IAM) District Lodge 112 Local No. 759. The current labor agreement with the IAM has a three-year term, effective November 6, 2017, and expires on November 2, 2020.

Roadway Projects

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. 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. 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, 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. As a result of the Series 2012 Bond issue, there is no longer a full faith and credit pledge of the State of Florida. 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.

Beach Boulevard Bridge Arches.

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 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 JTAMobilityWorks Program projects managed by the JTA as outlined in the ILA. 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. 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 and approximately $100.6 million in bond proceeds will finance or reimburse JTA for a portion of the costs associated with JTAMobilityWorks Program projects. 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 started during FY 2015 and are further described in a separate section of the report that follows ("Transportation Infrastructure").

Blueprint for Transportation Excellence/ Blueprint 2022

The updated Blueprint for Transportation Excellence (BTE) includes a revamped list of transformative initiatives. In this update, five program areas have been identified along with specific initiatives in those program areas. Each year, milestones will be developed to advance and track these efforts. Also, as the plan is implemented, additional transformational initiatives may be added to the plan but the program areas will remain constant until there is a comprehensive update of the BTE. The Program Areas and associated Transformative Initiatives are shown in Figure 8 and explained in the narrative that follows.

PROGRAM AREAS	TRANSFORMATIVE INITIATIVES
REGIONAL TRANSPORTATION	• JACKSONVILLE REGIONAL TRANSPORTATION CENTER • REGIONAL TRANSIT NETWORK
TECHNOLOGY AND INNOVATION	• U2C-SKYWAY MODERNIZATION AND EXPANSION • ALTERNATIVE AND INNOVATIVE SERVICE DELIVERY • STRATEGIC TECHNOLOGY PLAN
TRANSIT SYSTEM ENHANCEMENT	• FIRST COAST FLYER BUS RAPID TRANSIT • JOINT USE AND TRANSIT ORIENTED DEVELOPMENT
TRANSPORTATION INFRASTRUCTURE	• JTAMOBILITYWORKS • CUSTOMER AMENITIES
ORGANIZATIONAL DEVELOPMENT	• WORKFORCE OF TOMORROW

Figure 8: JTA Blueprint 2022 - Program Areas and Transformative Initiatives.

Regional Transportation - JTA has supported the development of a regional transportation network through the efforts of the Regional Transportation Commission (RTC) and implementation of the Veterans Transportation and Community Living Initiative (VTCLI) Grant. The VTCLI resulted in TransPortal and various technology upgrades for our regional partners. JTA will continue to focus on enhancing regional transportation through projects like the Jacksonville Regional Transportation Center (JRTC) which will connect local, regional and intercity transportation, and the development of a Regional Transit Network in coordination with the Northeast Florida Transportation Planning Organization (TPO) and various regional partners.

- The JRTC is a multimodal center that will connect the Skyway/Ultimate Urban Circulator (U2C), First Coast Flyer (FCF), local bus, regional and intercity bus, intercity rail and future commuter rail. It will also serve as JTA's future administrative headquarters. JTA has funding in place and is beginning construction on the bus transfer facility, JTA administrative offices and intercity bus terminal.

- The development of a Regional Transit Network is important for economic growth and maintaining a high quality of life in the growing Northeast Florida region. JTA has supported efforts of the Northeast Florida RTC to create a regional multimodal transportation plan. Coordination of regional transit is an important element of the RTC plan. However, it is important to move beyond simply coordinating services and to identify, develop and enhance regional transit connections and reduce duplication of regional resources.

Technology and Innovation - Technology is driving the future of transportation. JTA is working to capture the potential of new and emerging technologies to improve safety and make service more efficient, effective and responsive to customer demands. The Authority will also be developing alternative service delivery opportunities associated with the development of shared mobility solutions. The Skyway, as envisioned under the U2C program, will be a defining program for the Authority and the transit industry.

CNG Fueling Station.

- The U2C program involves the Skyway Modernization and Expansion. The U2C program was established following the findings of a Skyway Technology Assessment, Skyway Advisory Group and a 2015 Board resolution recommending the JTA "Keep, Modernize and Expand" the Skyway. The U2C proposes retrofitting the existing elevated structure to accommodate next generation autonomous transit vehicles that can operate elevated or at ground level. The system would also be expanded primarily at ground level to reach nearby neighborhoods, emerging development and the Sports and Entertainment District. As the new system is developed, certain critical system upgrades need to be completed in the short term to keep the system in a state of good repair.

- JTA is developing approaches to respond to the changing mobility marketplace and introduce Alternative and Innovative Service Delivery methods to attract riders and control costs. The Authority is experimenting with taxis and sponsored services, while longer range strategies consider autonomous vehicles and micro transit. An Autonomous Vehicle and Shared Mobility Plan will help guide this effort and outline a plan for pilot projects, present policy considerations and offer a transition strategy to new service delivery options.

- The Strategic Technology Plan is a fundamental building block for future success. The plan sets forth the framework for technology enhancements that address system performance, safety and customer interfaces. An enhanced cybersecurity effort will be critical as JTA becomes more dependent on technology and vulnerable to malicious acts against its systems. The advancement of new technologies, especially autonomous vehicles, will be closely tied to the Alternative and Innovative Service Delivery initiative and could define the future of transportation sooner than many expect.

Transit System Enhancements - Since the complete overhaul of the transit system with the Route Optimization Initiative (ROI) in 2014, the Authority has implemented Downtown Transit Enhancements, the Green Line and Blue Line of the FCF. JTA is focused on implementing the remaining two lines and enhancing transit access through a transit oriented development program.

- The FCF Bus Rapid Transit (BRT) program consists of five distinct projects: a downtown component and four corridors connecting to downtown. The FCF service operates with new, low-floor Compressed Natural Gas (CNG) buses in both mixed-use traffic and dedicated bus lanes during peak hours. Transit Signal Priority and queue jumps provide more efficient movement of buses. Branded FCF stations include real-time passenger information and ticket vending machines. The service operates with 10-minute headways during weekday peak periods; 15-minute headways during weekday off-peak periods; and 30-minute headways on weekends.

- The Joint Use and Transit Oriented Development (TOD) program will generate revenue and ridership through lease or sale of real estate assets and public private partnerships. and planning efforts will support development around station areas and high frequency transit corridors.

Transportation Infrastructure - The extension of the LOGT in 2015 jump-started JTA's capital program. JTAMobilityWorks includes road projects, complete streets, transit enhancements and ferry infrastructure. The focus on accessibility to transit service will be achieved through facility enhancements.

- JTAMobilityWorks is a multimodal transportation work program that includes: accelerated roadway improvements; Mobility Corridors to enhance access to transit and improve pedestrian mobility and safety; and St. Johns River Ferry operations and capital improvements. The road program is funded through $100.6 million in revenue bonds issued pursuant to the extension of the LOGT. The program of projects to be funded was developed by the City Council and many of the projects come from the Better Jacksonville Plan that had not been completed. There are 13 Road projects, and work in 14 "Mobility Corridors" which are included in the road program. The Ferry program involves bringing

First Coast Flyer - Bus Rapid Transit.

the vessel and facilities into a state of good repair with federal funding assistance. JTA has been aggressively replacing and repairing the ferry slipwalls, terminal bridges and seawalls.

- Customer Amenities focus will improve the conditions and access to transit stops and facilities. This includes the American with Disabilities Act (ADA) access improvements, energy efficient lighting and strategies to ensure safety and security at our facilities. The Autonomous Vehicles and Shared Mobility Plan will also create mobility hubs that provide connectivity between shared mobility options and JTA Transit service.

Organizational Development - JTA's workforce is the key to success. The Authority is committed to a comprehensive program to strengthen the workforce and ensure employees excel. Additional focus will be placed on identifying the workforce needs of a rapidly evolving transportation marketplace as a result of emerging technologies and shared mobility options.

- The Workforce of Tomorrow initiative will ensure JTA has the skillsets to deliver world class transportation in a rapidly evolving mobility ecosystem. JTA will not only recruit and retain top tier talent, but will also be focused on ensuring employees develop the skills needed to stay best in class as new technologies and mobility services transform how JTA does business.

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 public and freight moving through communities that are critical to the overall economic well-being and quality of life in Florida.

Performance Measures—Bus

The JTA was successful in achieving 6 of the 12 objectives for performance. FY 2017 results, as reported by the JTA, are provided in Table 46. 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 in October 2012 Community Shuttle operations were brought in house. Community Shuttle performance data is

Table 46
Jacksonville Transportation Authority
Summary of Performance Measures - Bus
FY 2017[1]

Performance Measure	*Detail*	*Objective*	*Actual Results*	*Meets Objective*
Unlinked Passenger Trips per Revenue Hour	Passenger trips divided by revenue hours	>19.1	17.1	X
Operating Expense per Revenue Mile	Operating expenses divided by revenue miles	<$7.74	$8.24	X
Operating Expense per Revenue Hour	Operating expenses divided by revenue hours	<$108.34	$116.31	X
Operating Expense per Passenger Trip	Operating expenses divided by annual ridership	<$6.31	$6.79	X
Operating Expense per Passenger Mile	Operating expenses divided by passenger miles	<$1.19	$1.13	✓
Farebox Recovery Ratio	Passenger fares divided by operating expenses	>17.6%	14.2%	X
Revenue Miles between Safety Incidents	Annual revenue miles divided by safety incidents	>227,975	136,960	X
Revenue Miles between Failures	Revenue miles divided by revenue vehicle system failures[2]	>10,500	12,047	✓
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	10 days	✓
Customer Service	Customer complaints divided by boardings	<2 per 5,000 boardings	1.8	✓
On-time Performance	% trips end to end on time "departures < 6 minutes late and 1 minute early"	>80%	80.0%	✓

[1] Fiscal Year 2017 represents 12 months of data from October 1, 2016 through September 30, 2017.

[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.

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

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 17.1 was less than the objective of greater than 19.1 by 2.0 (10.5 percent) and decreased from the 18.5 passenger trips per revenue hour reported in FY 2016. FY 2017 passenger trips decreased 6.2 percent while revenue hours increased 1.2 percent from FY 2016. 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 Blue Line in December 2016.

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 $8.24 did not meet the objective of less than $7.74 by $0.50 (6.5 percent). FY 2017 operating costs increased by 4.7 percent, or $3.3 million, while annual revenue miles increased by 1.6 percent. This compares to the operating cost per revenue mile of $7.99 reported in FY 2016. Again, while JTA did not meet the Commission established target, the increase in operating costs per revenue mile is modest in light of 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 $116.31 missed the objective of less than $108.34 by $7.97 (7.4 percent). The increase in FY 2017 operating costs (4.7 percent) more than offset an increase in annual revenue hours (1.2 percent) resulting in a decrease in efficiency over FY 2016. 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 fell short of achieving the performance measure objective of less than $6.31 operating expense per passenger trip with $6.79 reported in FY 2017 (7.6 percent above the target). FY 2017 operating costs increased by 4.7 percent while passenger trips decreased by 6.2 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 $1.19 with actual results of $1.13 reported in FY 2017. This compares to $1.01 reported in FY 2016. In FY 2017, operating costs increased 4.7 percent while annual passenger miles decreased 6.3 percent. The decline in passenger miles is attributed to a 6.2 percent decrease in passenger trips while maintaining an average trip length of 6.0 miles.

Farebox Recovery Ratio

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 14.2 percent fell short of the objective of greater than 17.6 percent. This compares to 15.5 percent reported for FY 2016. FY 2017 operating expenses increased 4.7 percent over FY 2016, while passenger fare revenue decreased 4.1 percent, thereby negatively impacting FY 2017 results. JTA is considering various means to increase farebox recovery. This includes strategic cost containment and ridership initiatives. JTA has determined that focusing on cost containment measures and increasing ridership to boost revenues is the best alternative until a fare increase is considered.

Revenue Miles between Safety Incidents

The span of revenue miles between incidents is a measure of safe customer service. In FY 2017, JTA's revenue miles between safety incidents of 136,960 miles missed the objective of greater than 227,975 miles (39.9 percent below the target). 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 high of 93 in FY 2013 to a low of 60 in FY 2016. JTA reported a total of 65 safety incidents in FY 2017.

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."

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. Finally, JTA is 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, utilizing data analytics, 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 12,047 revenue miles between failures reported in FY 2017 (14.7 percent above the target). This compares to 11,104 revenue miles between failures reported 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 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 2017 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 10 days from receipt of the complaint met the performance measure objective of less than 14 days in FY 2017.

Customer Service – Number of Complaints per Boarding

The JTA met the performance objective of less than two complaints per 5,000 boardings with a ratio of 1.8 complaints reported in FY 2017. The actual number of customer complaints decreased from 3,991 in FY 2016 to 3,812 in FY 2017.

On-time Performance

The JTA achieved the on-time performance objective of greater than 80.0 percent of trips end-to-end on-time with 80.0 percent on-time performance. This compares favorably to the 78.5 percent on-time performance reported in FY 2016. 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 72.1 percent in FY 2013 to 80.0 percent 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. FY 2017 operating indicators for bus, as reported by the JTA, are provided in Table 47. In order to observe current trends, operating indicators for FY 2015 and FY 2016 are also provided. Results for the last five fiscal years are included in Appendix A.

Based on the operating indicators presented, in FY 2017 the JTA weekday ridership decreased 4.0 percent while revenue service hours increased 1.2 percent. The JTA logged 1.6 percent more revenue miles than in FY 2016. Operating expenses increased 4.7 percent while operating revenue decreased by 4.8 percent. Because the JTA logged 6.2 percent fewer passenger trips and the average trip length remained at approximately 6.0 miles, passenger miles decreased by 6.3 percent. Average headway decreased from 23.9 minutes to 23.2 minutes, while the average fare increased from $0.94 to $0.96.

FY 2017 operating expenses increased 4.7 percent while operating revenues decreased by 4.8 percent from FY 2016.

Average weekday ridership decreased 4.0 percent while revenue service hours increased 1.2 percent.

Passenger trips decreased 6.2 percent in FY 2017, and the average trip length remained at approximately 6.0 miles, resulting in a 6.3 percent decrease in passenger miles.

Average headway decreased from 23.9 minutes to 23.2 minutes, while the average fare increased from $0.94 to $0.96.

The average age of the fleet decreased to 6.4 years and the JTA's spare ratio as of year-end FY 2017 was 20.3 percent. The unrestricted cash

Table 47
Jacksonville Transportation Authority
Summary of Operating Indicators - Bus
FY 2015 through FY 2017

Operating Indicator	Detail	Actual 15 Results	Actual 16 Results	Actual 17 Results
Operating Expense per Capita (Potential Customer)	Annual operating budget divided by service area population	$68.91	$68.55	$70.72
Average Headway	Average time (minutes) for vehicle to complete its portion of total route miles one time	23.4	23.9	23.2
Service Area Population	Approximation of overall market size	1,001,311	1,021,375	1,036,907
Service Area Population Density	Persons per square mile based on service area population and size	1,255	1,280	1,299
Operating Expense	Spending on operations, including administration, maintenance, and operation of service vehicles	$69,004,946	$70,011,559	$73,333,011
Operating Revenue[1]	Revenue generated through operations of transit authority	$12,078,038	$12,029,681	$11,448,776
Total Annual Revenue Miles	Miles vehicles operated in active service[2]	8,557,699	8,761,357	8,902,390
Total Annual Revenue Hours	Hours vehicles operated in active service	618,327	623,183	630,492
Vehicle Miles Between Failures	Vehicles miles divided by revenue vehicle system failures[3]	14,245	12,209	13,267
Total Revenue Vehicles[4]	Vehicles available to meet annual maximum service requirement	175	190	192
Peak Vehicles	Vehicles operated to meet annual maximum (peak) service requirements	150	150	153
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	14.3%	21.1%	20.3%
Annual Passenger Trips[6]	Passenger boardings on transit vehicles	11,634,258	11,508,138	10,794,798
Average Trip Length	Average length of passenger trip, generally derived through sampling	6.1	6.0	6.0
Annual Passenger Miles	Passenger trips multiplied by average trip length (in miles)	70,387,261	69,048,828	64,694,247
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	21.0
Average Fare	Passenger fare revenues divided by passenger trips	$0.94	$0.94	$0.96
Passenger Trips per Revenue Mile	Passenger trips divided by revenue miles	1.36	1.31	1.21
Passenger Trips per Revenue Hour	Passenger trips divided by revenue hours	18.8	18.5	17.1
Passenger Trips per Capita	Passenger trips divided by service area population	11.6	11.3	10.4
Average Age of Fleet	Age of fleet (in years) average	6.3	6.7	6.4
Unrestricted Cash Balance	End of year cash balance from financial statement	$7,161,530	$3,623,334	$4,199,814
Weekday Ridership	Average ridership on weekdays	38,116	37,522	36,036
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.

balance increased to $4.2 million in FY 2017 and the JTA committed all of its capital investment to system preservation. Service area population and population density increased 1.5 percent from FY 2016. The JTA provides three intermodal connections.

Performance Measures—Skyway

The JTA was successful in achieving 6 of the 11 applicable performance measure objectives. FY 2017 results, as reported by the JTA, are provided in Table 48. Results for the last five fiscal years are included in Appendix A.

Passenger Trips per Revenue Hour

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 74.0 exceeded the objective of greater than 70.7 by 3.3 (4.7 percent) and decreased from the 75.9 passenger trips per revenue hour reported in FY 2016. FY 2017 passenger trips decreased 11.2 percent while revenue hours decreased 8.8 percent from FY 2016.

Operating Expenses

FY 2017 operating expenses decreased by $0.5 million, or 7.6 percent, from FY 2016 primarily due to the back-engineering of parts as well as the JTA reducing the amount of outsourced equipment maintenance. As a result, the overall failure rate of equipment was reduced which in turn also caused a reduction in operating expenses.

Although a significant decrease in Skyway operating expenses was noted in FY 2017, the aging and obsolescence of vehicle and wayside equipment and maintenance and inspection costs for the Skyway system continue. Due to the obsolescence of the Skyway vehicles it has become increasingly difficult to obtain parts and equipment, further contributing to the general 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 2017. 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.

As previously noted, the Skyway/Ultimate Urban Circulator (U2C) program involves the Skyway modernization and expansion. The U2C program was established following the findings of a Skyway Technology Assessment, Skyway Advisory Group and a 2015 Board resolution recommending the JTA “Keep, Modernize and Expand” the Skyway. The U2C proposes retrofitting the existing elevated structure to accommodate next generation autonomous transit vehicles that can operate elevated or at ground level. The system would also be expanded primarily at ground level to reach nearby neighborhoods, emerging development and the Sports and Entertainment District. As the new system is developed, certain critical system

Table 48
Jacksonville Transportation Authority
Summary of Performance Measures - Skyway
FY 2017[1]

Performance Measure	*Detail*	*Objective*	*Actual Results*	*Meets Objective*
Unlinked Passenger Trips per Revenue Hour	Passenger trips divided by revenue hours	>70.7	74.0	✓
Operating Expense per Revenue Mile	Operating expenses divided by revenue miles	<$27.38	$39.06	X
Operating Expense per Revenue Hour	Operating expenses divided by revenue hours	<$369.06	$423.93	X
Operating Expense per Passenger Trip	Operating expenses divided by annual ridership	<$4.30	$5.73	X
Operating Expense per Passenger Mile	Operating expenses divided by passenger miles	<$6.00	$8.19	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	51,539	✓
Revenue Miles between Failures	Revenue miles divided by revenue vehicle system failures[2]	>10,500	25,770	✓
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	16 days	X
Customer Service	Customer complaints divided by boardings	<2 per 5,000 boardings	0.06	✓
On-time Performance	Successful cycles divided by scheduled cycles	>98%	98.4%	✓

[1] Fiscal Year 2017 represents 12 months of data from October 1, 2016 through September 30, 2017.

[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.

upgrades need to be completed in the short term to keep the system in a state of good repair.

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 $39.06 exceeded the objective of less than $27.38 by $11.68 (42.7 percent). A 7.6 percent decrease in operating costs, coupled with a 6.4 percent decrease in annual revenue miles, resulted in a decrease in operating cost per revenue mile of $0.50 in FY 2017.

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 $423.93 exceeded the objective of less than $369.06 by $54.87 (14.9 percent). A 7.6 percent decrease in operating costs did not fully offset an 8.8 percent decrease in annual revenue hours, resulting in an increase in operating cost per revenue hour of $5.54 in FY 2017.

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 $5.73 reported in FY 2017. This compares to the $5.51 operating cost per passenger trip reported in FY 2016. A 7.6 percent decrease in operating costs coupled with an 11.2 percent decrease in passenger trips, resulted in an increase in operating costs per passenger trip of $0.22 in FY 2017. 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 and peaked in FY 2015 as result of 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. The 11.2 percent decrease in FY 2017 ridership is due to closure of two stations for several months resulting from inception of construction of the Jacksonville Regional Transportation Center (JRTC).

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 $8.19 fell short of the objective of less than $6.00 by $2.19 (36.5 percent). This compares to the cost per passenger mile of $6.72 reported in FY 2016. In FY 2017, operating costs decreased 7.6 percent, while passenger miles decreased 24.2 percent, thereby increasing the operating cost per passenger mile by $1.47.

The 24.2 percent decrease in FY 2017 passenger miles is a result of the previously noted 11.2 percent decrease in passenger trips coupled with a decrease in the average trip length on the Skyway (from 0.8 miles in FY 2016 to 0.7 miles in FY 2017).

Farebox Recovery Ratio

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 continues to seek better ways to 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 has included 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 (U2C) 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 from 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 $196 thousand and have remained virtually unchanged through FY 2016. Operating revenues consist primarily of parking revenues since no fare revenue is currently being collected on the Skyway. FY 2017 operating revenues decreased to $47 thousand because of the closure of Convention Center Station due to the JRTC construction and the resulting loss of parking revenues.

Revenue Miles between Safety Incidents

The span of revenue miles between incidents is a measure of safe customer service. In FY 2017, the JTA's revenue miles between safety incidents of 51,539 miles exceeded the objective of greater than 41,348 miles (24.6 percent above the target). Significant improvement was noted over the 15,020 miles reported in FY 2016 and results tracked closer to the 56,114 revenue miles between incidents reported in FY 2015. The number of Skyway safety incidents reported by the JTA were 3 in FY 2015, 11 in FY 2016, and 3 in FY 2017. The JTA indicated that the significant increase in safety incidents in FY 2016 was attributed to aging elevator and escalator issues which have been corrected.

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 25,770 revenue miles between failures (145.4 percent above the target). In FY 2017, revenue miles decreased 6.4 percent from FY 2016 and revenue vehicle system failures decreased 40.0 percent (from 10 in FY 2016 to 6 in FY 2017). The JTA indicated that the significant decrease in revenue vehicle system failures in FY 2017 is attributed to an enhanced preventative maintenance program resulting in 97 percent compliance as well as a research and development program for back-engineering of parts and components.

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 2017 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 2017, the average response time to customer complaints was 16 days. This compares favorably to the 19 day response time reported in FY 2016.

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 0.06 complaints per 5,000 boardings.

On-time Performance

The JTA achieved the on-time performance objective of greater than 98 percent of trips end-to-end on-time with 98.4 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. FY 2017 operating indicators for Skyway are provided in Table 49. In order to observe current trends, operating indicators for FY 2015 and FY 2016 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 through its U2C program. Significant increases in Skyway utilization were noted after the complementary fare was approved.

The JTA's operating indicators show that operating revenues have remained virtually unchanged, at $196 thousand, from FY 2013 through FY 2016. Currently, operating revenues consist of parking fee revenues only. FY 2017 operating revenues decreased to $47 thousand because of the

JTA has suspended fares on the Skyway since January 30, 2012.

FY 2017 operating expenses decreased 7.6 percent.

The farebox recovery ratio and average fare for FY 2017 was zero due to suspended fares on the Skyway system. FY 2017 operating revenues are reported as $47 thousand and consist primarily of parking fee revenues.

FY 2017 passenger trips decreased 11.2 percent, and average rip length decreased by 0.1 miles, resulting in a 24.2 percent decrease in passenger miles.

FY 2017 revenue miles decreased 6.4 percent and revenue hours decreased 8.8 percent from FY 2016.

Table 49
Jacksonville Transportation Authority
Summary of Operating Indicators - Skyway
FY 2015 through FY 2017

Operating Indicator	Detail	Actual 15 Results	Actual 16 Results	Actual 17 Results
Operating Expense per Capita (Potential Customer)	Annual operating budget divided by service area population	$5.82	$6.40	$5.82
Average Headway	Average time (minutes) for vehicle to complete its portion of total route miles one time	5.8	6.2	6.0
Service Area Population	Approximation of overall market size	1,001,311	1,021,375	1,036,907
Service Area Population Density	Persons per square mile based on service area population and size	1,255	1,280	1,299
Operating Expense	Spending on operations, including administration, maintenance, and operation of service vehicles	$5,825,143	$6,535,724	$6,039,723
Operating Revenue[1]	Revenue generated through operations of transit authority	$195,721	$195,811	$47,185
Total Annual Revenue Miles	Miles vehicles operated in active service[2]	168,341	165,218	154,618
Total Annual Revenue Hours	Hours vehicles operated in active service	15,025	15,621	14,247
Vehicle Miles Between Failures	Vehicles miles divided by revenue vehicle system failures[3]	8,483	16,654	25,991
Total Revenue Vehicles[4]	Vehicles available to meet annual maximum service requirement	10	6	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%	16.7%	16.7%
Annual Passenger Trips[6]	Passenger boardings on transit vehicles	1,315,833	1,186,358	1,053,621
Average Trip Length	Average length of passenger trip, generally derived through sampling	0.9	0.8	0.7
Annual Passenger Miles	Passenger trips multiplied by average trip length (in miles)	1,118,458	972,814	737,535
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	7.82	7.18	6.81
Passenger Trips per Revenue Hour	Passenger trips divided by revenue hours	87.6	75.9	74.0
Passenger Trips per Capita	Passenger trips divided by service area population	1.3	1.2	1.0
Average Age of Fleet	Age of fleet (in years) average	16.6	17.6	18.6
Unrestricted Cash Balance	End of year cash balance from financial statement	$318,123	$208,950	$196,131
Weekday Ridership	Average ridership on weekdays	4,945	4,484	4,007
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.

construction of the new JRTC. Convention Center Station is closed due to this construction and in turn caused parking at this location to be greatly reduced. The farebox recovery ratio and average fare for FY 2017 was zero due to the Board decision to suspend fares on the Skyway beginning in January 2012. Operating expenses decreased 7.6 percent over FY 2016 primarily due to the enhanced preventative maintenance program as well as a research and development program for back-engineering of parts and components. The JTA logged 133 thousand, or 11.2 percent, fewer passenger trips and the average trip length decreased by 0.1 miles in FY 2017. As a result, passenger miles decreased by 235 thousand to 0.7 million (a decrease of 24.2 percent). The JTA indicated that the 11.2 percent decrease in passenger trips in FY 2017 is attributed to the closure of two stations due to construction of the JRTC. FY 2017 revenue miles decreased 6.4 percent and revenue hours decreased 8.8 percent from FY 2016. Average weekday ridership decreased 10.6 percent over FY 2016 while average headway decreased by 0.2 minutes to 6.0 minutes.

The average age of the fleet is 18.6 years. Skyway's current operating spare ratio of 16.7 percent remained the same as FY 2016 but 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 2017. A request-for-bid was issued for construction of Collins Road from Old Middleburg Road to Rampart Road with a winning bid submitted by J.B. Coxwell Construction. A design-build Request-For-Proposals (RFP) was issued for Kernan Boulevard from Atlantic Boulevard to McCormick Road with an award to the Superior Construction Company/Wantman Group team. RFP's were issued for the remaining JTAMobilityWorks design projects including: Parramore Road, Alta Drive, San Pablo Road, McDuff/5th Street, and Southside/Atlantic and Tinseltown intersections. Finally, a task work order was issued to HDR Engineering (JTA's GEC) to conduct a project development and environmental study for Collins Road from Blanding to Pines Verde Lane. Construction progressed on the design -build contract for Girvin Road from Atlantic to McCormick. Design plans were initiated for a TURBO roundabout for the Complete Streets project at the intersection of University Boulevard and Merrill Road.

The JTA met or exceeded all four of the adopted performance measures. FY 2017 results, as reported by the JTA, are provided in Table 50. 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

Table 50
Jacksonville Transportation Authority
Summary of Performance Measures - Highways
FY 2017

Performance Measure	Detail	Objective	Actual Results	Meets Objective
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%	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%	105.1%	✓

[1] JTA has established an agency-wide goal of 19.27 percent; actual results represent agency-wide performance.

completed during FY 2017 was the same as the amount awarded in the original contracts.

Construction Contract Adjustments - Time

The JTA achieved the performance measure objective for construction contract adjustments for time. The one construction contract was completed within 20 percent of the original contract time.

Construction Contract Adjustments - Cost

The JTA achieved the performance measure objective for construction contract adjustments for cost. The one construction contract was completed within 10 percent of the original contract amount meeting the objective of greater than or equal to 90 percent.

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 2017, the JTA established its triennial DBE goal of 19.27 percent on an agency-wide basis. The JTA reported achieving 20.25 percent (or $14.9 million) DBE participation in FY 2017. Actual DBE participation of 20.25 percent represents 105.09 percent of the Authority's DBE goal of 19.27 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 2017 operating indicators, as reported by the JTA, are provided in Table 51. Also, to assist in trend analysis, FY 2015 and FY 2016 operating results are provided. Results for the last five fiscal years are included in Appendix A.

Right-of-Way

In FY 2017, the JTA re-acquired some temporary construction easements for the Collins Road project as recommended by legal counsel. Right-of-way parcel acquisitions will be required on the remaining JTAMobilityWorks projects and those services are included in the professional services solicitations.

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,

Table 51
Jacksonville Transportation Authority
Summary of Operating Indicators - Highways
FY 2015 through FY 2017

Indicator	Detail	Actual 15 Results	Actual 16 Results	Actual 17 Results
Property Acquisition				
Right-of-Way	# Projects requiring ROW acquisition	N/A	1	1
	# Parcels needed to be acquired for projects	N/A	24	47
	# Parcels acquired via negotiations	N/A	18	39
	# Parcels acquired via condemnation	N/A	0	0
	# Parcels acquired with final judgements ≤ one half the range of contention	N/A	0	0

conflicts of interest, audits, public records, open meetings, procurement, consultant contracts and compliance with bond covenants.

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 August 2017, ethics, public records and Sunshine Law training was provided to the JTA Board members at their Board retreat. 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 2017. The JTA noted two instances where a Board member abstained from voting on agenda action items at their June 2017 Board meeting due to a conflict of interest and conflict of interest documentation was provided (State Commission on Ethics Form 8A - Memorandum of Voting Conflict for State Officers).

Audit

An annual independent audit of JTA's financial statements for the fiscal year ended September 30, 2017 was performed. The Independent Auditor's Report, dated April 6, 2018, 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. The Independent Auditor's Management Letter identified three recommendations to improve financial management:

- Further work towards a crosswalk of the modified accrual financial statement to the full accrual in preparation of the government-wide financial statements.
- Determination of individual fund activities and how it relates to potential presentation as a governmental or enterprise fund on the government-wide and fund financial statements throughout the year.
- Validation of the correct amortization schedules as supported on the original documents.

Slab Pour - Intercity Bus Terminal (IBT).

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 2017.

The Department is required under Title 49, Part 659, Code of Federal Regulations and the State Safety and Security Oversight Program Fixed Guideway Transportation Systems Standards Manual 725-030-014 to conduct an on-site review of JTA's Skyway at least every three years. The purpose of the review is to provide an evaluation and overall assessment of JTA's compliance with safety and security regulations and implementation of its System Safety Program Plan and Security Program Plan. The 2016 Triennial Safety and Security Audit: Jacksonville Transportation Authority - JTA Skyway System

Report, dated January 2017, did not identify any deficiencies during the audit process. The audit found that safety and security conditions at JTA, as well as JTA compliance with program plans and procedures, are generally in good standing. Overall, significant improvements in safety, operations, and maintenance programs have been enacted since the previous Triennial Audit was conducted in 2013. The audit did identify 17 Areas of Concern and JTA submitted a required Corrective Action Plan (CAP) to the Department to address these issues. All 17 Areas of Concern items have been closed as documented in a memorandum dated December 22, 2017.

The Department's District Two Modal Development Office conducted a JTA Connexion Bus Transit System Safety and Security Compliance Audit and issued a report in April 2017. The purpose of the audit was to determine compliance with the provisions of Section 341.061, Florida Statutes (Transit Safety Standards; Inspections and System Safety Reviews), Rule Chapter 14.90, Florida Administrative Code (Equipment and Operational Safety Standards for Bus Transit Systems), and the Department's Bus Transit System Safety Program Procedure No. 725-030-009-J. The provisions include the development and compliance with a System Safety Program Plan and Security Program Plan/Hazard and Security Plan, performance of safety inspections of all operational buses, documentation of compliance with equipment and operational safety standards, and safety monitoring of covered contractors. The key improvement opportunities for JTA identified in the report related to driver training and testing, hazard identification and resolution, distribution of written safety and operational procedures, and internal audit and event investigation. JTA submitted to the Department a required corrective action plan addressing the four deficiencies and three areas of concern noted in the report. The Department

Skyway/Ultimate Urban Circulator (U2C) Test Vehicle.

subsequently issued to the JTA a letter of compliance with Rule Chapter 14-90 on August 9, 2017 and the 4 deficiencies and 3 areas of concern have been closed.

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 52, 27 sub consultant contracts greater than $25 thousand were used by the General Engineering Consulting firms for a total cost of $4.2 million in FY 2017.

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 52
Jacksonville Transportation Authority
Summary of General Consultant Sub Consultant Activity
FY 2017

Consulting Contract	*Description*	*Sub Consultants >$25k*
HDR Engineering, Inc.	**Engineering Management Services**	
Baker Klein Engineering	Kings Ave Garage Interim Repairs	$93
K&J Safety & Security Services, Inc.	BRT East Safety & Security	$95
K&J Safety & Security Services, Inc.	BRT SE Park & Ride Safety & Security	$29
Turknett Robinson Group	Information Technology Performance Management System	$42
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	$114
Clary Consulting, LLC	Capital Plan 2016	$105
Eisman & Russo, Inc.	Old St Augustine Rd.; ASTIM Bus Stop Amendment	$237
FIT Engineering	Biannual Inspection	$121
Gannett Fleming, Inc.	2017 Transit Model	$45
Janet O. Whitmill, R.L.A., Inc.	Girvin Road Tree Mitigation/Mandarin Road Design	$98
Kimley-Horn and Associates, Inc.	BRT Tech Support; CAD/AVL Program Oversight	$863
Landmark Engineering, Inc.	Armsdale Road Improvement	$118
Lea + Elliot, Inc.	Capital Plan 2016; Skyway Oversight; System/Operating Plan	$122
Lerch Bates, Inc.	Skyway Elevators & Escalators	$118
Lumenor	Staff for Innovation/Regional Fare Study	$421
Marketing & Public Affairs, Inc.	Regional Marketing Plan/VTCLI (II) Collateral	$146
Mosaic Urban Partners, LLC	Real Estate Advisory	$186
Parsons Brinckerhoff, Inc.	System/Operating Plan	$65
Peggy Malone & Associates, Inc.	BRT North Corridor	$52
Resource Systems Group, Inc.	System/Operating Plan	$36
Resource Systems Group, Inc.	Transit Model Enhancement; Onboard Rider Survey	$233
The NDN Companies	O'Steen Amendment; Groundwater Tank Amendment	$125
The Ohmega Group, LLC	Skyway Fire Alarm	$43
Turknett Robinson Group, LLC	Executive Initiative & Other Various Projects	$421
WSP USA Inc.	U2C Visualization	$98
Total Sub Consultants >$25k		$4,202

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.

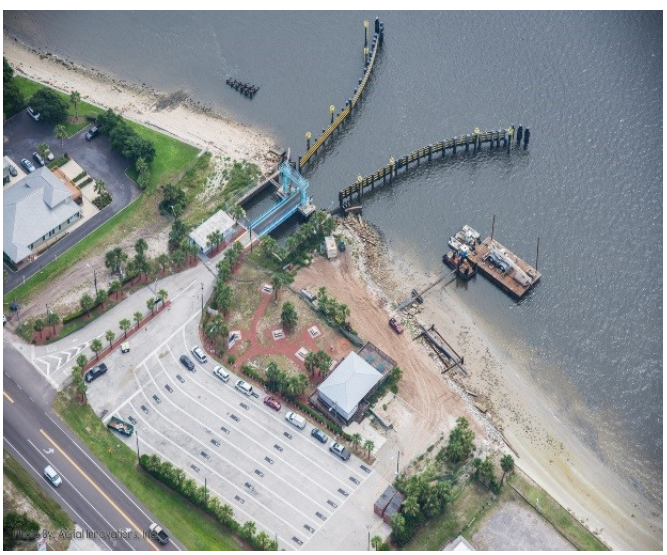
Summary

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.

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, operating expense per passenger trip, farebox recovery ratio and revenue miles between safety incidents. The JTA met or exceeded 6 of the 11 applicable performance measures for Skyway. The five measures not met include: operating expense per revenue mile, operating expense per revenue hour, operating expense per passenger trip, operating expense per passenger mile 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 2017 operating expenses increased 4.7 percent while operating revenues decreased by 4.8 percent from FY 2016. Weekday ridership decreased 4.0 percent while revenue service hours increased 1.2 percent. The JTA logged 1.6 percent more revenue miles in FY 2017. Because the JTA logged 6.2 percent fewer passenger trips and the average trip length remained at approximately 6.0 miles, passenger miles decreased by 6.3 percent. Average headway decreased from 23.9 minutes to 23.2 minutes, while the average fare increased from $0.94 to $0.96. The average age of the fleet decreased to 6.4 years and the JTA's spare ratio as of year-end FY 2017 was 20.3 percent.



Ferry - Mayport Slip Final Configuration.

Concurrent with implementation of the STAR Card electronic fare payment system, the JTA suspended fares on the Skyway system beginning January 30, 2012. 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, at $196 thousand, from FY 2013 through FY 2016. Currently operating revenues consist of parking fee revenues only. FY 2017 operating revenues decreased to $47 thousand because of parking lot closures due to the construction of the Intercity Bus Terminal and Jacksonville Regional Transportation Center. The farebox recovery ratio and average fare for FY 2017 was zero due to the suspended fares on the Skyway system. Operating expenses decreased 7.6 percent from FY 2016 primarily due to the in-house back-engineering of equipment parts as well as the reduction in outsourcing of equipment maintenance, thereby reducing the failure rate which reduces the operating expenses required for maintenance. The JTA logged 133 thousand, or 11.2 percent, fewer passenger trips and the average trip length decreased by 0.1 miles in FY 2017. As a result, passenger miles decreased by 235 thousand to

0.7 million (a decrease of 24.2 percent). The JTA indicated that the 11.2 percent decrease in passenger trips in FY 2017 is attributed to the closure of two stations for several months resulting from inception of construction of the Jacksonville Regional Transportation Center. FY 2017 revenue miles decreased 6.4 percent and revenue hours decreased 8.8 percent from FY 2016. Average weekday ridership decreased 10.6 percent over FY 2016 while average headway decreased by 0.2 minutes to 6.0 minutes. The average age of the Skyway fleet is 18.6 years. Skyway's current operating spare ratio of 16.7 percent remained the same as FY 2016 but 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."

The Skyway/Ultimate Urban Circulator (U2C) program involves the Skyway modernization and expansion. The U2C program was established following the findings of a Skyway Technology Assessment, Skyway Advisory Group and a 2015 Board resolution recommending the JTA "Keep, Modernize and Expand" the Skyway. The U2C proposes retrofitting the existing elevated structure to accommodate next generation autonomous transit vehicles that can operate elevated or at ground level. The system would also be expanded primarily at ground level to reach nearby neighborhoods, emerging development and the Sports and Entertainment District. As the new system is developed, certain critical system upgrades need to be completed in the short term to keep the system in a state of good repair.

In the area of Governance, the FY 2017 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 three 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.

The 2016 Triennial Safety and Security Audit: Jacksonville Transportation Authority - JTA Skyway System Report, dated January 2017, did not identify any deficiencies during the audit process. The audit found that safety and security conditions at JTA, as well as JTA compliance with program plans and procedures, are generally in good standing. The audit did identify 17 areas of concern and JTA submitted a required corrective action plan to the Department to address these issues. In addition, the Department's District Two Modal Development Office conducted a JTA Connexion Bus Transit System Safety and Security Compliance Audit and issued a report in April 2017. The key improvement opportunities for JTA identified in the report related to driver training and testing, hazard identification and resolution, distribution of written safety and operational procedures, and internal audit and event investigation. JTA submitted to the Department a required corrective action plan addressing the four deficiencies and three areas of concern noted in the report.

JTA has completed all transportation projects for which funding was available under the Better Jacksonville Plan. 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 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 approximately $100.6 million in bond proceeds will finance or reimburse JTA for a portion of the costs associated with JTAMobilityWorks Program projects. 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.

The Jacksonville Regional Transportation Center is a multimodal center which will connect local, regional and intercity transportation and will also serve as JTA's future administrative headquarters. JTA has funding in place and is beginning construction on the bus transfer facility, JTA administrative offices and intercity bus terminal. JTA is also focused on implementing the remaining two lines of the First Coast Flyer (FCF) Bus Rapid Transit. The FCF operates with compressed natural gas buses in both mixed-use traffic and dedicated bus lanes during peak hours and utilize transit signal priority and queue jumps. In addition, JTA has taken over operations of the St. Johns River Ferry and is continuing to replace and repair the ferry slipwalls, terminal bridges and seawalls.

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.

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 on March 29, 2015. 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 STTF funding). In addition, the Department will cover 100 percent of annual maintenance costs up to $14.4 million and will provide an additional $11.5 million in dedicated funding.
- FY 2017 operating revenues increased 3.9 percent while operating expenses increased 0.9 percent over FY 2016.
- Four contracts for services (maintenance of equipment, train operations, dispatching and station maintenance) were set to expire on June 30, 2017. SFRTA, through the RFP process, decided to bundle these contracts into one and awarded a $511 million, 7-year contract (with a 3-year renewal) to Herzog Transit Services, Inc. on January 27, 2017.
- The Department's Office of Inspector General (OIG) conducted a review of this award and issued an Advisory Report in September 2017 (FY 2018). In addition, the OIG conducted an audit to determine if SFRTA was in compliance with the provisions of an Operating Agreement between the Department and SFRTA for the South Florida Rail Corridor and issued a report in November 2016.
- House Bill 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 changes the reimbursement methodology for disbursing the annual appropriation.

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 2018-2027 TDP serves as the fourth 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. In June 2018, the SFRTA Board elected a new Chair and Vice-Chair for FY 2019. Current SFRTA Board members are presented in Table 53.

Table 53
South Florida Regional Transportation Authority
Current Board Members

Name	Appointment	Position
Esteban Bovo, Jr.	Commissioner, Miami-Dade County	Chair
Tim Ryan	Commissioner, Broward 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
James A. Scott	Governor's Appointee	Board Member
Hal R. Valeche	Commissioner, Palm Beach County	Board Member
Robert C. L. Vaughan	Representative, Broward County	Board Member

Jack Stephens has served as the SFRTA Executive Director since February 2014. The SFRTA Board accepted Mr. Stephens' unsolicited resignation effective December 31, 2018 and has hired an executive search firm to help find qualified candidates for the Executive Director position. The plan is to have a short-list of candidates in August with interviews taking place when the SFRTA Board meets in September 2018.

SFRTA is authorized by Chapter 343, Florida Statutes, to coordinate, develop, and implement a 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.

Miami River-Miami Intermodal Center Capacity Improvement (MR-MICCI)

The Double Track Corridor Improvement Program, completed in 2006, added a second mainline track to all but the southernmost 1.25 miles of the Tri-Rail corridor, which is the subject of this effort. SFRTA, in cooperation with the Department and consistent with the Miami-Dade Transportation Planning Organization (TPO) Long Range Transportation Plan, identified this section of single track for additional rail capacity, to improve access and connectivity to the Miami Intermodal Center (MIC).

SFRTA has managed the Miami River-Miami Intermodal Center Capacity Improvement Project, a multi-year Project Development and Environment (PD&E) Study, commonly referred to by its acronym MR-MICCI, to evaluate potential corridor improvements, including track, signals, the Miami River Bridge and connections with the Miami Airport Tri-Rail Station. Benefits of the MR-MICCI project include: improved connectivity to the Miami International Airport; improved passenger access to the numerous transit connections at the Miami Intermodal Center; and relieving bottlenecks for Tri-Rail, Amtrak, and freight services in the area, resulting in improved operational efficiencies.

Tri-Rail Miami Airport Station.

The PD&E Study has been completed. The Environmental Assessment (EA) document, approved by the Federal Transit Administration (FTA), describes the preferred alternative: adding a second mainline track to the South Florida Rail Corridor (SFRC) and replacing the existing historic single-track railroad bridge with a new fixed-span bridge that will accommodate two mainline railroad tracks.

A Memorandum of Agreement (MOA) between FTA, the State Historic Preservation Office (SHPO), the Department and SFRTA was developed to document the stipulations and mitigation commitments agreed upon for the adverse effects associated with the removal of the two National Register of Historic Places (NRHP) eligible resources (the CSX railroad tracks and the CSX railroad bridge) as required by Section 106 of the National Historic Preservation Act (NHPA). The MOA was executed by SFRTA, the Department, SHPO and FTA. As a result, the Section 4(f) Evaluation was finalized and a Finding of No Significant Impact (FONSI) was issued by the FTA on January 12, 2018, completing the National Environmental Policy Act (NEPA) phase of the MR-MICCI Project. The Project is currently in process of being transferred to the Department for the subsequent project phases: Right-of-Way, Final Design and Construction.

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.

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

Tri-Rail's Rail Car.

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 (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. In 2017, SFRTA identified the need for a State of Good Repair (SOGR) for the SFRC. A 5-year SFRC Capital Improvement Plan (CIP) includes the replacement of existing assets on the SFRC mainline, industries and maintenance yards, which have reached their maximum useful life, and can no longer undergo minor repairs and maintenance. New assets will support SOGR of the corridor, will decrease disruptions to operations due to frequent maintenance activities, minimize environmental impacts and improve overall track service life.

SFRTA is currently seeking funding strategies for this CIP.

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 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. In May 2018, both the Fort Lauderdale City Commission and the Broward County Commission voted to withdraw support of the Wave Streetcar System. SFRTA is currently working with the FTA to close the remaining balance of the TIGER grant. A justification of the $9.2 million of federal dollars spent has been submitted to the FTA in Draft form for evaluation.

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 Gold certified, sustainable train station. The Pompano Beach Station features electric vehicle charging stations, solar panels for station energy generation, upgraded LED lighting, new bicycle lockers, carpool parking, 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 the 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 final Certificate of Occupancy (CO) for the Operations Center was issued in early August 2017. SFRTA relocated its offices late February 2017. On February 22, 2018, SFRTA received an honorable mention award for Tri-Rail's Pompano Beach Station and Operations Center project, by the Smart Growth Partnership. On March 3, 2018, the same project received the "Most Outstanding Green Transit Facility" award by the U.S. Green Building Council, for adoption of green building strategies. On June 24, 2018, the SFRTA Operations Center had its Dedication Ceremony.

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 MiamiCentral Station scheduled to commence revenue service in late 2019.

The next phase of TRCL most likely would be the Northeast (NE) Corridor. The Miami-Dade TPO Strategic Miami Area Rapid Transit (SMART) Plan identifies the NE Corridor as one of the six proposed rapid transit corridors. In April and June of 2018, Sunshine Meetings between TPO Governing Board Members and Miami-Dade County Commissioners were held to discuss the

Northeast Corridor. The primary purpose of the meetings/roundtable discussions were to identify steps to reactivate the station siting and environmental studies. The NE Corridor represents the logical first phase of expansion of Tri-Rail on the FEC corridor to Aventura. The NE corridor link consists of 6 proposed stations along 13 miles of track alignment.

Tri-Rail Downtown Miami Link Service/ Downtown MiamiCentral 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 Brightline MiamiCentral 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 Brightline MiamiCentral 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 MiamiCentral Station in downtown Miami. By collocating with Brightline in the new station, SFRTA will leverage committed freight rail improvements and the AAF infrastructure. The start of TRDML revenue service is planned for the third quarter of 2019.

The total capital cost of the Tri-Rail Downtown Miami Link and SFRTA's Downtown Miami Station is $69.2 million. In August 2016, 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 MiamiCentral 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, SFRTA obtained a $22 million, 5-year loan from Bank United, N.A. to finance costs of the TRDML. As of June 30, 2018, SFRTA has drawn down $10.5 million from the Bank United loan.

On April 26, 2018, the Miami-Dade Transportation Planning Organization (TPO) unanimously approved Resolution #14-18 endorsing the identification and implementation of demonstration projects that advance elements of the Strategic Miami Area Rapid Transit (SMART) Plan. SMART Plan demonstration project eligibility is categorized as follows: 1) new routes with connectivity to the SMART Plan; 2) new stations with connectivity to the SMART Plan; and 3) new transit facilities with connectivity to the SMART Plan that advance elements of the SMART Plan and increase service to the traveling public. The Midtown/Design District Demonstration Station was identified through this process.

The Midtown/Design District Demonstration Station, proposed to be sited near the intersection of 36th Street and Interstate 95, would be the second Tri-Rail station on the TRDML connection from the South Florida Rail Corridor (SFRC) to the FEC rail corridor into the MiamiCentral Station. This project has been recommended for approval by the TPO Transportation and Mobility Committee (May 22, 2018) and Fiscal Priorities Committee (June 4, 2018) and received final approval by the Miami-Dade TPO Governing Board on June 21, 2018.

SFRTA staff is coordinating with the Miami-Dade TPO, the Department's District 4, and Miami-Dade

Department of Transportation and Public Works (DTPW) staff on the environmental clearance, cost estimates, and design elements of the project. SFRTA has agreed to lead the environmental analysis and to operation the service.

Bundling of SFRTA Contracts for Services Along the South Florida Rail Corridor

SFRTA had executed four contracts for services along the South Florida Rail Corridor (SFRC) that were set to expire on June 30, 2017. The contracts included services for maintenance of equipment, train operations, dispatching, and station maintenance. The SFRTA Board decided to “bundle” the four contracts into one and issued a Request for Proposal (RFP). Six contractors submitted proposals and five proposals were rejected for being non-responsive to the criteria within the RFP. One of the contractors filed a protest and on January 23, 2017, the 17th Judicial Circuit Court of Florida ruled in SFRTA’s favor. On January 27, 2017, the SFRTA Board voted 6 to 2 to award the $511 million, 7-year contract (with a 3-year renewal option) to Herzog Transit Services, Inc. The Department’s Office of Inspector General conducted a review of this award and issued Advisory Report No. 17I-4002 in September 2017 (FY 2018) which is described in the Audit section of this chapter.

SFRTA has received several management performance and service efficiency benefits as a result of the bundling of the contracts. Some of these benefits include enhanced agency management control, coordination/integration of related contract functions, and limiting the required SFRTA contact oversight to a single prime contractor. Additionally, SFRTA has experienced rolling stock maintenance enhancements, more efficient communications with the Maintenance of Way Contractor, and substantial improvement in on-time-performance (OTP) of the passenger rail service. SFRTA announced that in April 2018 Tri-Rail trains recorded their highest monthly OTP in over 17 years (since January 2001). In April 2018, 96 percent of all Tri-Rail trains operated as scheduled. SFRTA anticipates additional benefits to be achieved and reported as an outcome of the bundled contracts in future reporting years (e.g., Revenue Miles between Failures).

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 successful in achieving 6 of the 11 objectives for performance. FY 2017 results, as reported by SFRTA, are provided in Table 54. Results for the last five fiscal years are included in Appendix A.

Passenger Trips per Revenue Hour

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 35.0 was less than the objective of greater than 39.3 by 4.3 (10.9 percent) and increased from the 34.0 passenger trips per revenue hour

Table 54
South Florida Regional Transportation Authority
Summary of Performance Measures
FY 2017

Performance Measure	*Detail*	*Objective*	*Actual Results*	*Meets Objective*
Unlinked Passenger Trips per Revenue Hour	Passenger trips divided by revenue hours	>39.3	35.0	X
Operating Expense[1] per Revenue Mile	Operating expenses divided by revenue miles	<$21.43	$25.79	X
Operating Expense per Passenger Trip	Operating expenses divided by annual ridership	<$17.86	$21.34	X
Operating Expense per Passenger Mile	Operating expenses divided by passenger miles	<$0.54	$0.72	X
Farebox Recovery Ratio	Passenger fares divided by operating expenses	>22.5%	14.1%	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	83,931	✓
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	9 days	✓
Customer Service	Customer complaints divided by boardings	<2 per 5,000 boardings	1.9	✓
On-time Performance	% trips end to end on time < 6 minutes late	>80%	84.7%	✓

[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.

reported in FY 2016. FY 2017 passenger trips increased 0.5 percent from FY 2016 levels despite a 2.2 percent decrease in revenue hours. The 2.2 percent decrease in revenue hours was due to an increase in mechanical failures and service disruptions resulting in termination/annulment of revenue trains. Service Recovery strategy improvements have been implemented with the introduction of the new bundling contract beginning FY 2018.

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 $25.79 exceeded the objective of less than $21.43 by $4.36 (20.3 percent), thereby not achieving the objective. A 0.9 percent increase in operating costs coupled with a

2.0 percent decrease in annual revenue miles resulted in an increased operating cost per revenue mile of $0.72 in FY 2017.

SFRTA assumed dispatch and maintenance of the South Florida Rail Corridor on March 29, 2015. For FY 2015, six months of additional maintenance of way expenses were reported in operating expenses. For FY 2016 and FY 2017, a full year of maintenance of way expenses were included in operating expenses. The substantial increase in operating expenses, as a result of additional maintenance of way costs, 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 $21.34 exceeded the objective of less than $17.86 by $3.48 (19.5 percent), thereby not achieving the objective. A 0.9 percent increase in operating costs in FY 2017, partially offset by a 0.5 percent increase in passenger trips resulted in an increase in the cost per passenger trip of $0.09 in FY 2017.

Despite unexpected challenges that SFRTA encountered since taking over the corridor, and a nationwide decline in ridership, on January 28, 2017 SFRTA generated record weekend ridership making it the highest weekend day in its 28 year history. On April 22, 2017 that achievement was once again surpassed thus becoming the highest weekend day ridership in the history of the transit system.

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 $0.54 with $0.72 reported in FY 2017. This compares to $0.77 reported in FY 2016. The 0.9 percent increase in operating expenses, was more than offset by a 7.9 percent increase in FY 2017 passenger miles, resulting in the decrease in operating costs per passenger mile.

Farebox Recovery Ratio

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 14.1 percent fell short of the objective of greater than 22.5 percent. This compares to 14.6 percent reported for FY 2016. The 2.5 percent decrease in passenger fare revenue in FY 2017 coupled with the 0.9 percent increase in operating expenses negatively impacted FY 2017 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 meeting the statutory installation requirements of Positive Train Control (PTC) as required by Federal regulations under the Rail Safety Improvement Act of 2008, as amended by the Positive Train Control Enforcement and

Implementation Act of 2015. The statutory requirements include acquiring Spectrum, completing hardware installation, completing employee training, and initiating Field Integration testing with non-revenue trains by December 31, 2018 as a substitute criteria to Revenue Service Demonstration. SFRTA has received conditional approval from the FRA for the substitute criteria, and is on target to meet all statutory requirements by December 31, 2018.

Additionally, after SFRTA meets the 2018 statutory requirements, the Rail Safety Improvement Act provides the ability to obtain an additional 24 months to test and ensure the PTC system is fully interoperable. Interoperability means that the system works with any PTC-equipped locomotive running on any of the South Florida Rail Corridor (SFRC), including CSXT and Amtrak. This extension will allow SFRTA to ensure that interoperability testing is completed, and that SFRTA will have full PTC implementation across the SFRC.

PTC will prevent 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. The priority is to meet all statutory requirements by December 2018.

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 2017 with 83,931 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 2017 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 9 days reported in FY 2017.

Customer Service – Number of Complaints per Boarding

SFRTA achieved the performance objective of less than two complaints per 5,000 boardings with 1.9 complaints reported in FY 2017. This compares to 1.2 complaints per 5,000 boardings, reported in FY 2016.

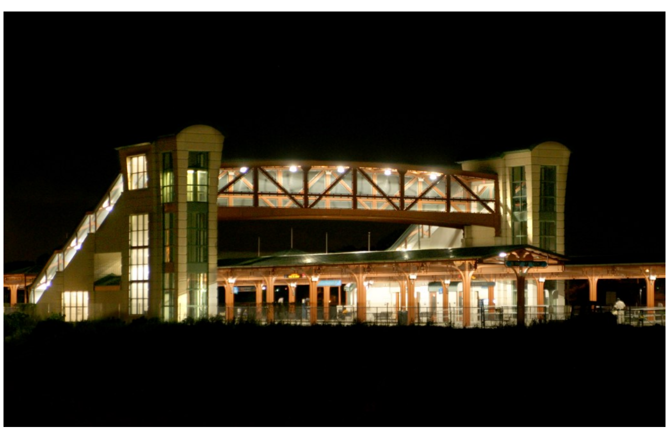
On-time Performance

SFRTA achieved the on-time performance objective of greater than 80 percent of trips end-to-end on-time with on-time performance of 84.7 percent reported in FY 2017. On-time is defined as a passenger train that is less than six minutes late end-to-end.

Operating Indicators

The Commission, in concert with the authorities, developed operating indicators that provide meaningful operational and financial data that supplement performance measures in evaluating and monitoring organizational performance. The Commission did not establish objectives or goals for these indicators, as various authorities have unique characteristics. FY 2017 operating indicators, as reported by SFRTA, are provided in Table 55. In order to observe current trends, operating indicators for FY 2015 and FY 2016 are also provided. Results for the last five fiscal years are included in Appendix A.

FY 2017 average weekday ridership on Tri-Rail increased 0.8 percent over FY 2016. SFRTA logged 0.5 percent more passenger trips in FY 2017, while the average trip length increased 7.2 percent, resulting in a 7.9 percent increase in passenger miles. FY 2017 revenue hours decreased 2.2 percent, while revenue miles decreased 2.0 percent. SFRTA reported average headway of 28.2 minutes in FY 2017 compared to 29.5 minutes in FY 2016. The weekday span of revenue service and fleet size remained the same. Operating expenses increased (by 0.9 percent), while operating revenue increased (by 3.9 percent). The average fare decreased from $3.09 to $3.00 (a 2.9 percent decrease).



Delray Beach Station at Night.

The average number of years since the last rebuild was 15.2 years for locomotives and 16.2 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 decreased 42.4 percent to $10.6 million and SFRTA committed 56 percent of its capital investment to system preservation and 44 percent to system expansion. SFRTA continued to provide 18 intermodal connections.

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

Table 55
South Florida Regional Transportation Authority
Summary of Operating Indicators
FY 2015 through FY 2017

Operating Indicator	Detail	Actual 15 Results	Actual 16 Results	Actual 17 Results
Operating Expense per Capita (Potential Customer)	Annual operating budget divided by service area population	$13.27	$16.38	$16.52
Average Headway	Average time (minutes) for train to complete its portion of total route miles one time	28.6	29.5	28.2
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	$73,042,631	$90,135,130	$90,925,787
Operating Revenue[1]	Revenue generated through operations of transit authority	$13,199,536	$13,562,478	$14,091,406
Total Annual Revenue Miles	Miles vehicles operated in active service[2]	3,505,483	3,595,531	3,525,108
Total Annual Revenue Hours	Hours vehicles operated in active service	117,914	124,669	121,880
Vehicle Miles Between Failures	Vehicles miles divided by revenue vehicle system failures[3]	54,670	71,323	86,408
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	$619.46	$723.00	$746.03
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	4,292,705	4,241,486	4,261,113
Average Trip Length	Average length of passenger trip, generally derived through sampling	27.2	27.7	29.7
Annual Passenger Miles	Passenger trips multiplied by average trip length (in miles)	116,761,576	117,277,088	126,555,056
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	$2.98	$3.09	$3.00
Passenger Trips per Revenue Mile	Passenger trips divided by revenue miles	1.22	1.18	1.21
Passenger Trips per Revenue Hour	Passenger trips divided by revenue hours	36.4	34.0	35.0
Passenger Trips per Capita	Passenger trips divided by service area population	0.78	0.77	0.77
Average Age Since Last Rebuild	Average years since last rebuild for locomotives (9 years)	13.2	14.2	15.2
Average Age Since Last Rebuild	Average years since last rebuild for coaches (12 years)	14.2	15.2	16.2
Unrestricted Cash Balance	End of year cash balance from financial statement	$18,129,966	$18,344,503	$10,570,264
Weekday Ridership	Average ridership on weekdays	14,176	13,894	13,999
Capital Commitment to System Preservation	% of capital spent on system preservation	100%	82%	56%
Capital Commitment to System Expansion	% of capital spent on system expansion	0%	18%	44%
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.

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.

SFRTA has advised that there were no ethics or conflict of interest violations reported during FY 2017 and, to the best of SFRTA's knowledge, there were no ethics or conflict investigations. 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. SFRTA indicated that an Ethics, Sunshine and Public Records presentation was made to the SFRTA Board on June 24, 2016 (and previously on June 12, 2015, SFRTA's senior management staff had received a similar presentation). Many of the SFRTA senior staff were also in attendance at the 2016 presentation to the SFRTA Board. SFRTA's Legal Department has developed a program for such training that will be implemented in calendar year 2018. 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. The SFRTA's Ethics Policy requires periodic ethics training.

Audit

An annual independent audit of SFRTA financial statements for fiscal year ended June 30, 2017 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 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. 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 annual appropriation of state financial assistance. The OIG issued Audit Report No. 14I-4002 on November 10, 2016. 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 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

Tri-Rail Train at West Palm Beach Station.

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.

Pursuant to a request from State Senator Jeff Brandes, the Department's OIG reviewed SFRTA's procurement policy in comparison to State procurement requirements and determined whether SFRTA followed its Procurement Policy in awarding a $511 million, seven-year contract (with a three-year renewal option) to Herzog Transit Services, Inc. for operations on the South Florida Rail Corridor. The OIG issued Advisory Report No. 17I-4002 on September 29, 2017 (FY 2018). The advisory report identified four observations as noted below.

- The auditors noted that the SFRTA Procurement Policy does not require procurements to stop upon receipt of protests and the Procurement Director has sole discretion in eliminating nonresponsive proposals.
- The auditors found that the SFRTA process to review submitted proposals differed between what is stated in the Request for Proposal (RFP) and its Procurement Policy.
- SFRTA released two addendums containing material changes to the RFP, including changes to the liability insurance requirement, after the deadline for proposers to ask questions.
- Before the January 2017 SFRTA Board meeting to award the agreement, the Department was unaware of the independent engineer's estimate for services in the RFP and was not aware of the sources of revenue to cover expenditures for the 10-year duration of the contract.

The advisory report acknowledged recently enhanced controls, established through HB 695, that increase the Department's ability to oversee SFRTA's use of State funding and suggested four additional controls that should be considered. In their response to the OIG advisory report, SFRTA provided detailed responses to the four observations as well as other comments regarding the report. The Department's OIG Advisory Report No. 17I-4002 can be found at http://www.fdot.gov/ig/Reports/17I-4002.pdf.

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 in the Joint Participation Agreements (JPAs) with the Department. 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 56.

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 prime consultant and a number of sub consultants to provide all disciplines required in the

Table 56
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.

solicitation. As indicated in Table 57, six sub consultant contracts greater than $25 thousand were used by the General Engineering Consulting firms for a total cost of $1.1 million in FY 2017.

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.

Table 57
South Florida Regional Transportation Authority
Summary of General Consultant Sub Consultant Activity
FY 2017

Consulting Contract	*Description*	*Sub Consultants >$25 K*
HNTB Corporation	**General Engineering Consultant**	
Marlin Engineering, Inc.	Commuter Rail Track & Signal Field Support Services	$423
Woolpert, Inc.	CEI Services for Grade Crossings and Signal Safety Projects	$88
T.Y. LIN International, Inc.	**General Engineering Consultant**	
CH2M Hill, Inc.	Design & Field Installation Support: Wayfinding & Signage	$195
Jones Worley	Design & Field Installation Support: Wayfinding & Signage	$42
Perez & Perez Architects Planners, Inc.	Miami Central Station Design Review CEI Services	$76
Kimley-Horn & Associates, Inc.	**General Engineering Consultant**	
WSP USA, Inc.	**General Engineering Consultant**	
Parsons Transportation Group, Inc.	**General Engineering Consultant**	
Raul V. Bravo & Associates	SFRTA Tri-Rail Downtown Miami Link Level Boarding	$308
Total Sub Consultants >$25k		$1,132

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, operating expense per passenger trip, operating expense 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 2017 operating expenses increased 0.9 percent, while operating revenue increased 3.9 percent over FY 2016. The average fare decreased from $3.09 to $3.00 (a 2.9 percent decrease). FY 2017 average weekday ridership on Tri-Rail increased 0.8 percent over FY 2016. SFRTA logged 0.5 percent more passenger trips in FY 2017, while the average trip length increased 7.2 percent, resulting in a 7.9 percent increase in passenger miles. SFRTA reported average headway of 28.2 minutes in FY 2017 compared to 29.5 minutes in FY 2016. Revenue hours decreased 2.2 percent and revenue miles decreased 2.0 percent. The weekday span of revenue service and fleet size remained the same. The average number of years since the last rebuild was 15.2 years for locomotives and 16.2 years for coaches. The delivery of new locomotives and rolling stock positions SFRTA for future service expansion. SFRTA committed 56 percent of capital investment to system preservation and 44 percent to system expansion.

In the area of Governance, the FY 2017 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. 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. OIG also reviewed SFRTA's $30.6 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.

SFRTA had executed four contracts for services along the South Florida Rail Corridor (SFRC) that were set to expire on June 30, 2017. The contracts included services for maintenance of equipment, train operations, dispatching, and station maintenance. The SFRTA Board decided to “bundle” the four contracts into one and issued a Request for Proposal (RFP). Six contractors submitted proposals and five proposals were rejected for being non-responsive to the criteria within the RFP. One of the contractors filed a protest and on January 23, 2017, the 17th Judicial Circuit Court of Florida ruled in SFRTA’s favor. On January 27, 2017, the SFRTA Board voted 6 to 2 to award the $511 million, 7-year contract (with a 3-year renewal option) to Herzog Transit Services, Inc. The Department’s Office of Inspector General conducted a review of this award and issued Advisory Report No. 17I-4002 in September 2017 (FY 2018). The advisory report identified four observations as noted below.

- The auditors noted that the SFRTA Procurement Policy does not require procurements to stop upon receipt of protests and the Procurement Director has sole discretion in eliminating nonresponsive proposals.
- The auditors found that the SFRTA process to review submitted proposals differed between what is stated in the Request for Proposal (RFP) and its Procurement Policy.
- SFRTA released two addendums containing material changes to the RFP, including changes to the liability insurance requirement, after the deadline for proposers to ask questions.
- Before the January 2017 SFRTA Board meeting to award the agreement, the Department was unaware of the independent engineer’s estimate for services in the RFP and was not aware of the sources of revenue to cover expenditures for the 10-year duration of the contract.

In their response to the OIG advisory report, SFRTA provided detailed responses to the four observations as well as other comments regarding the report. The Department’s Advisory Report can be found at http://www.fdot.gov/ig/Reports/17I-4002.pdf.

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 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 Brightline MiamiCentral 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 Brightline MiamiCentral Station in Downtown Miami on the FEC corridor. By collocating with Brightline in the new station, SFRTA will leverage committed freight rail improvements and the Brightline infrastructure. Due to Positive Train Control (PTC) issues on this corridor, anticipated start of TRDML revenue service is currently planned for the third quarter of 2019.

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.

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EMERGING AUTHORITIES

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EMERGING AUTHORITIES

Northwest Florida Transportation Corridor Authority (NFTCA)

Background

The Northwest Florida Transportation Corridor Authority (NFTCA) is an agency of the State of Florida, created in 2005 pursuant to Chapter 343, Part 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. Five members of the authority shall constitute a quorum, and the vote of a least five members shall be necessary for any action taken by the authority.

Table 58
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

- The NFTCA Board did not meet at least quarterly as required by statute. The Board met once in FY 2017 (October 2016) and did not meet again until February 2018 (16 months later) due to a lack of quorum necessary to conduct business.
- NFTCA did not update its Corridor Master Plan by July 1, 2017, formally adopt its FY 2018 Operating Budget by resolution, and file its FY 2017 Annual Financial Report with DFS as statutorily required.
- In July 2010, NFTCA executed a two year agreement with the Department that provided $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. The last amendment (fifth), approved by the Board in December 2015, extended the agreement to December 31, 2017.
- NFTCA's revenues and other financing sources total approximately $44 thousand in its FY 2017 operating budget which consists of $38 thousand in unused grant funds remaining from the original $2.2 million federal earmarks, and $6 thousand in cash reserves. Because the funding agreement expired on December 31, 2017, approximately $35 thousand of the grant funds were "left on the table" and are no longer available to NFTCA. NFTCA's FY 2018 operating budget consists of only $6 thousand in cash reserves.
- The NFTCA Board met in February 2018 to discuss the future of the authority including the possibility of dissolution or of pursuing a project. All five Board members present voted unanimously to accept Resolution 18-01: A Resolution of NFTCA Expressing Commitment and Interest in Partnering on Triumph Funded Projects. Triumph Gulf Coast, Inc. is organized to oversee the expenditure of 75 percent of funds recovered for economic damages to the state that resulted from the 2010 Deepwater Horizon oil spill. The funds are to be used in the same eight counties that are within NFTCA's jurisdiction.

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 59 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 2017 as required by Section 343.81(3)(c), Florida Statutes.

Table 59
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 2017 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 but did not update the Master Plan before July 1, 2017 as required.
	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 did not update the Master Plan in 2017.

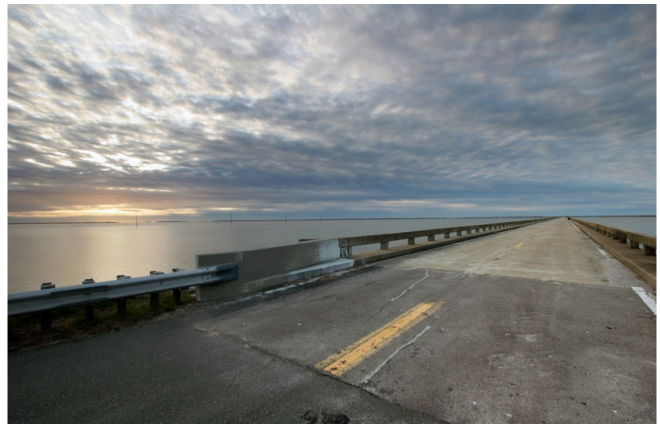
The Board met in October 2016 (FY 2017), February 2018 (FY 2018) and last met in May 2018 (FY 2018). The NFTCA Board meetings scheduled for May 2017, August 2017, and November 2017 were cancelled due to a lack of quorum necessary to conduct business.

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. However, NFTCA did not update the Master Plan before July 1, 2017 and did not provide the Master Plan update to the governing bodies and legislative delegation members within 90 days, as required by Section 343.82(3)(b-c), Florida Statutes.

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



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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). The NFTCA Board did not update the Master Plan in 2017.

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 December 31, 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 $44,533 in the adopted FY 2017 operating budget and consist of $38,391 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 2017 operating budget total $38,391 for administration and professional services which represent the remaining grant funds. Because the funding agreement expired on December 31, 2017, and the NFTCA Board met only once in FY 2017, $35,280 of the grant funds were "left on the table" and are no longer available to NFTCA. NFTCA provided to Commission staff its FY 2018 operating budget which consists of only $5,655 in cash reserves. Commission staff reviewed NFTCA Board agendas, meeting minutes, and the authority's website to determine if NFTCA adopted its FY 2018 annual budget in compliance with Section 189.016, Florida Statutes. Although there was a discussion of the FY 2018 budget at its February 8, 2018 Board meeting, the budget was not adopted by resolution and was not posted on the NFTCA website pursuant to statutory requirements.

Ochlockonee Bridge-US 98 River Crossing in Franklin County.

The Authority has not currently identified any financially feasible toll projects or new funding sources and has taken steps to minimize expenses. The NFTCA Board met in October 2016 and did not meet again until February 2018 (16 months later). At its February 2018 meeting, the Board discussed the future of NFTCA including the possibility of dissolution or of pursuing a project. All five Board members present voted unanimously to accept Resolution 18-01: A Resolution of NFTCA Expressing Commitment and Interest in Partnering on Triumph Funded Projects. Triumph Gulf Coast, Inc. (Triumph) is a nonprofit corporation organized to oversee the expenditure of 75 percent of all funds recovered by the Florida attorney general for economic damages to the state that resulted from the 2010 Deepwater Horizon oil spill. Triumph is required to administer the distribution of the funds to be used for the recovery, diversification, and enhancement of the eight Northwest Florida counties disproportionately affected by the oil spill. These same eight counties are the same counties within NFTCA's jurisdiction.

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 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 2017. 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's 2015, 2016 and 2017. 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 $750 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)(e), 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. NFTCA did not file its FY 2017 AFR as statutorily required.

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 NFTCA Board met in October 2016 and did not meet again until February 2018 (16 months later). The NFTCA Board last met in May 2018 but a quorum was not present. It was noted that several scheduled Board meetings have been canceled due to a lack of quorum necessary to conduct business. 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 2017, 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 2017, 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. As previously noted, NFTCA did not vote to approve a resolution adopting its FY 2018 budget. As such, the FY 2018 budget has not yet been posted to the NFTCA website.

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, required annual update to its Master Plan, formal adoption of its FY 2018 Operating Budget, and filing its FY 2017 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 2017 as required by Section 343.81 (3)(c), Florida Statutes and did not update its Corridor Master Plan by July 1, 2017 as required by Section 343.82(3)(b), Florida Statutes. NFTCA noted that numerous scheduled Board meetings were cancelled due to a lack of quorum necessary to conduct business. With the lack of activity by the authority, it has been difficult to get Board members spread out over eight counties together. In addition, NFTCA did not formally adopt its FY 2018 Operating Budget by resolution as required by Section 189.016, Florida Statutes and did not file its FY 2017 AFR with the Department of Financial Services pursuant to Section 218.32(1) (e), 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 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's 2015, 2016 and 2017. NFTCA indicated that it did not meet the monetary thresholds established for federal or state financial assistance and an audit was not required. In addition, NFTCA indicated 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 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 December 31, 2017 and reallocated the remaining funds over two years between administration and professional services tasks of the NFTCA Work Plan.

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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 address the other previously noted statutory requirements that were not met during this review.

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. The purposes of TBARTA are to plan, implement, and operate mobility improvements and expansions of multimodal transportation options for passengers and freight throughout the designated region covering Hernando, Hillsborough, Manatee, Pasco, and Pinellas Counties and any other contiguous county that is party to an agreement of participation.

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 region as identified by TBARTA. 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

Highlights

- The West Central Florida Metropolitan Planning Organizations 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. The legislation changed TBARTA into the Tampa Bay Area Regional Transit Authority and changed the composition of the TBARTA Board. The reconstituted Board held their first meeting on August 25, 2017 (no later than 60 days after creation of the authority).
- 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.
- As required, on January 8, 2018, TBARTA timely confirmed to the Legislature that all TBARTA committees listed in SB 1672 should be established or continued. In addition, TBARTA submitted the required Plan to Produce the Regional Transit Development Plan (RTDP) which will integrate the individual transit development plans of participant counties, and prioritize regionally significant transit projects and facilities for investment.
- TBARTA is currently in the process of developing the RTDP with an estimated completion date of September 2019. The 2018 Legislature provided a $1 million appropriation to TBARTA to develop the RTDP. Funding became available in July 2018.

submit its recommendations to the Legislature, before the start of the 2018 Regular Session, 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 (during FY 2017), compliance and operational results reported in this TBARTA chapter of the report are 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 current governing Board of TBARTA is comprised of 15 members (13 voting members and two non-voting advisors) as depicted in Table 60. The voting members consist of the following:

- One county commissioner appointed by the respective County Commissions from Hernando, Hillsborough, Manatee, Pasco, and Pinellas Counties;
- Two members are the mayor of the largest municipality within the area served by the Pinellas Suncoast Transit Authority (PSTA) and the Hillsborough Area Regional Transit Authority (HART);
- PSTA and HART each appoint one member of their respective boards to serve on the TBARTA Board;
- Also on the Board are four members from the regional business community appointed by the Governor, each of whom must reside in one of the counties governed by TBARTA and may not be an elected official; 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 designated area of TBARTA.

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 budget preparation process, and is responsible for TBARTA's compliance with all state and federal laws, rules and regulations. Ray Chiaramonte resigned as Executive Director, effective June 22, 2018. Also at its June 22, 2018 meeting, the Board selected Michael Case to be TBARTA's Interim Executive Director in addition to his current responsibilities as TBARTA's Principal Planner and

Table 60
Tampa Bay Area Regional Transit Authority
Current Board Members

Name	Representing	Position
Jim Holton	Governor Appointee	Chairman
Mayor Bob Buckhorn	City of Tampa	Vice Chairman
Commissioner Betsy Benac	Manatee County	Secretary-Treasurer
Melanie Griffin	Governor Appointee	Board Member
Cliff Manuel, Jr.	Governor Appointee	Board Member
Michael Millett	Governor Appointee	Board Member
Commissioner Wayne Dukes	Hernando County	Board Member
Commissioner Patricia Kemp	Hillsborough County	Board Member
Commissioner Kathryn Starkey	Pasco County	Board Member
Commissioner Karen Seel	Pinellas County	Board Member
Kathleen Shanahan	HART	Board Member
Commissioner Janet Long	PSTA	Board Member
Mayor Rick Kriseman	City of St. Petersburg	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

Project Manager. The TBARTA Board revised the Executive Director position description and approved a search for a permanent Executive Director. Currently, a nationwide search is being conducted by an executive recruiting firm, and an ad hoc search committee of Board members was established to guide the firm and review candidates. The search is expected to be complete in September or October 2018.

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, August 2012, and September 2017. 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

As previously noted, compliance and operational results reported in this TBARTA chapter of the report are based on the new statutory requirements passed by the 2017 Legislature (SB 1672, effective July 1, 2017). TBARTA, previously tasked with developing the seven-county Regional Transportation Master Plan, is now required to develop a Regional Transit Development Plan (RTDP) for the five-county area. The RTDP is intended to prioritize regional transit projects, and provide a 10-year plan for transit projects in the five-county region.

Legislation requires TBARTA to conduct specific activities with prescribed deadlines. These requirements include meetings, evaluating committees, developing a RTDP, becoming a recipient of federal funds supporting a project, and other various requirements related to rail projects. Table 61 lists those statutory requirements and indicates whether those requirements have been met.

As required, the reconstituted TBARTA Board held their first meeting on August 25, 2017 (no later

Table 61
Tampa Bay Area Regional Transit Authority
Statutory Requirements

Subject Area	*Requirement*	*Status*
Board Meeting	The first meeting of TBARTA shall be held no later than 60 days after the creation of the authority. (Section 343.92 (7), Florida Statutes)	Completed. The reconstituted Board met for the first time on August 25, 2017 (within 60 days).
Evaluate Committees	Beginning July 1, 2017, evaluate the abolishment, continuance, modification, or establishment of the following committees: Planning, Policy, Finance, Citizens Advisory, TBARTA MPOs Chairs Coordinating, Transit Management, and Technical Advisory. (Section 343.92 (9), Florida Statutes)	Completed.
	Submit recommendations to the President of the Senate and the Speaker of the House of Representatives before the beginning of the 2018 Regular Session. (Section 343.92 (9), Florida Statutes)	Completed. In a letter dated January 8, 2018, the TBARTA Chairman advised the Senate President and House Speaker that all committees be established or continued as listed.
Regional Transit Development Plan (RTDP)	Provide to the President of the Senate and the Speaker of the House of Representatives, on or before the beginning of the 2018 Regular Session, a plan to produce the Regional Transit Development Plan (RTDP). (Section 343.922 (1)(b)1., Florida Statutes)	Completed. The plan to produce the RTDP, approved by the Board on December 8, 2017, was submitted to the Senate President and House Speaker on January 8, 2018.
	Before adoption of the RTDP, hold at least one public meeting in each of the counties within the designated region. At least one public hearing must be held before the TBARTA Board. (Section 343.922 (3)(c), Florida Statutes)	TBARTA is in the process of developing the RTDP. Anticipated completion is September 2019.
	Present original RTDP and updates to the governing bodies of the counties within the designated region, to the TBARTA MPO Chairs Coordinating Committee, and to the legislative delegation members representing those counties within 90 days after adoption. (Section 343.922 (3)(e), Florida Statutes)	TBARTA is in the process of developing the RTDP. Anticipated completion is September 2019.
	After adoption, the RTDP shall be updated every five years before July 1. (Section 343.922 (3)(d), Florida Statutes)	TBARTA is in the process of developing the RTDP. Anticipated completion is September 2019.
Federal Funds Support of Capital Project	An express purpose of TBARTA is to serve as the recipient of federal funds supporting an intercounty project or an intracounty capital project that represents a phase of an intercounty project that exists in a single county within the designated region. (Section 343.922 (1)(c), Florida Statutes)	TBARTA anticipates that documentation will be complete in September 2018 to enable TBARTA to become a direct receipient of Federal Transit Administration funding.
Commuter Rail, Heavy Rail Transit and Light Rail Transit	An action by TBARTA regarding state funding of commuter rail, heavy rail transit, or light rail transit, requires approval by a majority vote of each MPO serving the counties where such rail transit investment will be made and requires the approval by an act of the Legislature. (Section 343.922 (9)(a), Florida Statutes)	Currently, no action has been taken by TBARTA regarding funding or development of any rail project.
	Conduct feasibility study for any rail project before development of the project or any related contract is issued. The study must be submitted to the Governor, President of the Senate, Speaker of the House of Representatives, and the BOCC of Hernando, Hillsborough, Manatee, Pasco and Pinellas Counties. (Section 343.922 (10), Florida Statutes)	Currently, no action has been taken by TBARTA regarding funding or development of any rail project.
	TBARTA may not engage in any advocacy regarding a referendum, ordinance, legislation, or proposal under consideration by any governmental entity or the Legislature which seeks to approve funding of rail. (Section 343.922 (9)(b), Florida Statutes)	TBARTA indicated that it has not engaged in any prohibited advocacy regarding rail funding.

than 60 days after creation of the authority). Pursuant to Section 343.92 (9), Florida Statutes, the Board evaluated the abolishment, continuance, modification, or establishment of the following committees: Planning, Policy, Finance, Citizens Advisory, TBARTA MPOs Chairs Coordinating, Transit Management, and Technical Advisory. In a letter dated January 8, 2018 (one day before the beginning of the 2018 Regular Legislative Session), the TBARTA Chairman timely advised the President of the Senate and the Speaker of the House of Representatives that all committees be established or continued as listed.

A required Plan to Produce the RTDP (Plan) was timely submitted to the President of the Senate and the Speaker of the House of Representatives on January 8, 2018. The plan was assembled in coordination with stakeholders and partners to ensure the planning process meets the region's public transportation planning needs. The Plan was reviewed by the TBARTA Citizens Advisory Committee and individual members of the TBARTA Transit Management Committee, as well as transit agencies and MPOs in the region. Comments from each agency and TBARTA committees were addressed in the finalized Plan, which was reviewed and approved for submission by the TBARTA Governing Board on December 8, 2017.

TBARTA is currently in the process of developing the RTDP with an estimated completion date of September 2019. As such, the RTDP statutory requirements related to public meetings, public hearings, presentations to affected parties, and plan updates are not yet applicable.

Section 343.922 (1)(c), Florida Statutes, provides that one of the express purposes of TBARTA is to serve as the recipient of federal funds supporting an intercounty project or an intracounty capital project that represents a phase of an intercounty project that exists in a single county within the designated region. TBARTA indicated that they are working with staff at the Pinellas Suncoast Transit Authority (PSTA) to complete the process of becoming a Direct Recipient of Federal Transit Administration (FTA) funding, in order to have direct access to funds allocated to the agency through reporting its vanpool miles to the FTA National Transit Database. The documentation is expected to be complete in September 2018, and project(s) are anticipated to be identified once the Regional Transit Feasibility Plan is complete in October 2018, and additional regional and locally connecting projects are identified through the development of the RTDP.

There are several statutory requirements that can impact TBARTA regarding commuter rail, heavy rail transit and light rail transit projects (Rail Projects). An action by TBARTA regarding state funding of Rail Projects requires approval by a majority vote of each MPO serving the counties where such rail transit investments will be made and requires the approval by an act of the Legislature. TBARTA must also conduct a feasibility study for any rail project before development of the project or any related contract is issued. The study must be submitted to the Governor, President of the Senate, Speaker of the House of Representatives, and the BOCC of Hernando, Hillsborough, Manatee, Pasco, and Pinellas Counties. No action has been taken by the authority regarding funding or development of any rail projects.

Subject to the requirements of Section 106.113, Florida Statutes, TBARTA is also prohibited from engaging in any advocacy regarding a referendum, ordinance, legislation, or proposal under consideration by any governmental entity or the Legislature which seeks to approve funding of rail. In response to an inquiry by Commission staff, TBARTA indicated that it has not engaged in any prohibited advocacy regarding rail funding.

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. In an effort to focus the direction and actions of the agency on successfully identifying, implementing and answering these questions, the TBARTA held two workshops that effectively outlined overarching goals of the agency, and a strategic action plan that includes short-term (one year) and long-term (two to three years) tasks to be undertaken that work toward achieving those goals. In the process, the agency also identified and agreed upon a revised set of guiding principles, a vison, and purpose.

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, and the Pinellas Gateway Expressway. 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 876 thousand gallons of fuel, 3.7 million commuting trips, 750 thousand parking spaces, and 7,700 tons of atmospheric CO2 over the past year. To support the growth of the CAP, a pilot project was conducted last year 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 conducted Phase II of the project, which continued with building ten new partnerships, a revised set of marketing materials, a Commuter Assistance Program Work Plan for 2018. and a Commuter Choices Day event in downtown St. Petersburg, where the City was presented with a Best Workplaces for Commuters award.

For vanpool, the program has grown from 100 vans at the end of last year, to a current fleet count of 126 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.

Since last year, TBARTA has also experienced growth with the Regional School Commute Program from 100 schools in Pinellas and Hillsborough Counties to over 126, 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. The first year of the pilot, TBARTA signed on two schools from Citrus County, and has since signed on two additional schools in Hillsborough.

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 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.

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.

Commuter Vanpool - Community Outreach.

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 also worked with the USF Center for Urban Transportation Research (CUTR) to complete 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.

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.

TBARTA is currently in the process of developing the RTDP with an estimated completion date of September 2019. The 2018 Legislature provided a $1 million appropriation to TBARTA to develop the RTDP. Funding became available on July 1, 2018, and TBARTA is working with the Department's District 7 on timing the encumbrance of the funds. The RTDP will integrate the local Transit Development Plans and Long-Range Transportation Plans of participant counties, and prioritize regionally significant transit projects and facilities. The RTDP will fit within an overlapping and coordinated transit planning process, which will also include the Regional Transit Feasibility Plan, currently led by the Hillsborough Area Regional Transit Authority, to determine priority transit projects for the three-county Tampa Bay Transportation Management Areas of Pasco, Pinellas, and Hillsborough Counties. The RTDP will also build from the efficiency and flow of work completed by the Regional Transit Feasibility Plan, and TBARTA plans to be the agency to adopt and implement this plan as well, to ensure the continuation of the outcomes and determinations once it is completed. Once the Joint Participation Agreement is executed with the Department's District 7, anticipated in August 2018, TBARTA is planning to issue a Request for Proposals (RFP) for the consultant to develop the RTDP. A consultant contract is anticipated to be in place in late September or early October 2018.

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 Enterprise Leasing Company of Florida, LLC (formerly vRide). Enterprise 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 June 22, 2018). 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 2017) 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, 2017 was performed. The Independent Auditors' Report, dated June 27, 2018, 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* identified a deficiency in internal control that was considered to be a material weakness (Finding 2017-001) and the results of audit tests did not disclose instances of noncompliance or other matters required to be reported under *Government Auditing Standards*. Finding (2017-001) indicated that grant accounting procedures involving the allocation of eligible expenditures to TBARTA's federal and state programs were not occurring on a regular and consistent basis, which triggered certain errors during the year-end financial closing process. By not timely submitting requests for reimbursement to grantors, TBARTA has experienced cash flow difficulties. TBARTA responded that it brought on an additional staff person in order to redistribute work tasks, thereby allowing the Office and Financial Administrator to concentrate on timely and accurate processing of agency financials, including timely submission of reimbursements to granting agencies. In the Independent Auditor's Management Letter, the auditors noted that corrective actions have been taken to address two findings and recommendations made in the prior year annual financial report.

Public Records and Open Meetings

The adopted Bylaws (as amended June 22, 2018) require that the Board and Committees of TBARTA comply with the requirements of Chapters 286, 119, 189 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. 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 March 2017, and again in September 2017, TBARTA's Legal Counsel reviewed the Sunshine and Public Records Laws as well as the Code of Ethics with the TBARTA Board.

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 September 2017) 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 2017, 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 2017 independent financial statement audit, dated June 27, 2018, reflected an unmodified opinion. The auditors identified a deficiency in internal control that was considered to be a material weakness. This finding indicated that grant accounting procedures involving the allocation of eligible expenditures to TBARTA's federal and state programs were not occurring on a regular and consistent basis, which triggered certain errors during the year-end financial closing process. By not timely submitting requests for reimbursement to grantors, TBARTA has experienced cash flow difficulties. TBARTA responded that it brought on an additional staff person in order to redistribute work tasks, thereby allowing the Office and Financial Administrator to concentrate on timely and accurate processing of agency financials, including timely submission of reimbursements to granting agencies. In the Independent Auditor's Management Letter, the auditors noted that corrective actions have been taken to address two findings and recommendations made in the prior year annual financial report. TBARTA Legal Counsel provided a briefing to Board members on the Sunshine and Public Records Laws as well as the Code of Ethics in March 2017 and again in September 2017.

Ray Chiaramonte resigned as Executive Director, effective June 22, 2018. Also at its June 22, 2018 meeting, the Board selected Michael Case to be TBARTA's Interim Executive Director in addition to his current responsibilities as TBARTA's Principal Planner and Project Manager. The TBARTA Board revised the Executive Director position description and approved a search for a permanent Executive Director. Currently, a nationwide search is being conducted by an executive recruiting firm, and an ad hoc search committee of board members was established to guide the firm and review candidates. The search is expected to be complete in September or October 2018.

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.

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, 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 (RTDP), 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 (during FY 2017), compliance and operational results reported in this TBARTA chapter of the report are based on the new statutory requirements passed by the 2017 Legislature.

As required, the reconstituted TBARTA Board held their first meeting on August 25, 2017 (no later than 60 days after creation of the authority). On January 8, 2018 (one day before the beginning of the 2018 Regular Legislative Session), TBARTA timely advised the President of the Senate and the Speaker of the House of Representatives that all committees be established or continued as listed. In addition, a required Plan to Produce the RTDP (Plan) was timely submitted on January 8, 2018, to the President of the Senate and the Speaker of the House of Representatives. The Plan was assembled in coordination with stakeholders and partners to ensure the planning process meets the region's public transportation planning needs. Comments from each agency and TBARTA committees were addressed in the finalized Plan, which was reviewed and approved for submission by the TBARTA Governing Board on December 8, 2017.

TBARTA is currently in the process of developing the RTDP with an estimated completion date of September 2019. The 2018 Legislature provided a $1 million appropriation to TBARTA to develop the RTDP. Funding became available on July 1, 2018. The RTDP will integrate the local Transit Development Plans and Long-Range Transportation Plans of participant counties, and prioritize regionally significant transit projects and facilities. The RTDP will fit within an overlapping and coordinated transit planning process, which will also include the Regional Transit Feasibility Plan, currently led by the Hillsborough Area Regional Transit Authority, to determine priority transit projects for the three-county Tampa Bay Transportation Management Areas of Pasco, Pinellas, and Hillsborough Counties. The RTDP will build from the efficiency and flow of work completed by the Regional Transit Feasibility Plan, and TBARTA plans to be the agency to adopt and implement this plan as well, to ensure the continuation of the outcomes and determinations once it is completed. Once the Joint Participation Agreement is executed with the Department's District 7, anticipated in August 2018, TBARTA is planning to issue a Request for Proposals (RFP) for the consultant to develop the RTDP. A consultant contract is anticipated to be in place in late September or early October 2018.

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.

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 fourth 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 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, FY 2017, and FY 2018 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.
- NEFRTC obtained resolutions from Duval, Nassau, and St. Johns Counties adopting the RMTP. However, a resolution endorsing the RMTP is required by Clay County prior to November 30, 2018 or NEFRTC will be repealed.

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 62 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 62
Northeast Florida Regional Transportation
Current Commission Members

Name	*Affiliation*	*Position*
James Bennett	Baker County	Chairman
Chip Liabl	Putnam County	Vice Chairman
Bill Bishop	Duval County	Treasurer
Lindsey Brock	Duval County	Secretary
Doug Conkey	Clay County	Commission Member
James Johns	St. Johns County	Commission Member
Ennis Davis	Duval County	Commission Member
Danny Leeper	Nassau County	Commission Member
Bill Gulliford	Duval 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, 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 served 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 63 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. Meetings are held at the North Florida TPO in

Table 63
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, December 14, 2016, and January 24, 2018 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, FY 2017, and FY 2018 per capita assessments of 21.28 cents (11.20 cents for Duval) were adopted in September 2014, September 2015, September 2016, and September 2017, respectively. The FY 2018 budget of $429 thousand includes a balance carryforward of $214 thousand from FY 2017.
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 2016).
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, Baker, Duval, Nassau, and St. Johns Counties have formally adopted a resolution endorsing the RMTP. Unless Clay County adopts a resolution endorsing the RMTP, prior to November 30, 2018, NEFRTC will sunset (be repealed).
	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.

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, FY 2017, and FY 2018 per capita assessments of 21.28 cents (11.20 cents for Duval) were adopted in September 2014, September 2015, September 2016, and September 2017, respectively. The FY 2018 budget of $429 thousand includes a balance carry-forward of $214 thousand from FY 2017. 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 made to 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. NEFRTC indicated that currently, four of the six constituent counties (Baker, Duval, Nassau, and St. Johns Counties) have formally adopted the RMTP resolution. Clay County and Putnam County have not yet adopted the RMTP resolution. A resolution endorsing the RMTP is required by Clay County prior to November 30, 2018 or NEFRTC will sunset (be repealed). NEFRTC indicated that the NEFRTC Board is engaged in a decision-making process about the future of the authority. The Board is well aware of the sunset provisions of Chapter 343, Florida Statutes, and is taking the action needed to comply.

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. The RTAP includes short-term low-cost improvements in communication, coordination, training, grant writing, and pricing across all transit providers in the region. Mid-term projects include expanding technology and marketing to increase efficiency and awareness, shared vehicles and driver training, as well as new and more frequent services. 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.

In May 2018, JTA and NEFRTC issued the *Regional Fare Collection Best Practices and Feasibility Study Report* (Regional Fare Study), that provides recommended steps to develop a coordinated regional fare system in Northeast Florida that will allow customers to easily move across county lines with a single payment transaction.

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 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. 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 briefs new Board members on the NEFRTC Ethics and Conflict of Interest Policy and public meetings 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 and two of the nine Board members serve on other public boards. 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, 2017 was performed. This is the fourth audit of NEFRTC. The Independent Auditor's Report, dated March 28, 2018, 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

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 and agendas of public 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 $199 thousand in FY 2017. NEFRTC had only one staff member in FY 2017, 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 2017. Work being done on behalf of NEFRTC in FY 2017 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, FY 2017, and FY 2018 budgets totaling $215 thousand, $368 thousand, $450 thousand, $435 thousand, and $429 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, a balance carry-forward of $220 thousand from FY 2016 is included in the FY 2017 budget. and a balance carry-forward of $214 thousand from FY 2017 is included in the FY 2018 budget.

NEFRTC has only one staff member, an Executive Director, who is retained under a contract for services. Effective April 17, 2017, the NEFRTC Board selected Alan Mosley to serve as its new Executive Director. The Board amended its contract with the previous Executive Director, Joe 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.

As previously noted, 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 has obtained resolutions from Duval, Nassau, and St. Johns Counties formally adopting the RMTP. However, a resolution endorsing the RMTP is required by Clay County prior to November 30, 2018 or NEFRTC will be repealed. NEFRTC indicated that the NEFRTC Board is engaged in a decision-making process about the future of the authority. The Board is aware of the sunset provisions of Chapter 343, Florida Statutes, and is taking the action needed to comply.

In the area of governance, the FY 2017 independent financial statement audit, dated March 28, 2018, reflected an unmodified opinion. This is the fourth 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 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. The FTC recommends that NEFRTC obtain a legal opinion as to the sufficiency of any resolutions adopted by Clay, Duval, Nassau, and St. Johns Counties regarding the RMTP and if adequate funding sources to carry out the initial phases of the RMTP have been secured in order to determine compliance with the November 30, 2018 sunset provision of NEFRTC in its enabling legislation.

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PLAN FOR FISCAL YEAR 2018

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Plan for Fiscal Year 2018

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 2018 performance measures, management objectives, operating indicators, governance areas, and reporting format during scheduled teleconferences and/or workshops. Activities for FY 2018 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 2018 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 2018 legislature to identify any legislative changes that may affect its oversight role. During the summer and fall of 2018, 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 2019 legislature that provides the status and findings of transportation authorities under its oversight.

APPENDIX A—AUTHORITY DATA

Performance Measures Florida Transportation Commission 2017

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	2013	2014	2015	2016	2017
Growth in Value of Transportation Assets		$ 1,287,972,802	$ 1,383,016,309	$ 1,490,859,958	$ 1,579,534,220	$ 1,759,393,394
Land Acquisition		316,865,423	324,145,357	484,223,266	495,900,171	585,882,837
Infrastructure Assets		517,094,675	496,325,419	588,263,886	615,416,142	865,705,147
Construction in Progress		454,012,704	562,545,533	418,372,806	468,217,907	307,805,410
Preservation of Transportation Assets		$ 5,887,349	$ 6,396,521	$ 6,843,241	$ 7,001,683	$ 6,773,420
Renewal & Replacement of Infrastructure		-	-	-	-	-
Routine Maintenance of Infrastructure		5,887,349	6,396,521	6,843,241	7,001,683	6,773,420
SHS Maintenance Rating Program (MRP) Rating	≥ 90	92.2	92.6	91.0	92.3	91.3
Pavement Condition Rating						
SHS Lane Miles rated "excellent or good"	> 85%	91.4%	95.6%	92.9%	95.2%	94.5%
Bridge Condition Rating						
Bridge Structures rated "excellent or good"	> 95%	97.6%	98.3%	99.1%	99.1%	99.3%
SHS Bridge Structures with posted weight restrictions	0%	0.0%	0.0%	0.0%	0.0%	0.0%
Toll Collection Transactions						
Electronic Transactions		96.2%	97.9%	99.6%	100.0%	100.0%
Revenue from Electronic Transactions		85.3%	92.9%	90.1%	100.0%	100.0%
Annual Revenue Growth						
Toll & Operating Revenue		9.7%	-4.0%	41.2%	28.3%	1.0%
Revenue Variance						
Actual Revenue with "recovery of fines"		98.1%	88.5%	92.7%	95.3%	91.1%
Actual Revenue without "recovery of fines"		98.0%	88.3%	90.6%	90.3%	91.0%
Actual Revenue without "recovery of fines" (3-year moving average)	< 4% (96%)	96.7%	93.5%	92.0%	89.9%	90.7%
Safety						
MRP Safety Characteristic - Signing	> 90	94	97	90	92	95
MRP Safety Characteristic - Striping	> 95	89	89	88	90	84
MRP Safety Characteristic - Guardrail	> 80	87	91	86	84	82
MRP Safety Characteristic - Lighting	> 85	82	85	79	81	78
Fatalities per 100 million vehicle miles		0.817	0.266	0.781	0.086	N/A
Customer Service						
Average Customer Call Wait Time	> 80% within 1 min.	N/A	N/A	N/A	81.0%	89.4%
Image Review Processing Time	> 90% reviewed in < 2 weeks	N/A	N/A	N/A	99.3%	64.5%

Operations & Budget:

	Objective	2013	2014	2015	2016	2017
Consultant Contracts						
Final Cost % increase above Original Award	< 5%	13.3%	N/A	3.5%	0.0%	20.8%
Construction Contracts						
Completed within 20% above original contract time	≥ 80%	100.0%	N/A	100.0%	80.0%	0.0%
Completed within 10% above original contract amount	≥ 90%	100.0%	N/A	100.0%	100.0%	50.0%
Cost to Collect a Toll Transaction						
Cost to Collect a Transaction (net of exclusions)		$0.03	$0.06	$0.06	$0.05	$0.04
Operating Efficiency						
Toll Collection Expense as a % of Operating Expense		29.6%	35.6%	43.7%	46.8%	43.5%
Routine Maintenance Expense as a % of Operating Expense		10.4%	9.7%	9.2%	8.4%	7.7%
Administrative Expense as a % of Operating Expense		9.1%	10.2%	8.0%	9.2%	8.6%
Operating Expense as a % of Operating Revenue		41.6%	50.9%	40.7%	35.2%	37.0%
Toll Collection Expense (net of exclusions) as a % of Toll Revenue	< 12%	5.6%	11.3%	10.4%	10.5%	9.9%
Annual OM&A Forecast Variance						
Actual OM&A Expenses to Annual Budget	< 110%	77.9%	91.6%	95.2%	96.6%	95.5%
Rating Agency Performance						
Operations & Maintenance Expense as a % of Total Revenue		16.7%	23.0%	21.5%	19.4%	18.9%

Performance Measures Florida Transportation Commission 2017

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	2013	2014	2015	2016	2017
Minority Participation						
M/WBE & SBE Utilization as a % of Total Expenditures	> 90% of agency target:	22.6%	13.6%	12.3%	10.9%	9.9%

Revenue Management & Bond Proceeds:

	Objective	2013	2014	2015	2016	2017
Debit Service Coverage						
Bonded/Commercial Debt ((Rev-Interest)-(Toll+Maint))/Comm Debt		1.50	1.59	2.27	2.20	2.01
Comprehensive Debt ((Rev-Interest)-(Toll+Maint))/All Debt		1.34	1.42	2.10	1.86	2.01
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	No	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	A2	A2
Fitch Bond Rating		A-	A-	A	A	A

Property Acquisition:

	Objective	2013	2014	2015	2016	2017
Right-of-Way						
# Projects Requiring ROW Acquisition		N/A	N/A	N/A	3	3
# Parcels Needed to be Acquired for Projects		N/A	N/A	N/A	20	44
# Parcels Acquired via Negotiations		N/A	N/A	N/A	19	11
# Parcels Acquired via Condemnation		N/A	N/A	N/A	1	33
# Parcels Acquired with Final Judgements at or Less than one half the range of contention		N/A	N/A	N/A	-	8

Performance Measures Florida Transportation Commission 2017

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	2013	2014	2015	2016	2017
Growth in Value of Transportation Assets		$ 3,304,344,000	$ 3,423,945,000	$ 3,597,288,000	$ 3,799,865,000	$ 4,088,061,000
Land Acquisition		655,588,000	658,362,000	657,301,000	657,379,000	704,091,000
Infrastructure Assets		2,509,704,000	2,535,425,000	2,610,985,000	2,707,363,000	2,768,014,000
Construction in Progress		139,052,000	230,158,000	329,002,000	435,123,000	615,956,000
Preservation of Transportation Assets		$ 14,476,000	$ 14,770,000	$ 18,394,000	$ 29,566,000	$ 37,565,000
Renewal & Replacement of Infrastructure		880,000	468,000	3,975,000	15,964,000	22,447,000
Routine Maintenance of Infrastructure		13,596,000	14,302,000	14,419,000	13,602,000	15,118,000
SHS Maintenance Rating Program (MRP) Rating	> 90	93.0	90.0	90.0	89.0	92.0
Pavement Condition Rating						
SHS Lane Miles rated "excellent or good"	> 85%	97.7%	98.0%	98.0%	93.0%	93.9%
Bridge Condition Rating						
Bridge Structures rated "excellent or good"	> 95%	99.3%	99.3%	99.3%	98.6%	98.7%
SHS Bridge Structures with posted weight restrictions	0%	0.0%	0.0%	0.0%	0.0%	0.0%
Toll Collection Transactions						
Electronic Transactions		79.2%	80.3%	81.4%	82.8%	84.5%
Revenue from Electronic Transactions		75.6%	76.9%	78.1%	79.4%	81.1%
Annual Revenue Growth						
Toll & Operating Revenue		13.8%	7.2%	10.3%	11.6%	8.3%
Revenue Variance						
Actual Revenue with "recovery of fines"		99.0%	98.9%	98.7%	98.1%	99.0%
Actual Revenue without "recovery of fines"		97.9%	97.6%	97.1%	96.2%	97.3%
Actual Revenue without "recovery of fines" (3-year moving average)	< 4% (96%)	97.9%	97.9%	97.5%	96.9%	96.9%
Safety						
MRP Safety Characteristic - Signing	> 90	91	94	90	93	94
MRP Safety Characteristic - Striping	> 95	97	98	98	98	98
MRP Safety Characteristic - Guardrail	> 80	99	87	94	89	86
MRP Safety Characteristic - Lighting	> 85	98	89	95	92	97
Fatalities per 100 million vehicle miles		0.217	0.201	0.261	0.343	N/A
Customer Service						
Average Customer Call Wait Time	> 80% within 1 min.	N/A	N/A	N/A	52.8%	78.8%
Image Review Processing Time	> 90% reviewed in < 2 weeks	100.0%	100.0%	100.0%	100.0%	100.0%

Operations & Budget:

	Objective	2013	2014	2015	2016	2017
Consultant Contracts						
Final Cost % increase above Original Award	< 5%	0.5%	16.3%	-2.6%	8.9%	-6.1%
Construction Contracts						
Completed within 20% above original contract time	≥ 80%	88.2%	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	$0.10	$0.10	$0.09	$0.10
Operating Efficiency						
Toll Collection Expense as a % of Operating Expense		43.9%	46.3%	46.2%	43.6%	42.4%
Routine Maintenance Expense as a % of Operating Expense		17.5%	18.7%	17.8%	14.6%	13.8%
Administrative Expense as a % of Operating Expense		7.1%	6.6%	6.9%	6.9%	6.5%
Operating Expense as a % of Operating Revenue		25.6%	23.5%	22.5%	23.3%	25.2%
Toll Collection Expense (net of exclusions) as a % of Toll Revenue	< 12%	11.2%	11.0%	10.5%	9.7%	10.5%
Annual OM&A Forecast Variance						
Actual OM&A Expenses to Annual Budget	< 110%	95.6%	95.3%	95.8%	89.5%	89.0%
Rating Agency Performance						
Operations & Maintenance Expense as a % of Total Revenue		15.7%	15.3%	14.4%	13.6%	14.2%

Performance Measures Florida Transportation Commission 2017

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	2013	2014	2015	2016	2017
Minority Participation						
M/WBE & SBE Utilization as a % of Total Expenditures	> 90% of agency target:	25.0%	20.0%	8.2%	21.4%	

Revenue Management & Bond Proceeds:

	Objective	2013	2014	2015	2016	2017
Debit Service Coverage						
Bonded/Commercial Debt ((Rev-Interest)-(Toll+Maint))/Comm Debt		1.94	1.98	2.19	2.41	2.26
Comprehensive Debt ((Rev-Interest)-(Toll+Maint))/All Debt		1.74	1.62	1.81	2.08	2.00
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		A2	A2	A2	A2	A2
Fitch Bond Rating		A	A	A	A	A

Property Acquisition:

	Objective	2013	2014	2015	2016	2017
Right-of-Way						
# Projects Requiring ROW Acquisition		1	1	3	3	1
# Parcels Needed to be Acquired for Projects		98	114	39	2	1
# Parcels Acquired via Negotiations		2	4	9	6	1
# Parcels Acquired via Condemnation		-	29	80	24	-
# Parcels Acquired with Final Judgements at or Less than one half the range of contention		1	1	16	23	18

Performance Measures Florida Transportation Commission 2017

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	2013	2014	2015	2016	2017
Growth in Value of Transportation Assets[1]		$ -	$ -	$ -	$ -	$ -
Land Acquisition[1]		-	-	-	-	-
Infrastructure Assets[1]		-	-	-	-	-
Construction in Progress[1]		-	-	-	-	-
Preservation of Transportation Assets		$ 147,529	$ 159,215	$ 101,639	$ 81,982	$ 141,432
Renewal & Replacement of Infrastructure		-	-	-	-	-
Routine Maintenance of Infrastructure		147,529	159,215	101,639	81,982	141,432
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		38.5%	39.2%	42.7%	43.6%	49.2%
Revenue from Electronic Transactions		34.8%	36.1%	39.3%	41.0%	46.5%
Annual Revenue Growth						
Toll & Operating Revenue		3.1%	10.3%	8.2%	12.1%	13.1%
Revenue Variance						
Actual Revenue with "recovery of fines"		98.5%	98.5%	98.3%	98.5%	98.1%
Actual Revenue without "recovery of fines"		98.5%	98.5%	98.3%	98.5%	98.1%
Actual Revenue without "recovery of fines" (3-year moving average)	< 4% (96%)	97.6%	98.4%	98.4%	98.5%	98.3%
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	2013	2014	2015	2016	2017
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)		$0.63	$0.58	$0.61	$0.54	$0.47
Operating Efficiency						
Toll Collection Expense as a % of Operating Expense		86.6%	85.2%	90.9%	75.6%	51.1%
Routine Maintenance Expense as a % of Operating Expense		12.9%	13.4%	8.2%	5.6%	6.4%
Administrative Expense as a % of Operating Expense		0.0%	0.0%	0.0%	0.0%	0.0%
Operating Expense as a % of Operating Revenue		24.1%	22.8%	21.9%	23.0%	30.8%
Toll Collection Expense (net of exclusions) as a % of Toll Revenue	< 12%	17.3%	16.0%	16.9%	14.7%	13.0%
Annual OM&A Forecast Variance						
Actual OM&A Expenses to Annual Budget	< 110%	96.2%	98.5%	102.4%	94.1%	97.5%
Rating Agency Performance						
Operations & Maintenance Expense as a % of Total Revenue		24.0%	22.5%	21.7%	18.7%	17.7%

Performance Measures Florida Transportation Commission 2017

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	2013	2014	2015	2016	2017
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	2013	2014	2015	2016	2017
Debit Service Coverage						
Bonded/Commercial Debt ((Rev-Interest)-(Toll+Maint))/Comm Debt		0.44	0.46	0.47	0.52	0.55
Comprehensive Debt ((Rev-Interest)-(Toll+Maint))/All Debt		0.44	0.46	0.47	0.52	0.55
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		Withdrawn	Withdrawn	Withdrawn	Withdrawn	Withdrawn
Moody's Bond Rating		Withdrawn	Withdrawn	Withdrawn	Withdrawn	Withdrawn
Fitch Bond Rating		Withdrawn	Withdrawn	Withdrawn	Withdrawn	Withdrawn

Property Acquisition:

	Objective	2013	2014	2015	2016	2017
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 compilation was prepared. All other data based on the State FY (July 1 through June 30).

Performance Measures Florida Transportation Commission 2017

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	2013	2014	2015	2016	2017
Growth in Value of Transportation Assets		$ 721,525,797	$ 732,549,211	$ 734,636,444	$ 738,393,702	$ 757,526,584
Land Acquisition		91,037,064	91,037,064	91,037,064	91,037,064	91,037,064
Infrastructure Assets		532,859,869	608,438,947	639,706,213	639,731,641	639,731,641
Construction in Progress		97,628,864	33,073,200	3,893,167	7,624,997	26,757,879
Preservation of Transportation Assets		$ 4,176,449	$ 2,992,131	$ 4,069,533	$ 3,795,988	$ 8,438,064
Renewal & Replacement of Infrastructure		1,552,155	224,878	1,150,214	870,896	5,498,870
Routine Maintenance of Infrastructure		2,624,294	2,767,253	2,919,319	2,925,092	2,939,194
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%	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		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		-2.7%	7.9%	51.2%	17.5%	8.7%
Revenue Variance						
Actual Revenue with "recovery of fines"		97.2%	96.5%	96.8%	97.7%	96.6%
Actual Revenue without "recovery of fines"		97.2%	96.5%	96.8%	97.7%	96.6%
Actual Revenue without "recovery of fines" (3-year moving average)	< 4% (96%)	97.5%	97.0%	96.8%	97.1%	97.0%
Safety						
MRP Safety Characteristic - Signing	> 90	90	94	88	91	90
MRP Safety Characteristic - Striping	> 95	90	91	91	90	100
MRP Safety Characteristic - Guardrail	> 80	93	93	91	89	89
MRP Safety Characteristic - Lighting	> 85	92	89	88	86	75
Fatalities per 100 million vehicle miles traveled		0.355	0.000	0.298	0.558	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	100.0%	100.0%

Operations & Budget:

	Objective	2013	2014	2015	2016	2017
Consultant Contracts						
Final Cost % increase above Original Award	< 5%	-8.3%	-0.2%	-8.5%	-27.2%	N/A
Construction Contracts						
Completed within 20% above original contract time	≥ 80%	100.0%	100.0%	100.0%	100.0%	N/A
Completed within 10% above original contract amount	≥ 90%	100.0%	100.0%	100.0%	100.0%	N/A
Cost to Collect a Toll Transaction						
Cost to Collect a Transaction (net of exclusions)		$0.11	$0.08	$0.08	$0.08	$0.08
Operating Efficiency						
Toll Collection Expense as a % of Operating Expense		33.8%	34.4%	34.7%	34.8%	25.4%
Routine Maintenance Expense as a % of Operating Expense		20.5%	23.9%	21.9%	20.5%	15.0%
Administrative Expense as a % of Operating Expense		22.0%	27.5%	25.5%	26.4%	23.0%
Operating Expense as a % of Operating Revenue		30.6%	25.6%	19.5%	17.8%	22.5%
Toll Collection Expense (net of exclusions) as a % of Toll Revenue	< 12%	8.2%	6.8%	5.3%	5.4%	5.2%
Annual OM&A Forecast Variance						
Actual OM&A Expenses to Annual Budget	< 110%	84.1%	95.4%	99.4%	93.9%	93.1%
Rating Agency Performance						
Operations & Maintenance Expense as a % of Total Revenue		16.6%	15.0%	11.1%	9.9%	9.1%

Performance Measures Florida Transportation Commission 2017

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	2013	2014	2015	2016	2017
Minority Participation						
M/WBE & SBE Utilization as a % of Total Expenditures	> 90% of agency target:	12.0%	15.0%	15.4%	17.8%	18.0%

Revenue Management & Bond Proceeds:

	Objective	2013	2014	2015	2016	2017
Debit Service Coverage						
Bonded/Commercial Debt ((Rev-Interest)-(Toll+Maint))/Comm Debt		1.93	1.94	2.81	3.10	3.18
Comprehensive Debt ((Rev-Interest)-(Toll+Maint))/All Debt		1.55	1.76	2.68	2.86	3.00
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	A2	A2
Fitch Bond Rating		-	-	-	-	-

Property Acquisition:

	Objective	2013	2014	2015	2016	2017
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 2017

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	2013	2014	2015	2016	2017
Growth in Value of Transportation Assets		$ 7,947,248,000	$ 8,782,318,000	$ 9,138,235,000	$ 9,540,757,000	$ 10,038,736,000
Land Acquisition		866,624,000	892,855,000	903,572,000	924,181,000	951,869,000
Buildings		48,981,000	60,367,000	60,367,000	68,753,000	68,753,000
Infrastructure Assets		6,432,812,000	6,878,491,000	7,224,909,000	7,629,841,000	7,811,666,000
Construction in Progress		598,831,000	950,605,000	949,387,000	917,982,000	1,206,448,000
Preservation of Transportation Assets		$ 117,809,000	$ 98,925,000	$ 98,352,000	$ 107,453,000	$ 123,129,000
Renewal & Replacement of Infrastructure		81,912,000	62,684,000	59,249,000	64,578,000	76,839,000
Routine Maintenance of Infrastructure		35,897,000	36,241,000	39,103,000	42,875,000	46,290,000
SHS Maintenance Rating Program (MRP) Rating	> 90	88.0	89.0	88.0	88.0	88.0
Pavement Condition Rating						
SHS Lane Miles rated "excellent or good"	> 85%	97.2%	99.9%	99.9%	98.4%	97.1%
Bridge Condition Rating						
Bridge Structures rated "excellent or good"	> 95%	100.0%	98.6%	98.8%	99.2%	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		84.2%	86.5%	89.9%	91.2%	91.9%
Revenue from Electronic Transactions		79.9%	82.0%	85.4%	87.2%	88.9%
Annual Revenue Growth						
Toll & Operating Revenue		23.6%	5.5%	9.5%	10.3%	5.8%
Revenue Variance						
Actual Revenue with "recovery of fines"		95.5%	95.8%	94.6%	94.1%	95.1%
Actual Revenue without "recovery of fines"		94.6%	95.3%	94.4%	93.9%	95.1%
Actual Revenue without "recovery of fines" (3-year moving average)	< 4% (96%)	94.8%	95.1%	94.8%	94.5%	94.5%
Safety						
MRP Safety Characteristic - Signing	> 90	92	89	88	90	83
MRP Safety Characteristic - Striping	> 95	97	96	98	92	94
MRP Safety Characteristic - Guardrail	> 80	79	71	77	78	75
MRP Safety Characteristic - Lighting	> 85	68	75	71	62	63
Fatalities per 100 million vehicle miles		0.523	0.462	0.493	0.589	N/A
Customer Service						
Average Customer Call Wait Time	> 80% within 1 min.	N/A	N/A	N/A	N/A	67.2%
Image Review Processing Time	> 90% reviewed in < 2 weeks	N/A	N/A	N/A	N/A	100.0%

Operations & Budget:

	Objective	2013	2014	2015	2016	2017
Consultant Contracts						
Final Cost % increase above Original Award	< 5%	N/A	22.6%	40.9%	24.9%	20.0%
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%	80.0%	100.0%	100.0%
Cost to Collect a Toll Transaction						
Cost to Collect a Transaction (net of exclusions)		$0.136	$0.129	$0.117	$0.114	$0.113
Operating Efficiency						
Toll Collection Expense as a % of Operating Expense		45.5%	49.1%	50.8%	48.8%	44.2%
Routine Maintenance Expense as a % of Operating Expense		12.8%	13.7%	14.4%	14.0%	12.6%
Administrative Expense as a % of Operating Expense		0.0%	0.0%	0.0%	0.0%	0.0%
Operating Expense as a % of Operating Revenue		36.3%	32.3%	30.4%	31.0%	35.0%
Toll Collection Expense (net of exclusions) as a % of Toll Revenue	< 12%	12.7%	12.0%	11.0%	10.6%	10.4%
Annual OM&A Forecast Variance						
Actual OM&A Expenses to Annual Budget	< 110%	93.1%	97.6%	107.1%	101.9%	102.9%
Rating Agency Performance						
Operations & Maintenance Expense as a % of Total Revenue		21.1%	20.3%	19.8%	19.5%	19.9%

Performance Measures Florida Transportation Commission 2017

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	2013	2014	2015	2016	2017
Minority Participation						
M/WBE & SBE Utilization as a % of Total Expenditures	> 90% of agency target:	8.5%	8.7%	6.6%	7.6%	11.0%

Revenue Management & Bond Proceeds:

	Objective	2013	2014	2015	2016	2017
Debit Service Coverage						
Bonded/Commercial Debt ((Rev-Interest)-(Toll+Maint))/Comm Debt		2.51	2.72	2.83	3.04	3.25
Comprehensive Debt ((Rev-Interest)-(Toll+Maint))/All Debt		2.43	2.61	2.69	2.87	2.53
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	Aa2	Aa2
Fitch Bond Rating		AA-	AA-	AA-	AA-	AA

Property Acquisition:

	Objective	2013	2014	2015	2016	2017
Right-of-Way						
# Projects Requiring ROW Acquisition		2	2	3	4	6
# Parcels Needed to be Acquired for Projects		12	-	-	191	100
# Parcels Acquired via Negotiations		3	9	16	60	68
# Parcels Acquired via Condemnation		-	-	-	9	32
# Parcels Acquired with Final Judgements at		-	-	-	-	14

Performance Measures Florida Transportation Commission 2017

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	2013	2014	2015	2016	2017
Growth in Value of Transportation Assets		$ 220,944,529	$ 234,866,228	$ 235,169,835	$ 235,448,713	$ 235,871,551
Land Acquisition		663,168	663,168	663,168	663,168	663,168
Infrastructure Assets		142,468,269	230,687,186	233,568,246	234,247,883	234,589,139
Construction in Progress		77,813,092	3,515,874	938,421	537,662	619,244
Preservation of Transportation Assets		$ 858,240	$ 2,238,398	$ 385,721	$ 880,806	$ 1,377,001
Renewal & Replacement of Infrastructure		562,144	1,868,725	66,024	644,249	1,100,568
Routine Maintenance of Infrastructure		296,096	369,673	319,697	236,557	276,433
SHS Maintenance Rating Program (MRP) Rating	> 90	91.0	94.0	86.0	83.0	85.0
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%	92.3%	92.3%	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		64.8%	64.1%	74.1%	75.9%	76.1%
Revenue from Electronic Transactions		56.7%	61.6%	64.3%	67.0%	66.8%
Annual Revenue Growth						
Toll & Operating Revenue		0.5%	14.3%	14.2%	32.3%	-3.7%
Revenue Variance						
Actual Revenue with "recovery of fines"		99.2%	98.3%	98.7%	97.2%	97.2%
Actual Revenue without "recovery of fines"		99.1%	98.2%	98.7%	97.1%	97.2%
Actual Revenue without "recovery of fines" (3-year moving average)	< 4% (96%)	98.9%	98.8%	98.6%	97.9%	97.6%
Safety						
MRP Safety Characteristic - Signing	> 90	96	97	81	74	77
MRP Safety Characteristic - Striping	> 95	75	60	67	77	73
MRP Safety Characteristic - Guardrail	> 80	90	84	91	89	86
MRP Safety Characteristic - Lighting	> 85	100	78	100	67	100
Fatalities per 100 million vehicle miles		0.000	0.000	3.395	0.000	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	2013	2014	2015	2016	2017
Consultant Contracts						
Final Cost % increase above Original Award	< 5%	N/A	-2.0%	-35.1%	N/A	-3.2%
Construction Contracts						
Completed within 20% above original contract time	≥ 80%	N/A	100.0%	N/A	N/A	100.0%
Completed within 10% above original contract amount	≥ 90%	N/A	100.0%	N/A	N/A	100.0%
Cost to Collect a Toll Transaction						
Cost to Collect a Transaction (net of exclusions)		$0.28	$0.24	$0.23	$0.24	$0.25
Operating Efficiency						
Toll Collection Expense as a % of Operating Expense		58.2%	42.4%	63.7%	60.5%	59.3%
Routine Maintenance Expense as a % of Operating Expense		7.9%	6.7%	7.7%	5.3%	5.7%
Administrative Expense as a % of Operating Expense		18.5%	14.6%	16.1%	13.8%	12.4%
Operating Expense as a % of Operating Revenue		23.5%	30.6%	20.1%	16.2%	18.5%
Toll Collection Expense (net of exclusions) as a % of Toll Revenue	< 12%	11.8%	11.1%	11.4%	8.7%	9.7%
Annual OM&A Forecast Variance						
Actual OM&A Expenses to Annual Budget	< 110%	95.5%	104.3%	99.7%	97.9%	95.3%
Rating Agency Performance						
Operations & Maintenance Expense as a % of Total Revenue		15.5%	15.0%	14.4%	10.7%	12.0%

Performance Measures Florida Transportation Commission 2017

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	2013	2014	2015	2016	2017
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	2013	2014	2015	2016	2017
Debit Service Coverage						
Bonded/Commercial Debt ((Rev-Interest)-(Toll+Maint))/Comm Debt		1.39	1.16	1.47	1.43	1.35
Comprehensive Debt ((Rev-Interest)-(Toll+Maint))/All Debt		1.39	1.16	1.47	1.43	1.35
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	2013	2014	2015	2016	2017
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 2017

Five Year Trend for Toll Authority Performance Measures and Reportable Indicators

Toll Authority Name: OSCEOLA COUNTY EXPRESSWAY AUTHORITY (OCX)

Official Reporting Period: July 1 through June 30

Operations:

	Objective	2013	2014	2015	2016	2017
Growth in Value of Transportation Assets		$ 2,883,338	$ 19,779,425	$ 58,998,802	$ 81,611,878	$ 84,032,278
Land Acquisition		-	-	-	-	-
Infrastructure Assets		-	-	-	55,526,884	81,732,278
Construction in Progress		2,883,338	19,779,425	58,998,802	26,084,994	2,300,000
Preservation of Transportation Assets		$ -	$ -	$ -	$ 11,250	$ 128,984
Renewal & Replacement of Infrastructure		-	-	-	-	-
Routine Maintenance of Infrastructure		-	-	-	11,250	128,984
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%	N/A	N/A	N/A	100.0%	100.0%
Bridge Condition Rating						
Bridge Structures rated "excellent or good"	> 95%	N/A	N/A	N/A	100.0%	100.0%
SHS Bridge Structures with posted weight restrictions	0%	N/A	N/A	N/A	0.0%	0.0%
Toll Collection Transactions						
Electronic Transactions		N/A	N/A	N/A	100.0%	100.0%
Revenue from Electronic Transactions		N/A	N/A	N/A	100.0%	100.0%
Annual Revenue Growth						
Toll & Operating Revenue		N/A	N/A	N/A	100.0%	2181.6%
Revenue Variance						
Actual Revenue with "recovery of fines"		N/A	N/A	N/A	99.4%	86.3%
Actual Revenue without "recovery of fines"		N/A	N/A	N/A	99.4%	86.3%
Actual Revenue without "recovery of fines" (3-year moving average)	< 4% (96%)	N/A	N/A	N/A	N/A	N/A
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		N/A	N/A	N/A	0.000	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	2013	2014	2015	2016	2017
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	100.0%	N/A
Completed within 10% above original contract amount	≥ 90%	N/A	N/A	N/A	100.0%	N/A
Cost to Collect a Toll Transaction						
Cost to Collect a Transaction (net of exclusions)		N/A	N/A	N/A	$0.15	$0.09
Operating Efficiency						
Toll Collection Expense as a % of Operating Expense		N/A	N/A	N/A	1.6%	9.0%
Routine Maintenance Expense as a % of Operating Expense		N/A	N/A	N/A	1.5%	6.2%
Administrative Expense as a % of Operating Expense		2.2%	9.8%	10.8%	76.9%	11.5%
Operating Expense as a % of Operating Revenue		N/A	N/A	N/A	482.0%	56.7%
Toll Collection Expense (net of exclusions) as a % of Toll Revenue	< 12%	N/A	N/A	N/A	7.8%	5.1%
Annual OM&A Forecast Variance						
Actual OM&A Expenses to Annual Budget	< 110%	N/A	N/A	N/A	114.3%	15.4%
Rating Agency Performance						
Operations & Maintenance Expense as a % of Total Revenue		N/A	N/A	N/A	14.8%	8.7%

Performance Measures Florida Transportation Commission 2017

Five Year Trend for Toll Authority Performance Measures and Reportable Indicators

Toll Authority Name: OSCEOLA COUNTY EXPRESSWAY AUTHORITY (OCX)

Official Reporting Period: July 1 through June 30

Applicable Laws:

	Objective	2013	2014	2015	2016	2017
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	2013	2014	2015	2016	2016
Debit Service Coverage						
Bonded/Commercial Debt ((Rev-Interest)-(Toll+Maint))/Comm Debt		N/A	N/A	N/A	1.87	1.32
Comprehensive Debt ((Rev-Interest)-(Toll+Maint))/All Debt		N/A	N/A	N/A	1.87	1.32
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	No	No	No	No	No
Underlying Bond Ratings from Agencies						
S&P Bond Rating		BBB-	BBB-	BBB-	BBB-	BBB-
Moody's Bond Rating		N/A	N/A	N/A	N/A	N/A
Fitch Bond Rating		N/A	N/A	N/A	N/A	N/A

Property Acquisition:

	Objective	2013	2014	2015	2016	2017
Right-of-Way						
# Projects Requiring ROW Acquisition		1	-	-	-	-
# Parcels Needed to be Acquired for Projects		-	-	-	-	-
# Parcels Acquired via Negotiations		-	-	-	-	-
# Parcels Acquired via Condemnation		-	-	-	-	-
# Parcels Acquired with Final Judgements at		6	-	-	-	-

Performance Measures Florida Transportation Commission 2017

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	2013	2014	2015	2016	2017
Unlinked Passenger Trips Per Revenue Hour						
(Passenger trips divided by revenue hours)	>26.9	27.4	27.2	26.0	23.7	22.1
Operating Expense Per Revenue Mile						
Operating expense divided by revenue miles	<$6.31	$ 6.40	$ 6.67	$ 6.51	$ 6.41	$ 6.96
Operating Expense Per Revenue Hour						
Operating expense divided by revenue hours	<$89.29	$ 88.05	$ 91.07	$ 88.43	$ 87.59	$ 93.40
Operating Expense Per Passenger Trip						
Operating expenses divided by annual ridership	<$3.57	$ 3.22	$ 3.34	$ 3.40	$ 3.69	$ 4.23
Operating Expense Per Passenger Mile						
Operating expenses divided by passenger miles	<$0.56	$ 0.58	$ 0.60	$ 0.59	$ 0.65	$ 0.74
Farebox Recovery Ratio						
Passenger fares divided by operating expenses	>27.6%	29.9%	28.3%	27.5%	25.5%	21.9%
Revenue Miles Between Safety Incidents						
Revenue miles divided by safety incidents	>5% above 2009 (124,513)	140,473	131,498	132,067	134,915	188,889
Revenue Miles Between Failures						
Revenue miles divided by revenue vehicle system failures. A failure is classified as the breakdown of either a major or minor element of the revenue vehicle's mechanical system	>10,500	9,770	8,912	12,055	11,833	14,123
Revenue Miles versus Vehicle Miles						
Revenue miles divided by vehicle miles	>.90	0.90	0.90	0.898	0.896	0.885
Customer Service						
Average time from complaint to response	14 days	20	16	20	6	6
Customer complaints divided by boardings	<2 per 5,000 boardings	0.5	0.6	0.8	0.8	0.9
On-time Performance						
% trips end to end on time based on departures < 5 minutes late and < 1 minute early	>80%	78.4%	78.1%	80.8%	78.8%	79.0%

Reportable Indicators

	2013	2014	2015	2016	2017
Operating Expense Per Capita (Potential Customer)					
Annual operating budget divided by the service area population	$ 48.42	$ 49.22	$ 48.08	$ 47.21	$ 49.29
Average Headway (minutes)					
Average time for vehicle to complete its portion of total route miles one time	25.5	27.3	26.7	25.6	25.3
Service Area Population					
Approximation of overall market size	1,913,779	1,960,634	2,003,626	2,052,373	2,134,411
Service Area Population Density					
Persons per square mile based on the service area population and size	754.1	772.5	789.5	808.7	841.0
Operating Expense					
Spending on operations, including administration, maintenance, and operation of service vehicles	$ 92,663,107	$ 96,499,805	$ 96,340,963	$ 96,893,730	$ 105,206,408
Operating Revenue					
Revenue generated through the operation of the transit authority	$ 39,143,688	$ 41,301,500	$ 42,734,827	$ 39,742,629	$ 39,307,646
Total Annual Revenue Miles					
Vehicle miles operated in active service (available to pick up revenue passengers)	14,468,719	14,464,800	14,791,484	15,110,465	15,111,138
Total Annual Revenue Hours					
Vehicle hours operated in active service	1,052,451	1,059,575	1,089,453	1,106,199	1,126,406
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	10,843	9,883	13,424	13,210	15,949
Total Revenue Vehicles					
Vehicles available to meet annual maximum service requirements	290	296	308	319	322
Peak Vehicles					
Vehicles operated to meet annual maximum (peak) service requirements	232	248	252	265	259

Performance Measures Florida Transportation Commission 2017

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

	2013	2014	2015	2016	2017
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%	16.2%	18.2%	16.9%	19.6%
Annual Passenger Trips					
Passenger boardings on transit vehicles	28,801,893	28,868,418	28,327,951	26,259,736	24,845,029
Average Trip Length					
Average length of passenger trip, generally derived through sampling	5.5	5.6	5.7	5.7	5.7
Annual Passenger Miles					
Passenger trips multiplied by average trip length	158,410,412	161,663,141	162,035,880	149,680,495	141,865,116
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	$ 0.96	$ 0.95	$ 0.94	$ 0.94	$ 0.93
Passenger Trips Per Revenue Mile					
Passenger trips divided by revenue miles	1.99	2.00	1.92	1.74	1.64
Passenger Trips Per Revenue Hour					
Passenger trips divided by revenue hours	27.4	27.2	26.0	23.7	22.1
Passenger Trips Per Capita					
Passenger trips divided by service area population	15.0	14.7	14.1	12.8	11.6
Average Age of Fleet in Years					
Average age of fleet in years	5.9	5.9	5.6	5.8	5.9
Unrestricted Cash Balance - Financial Indicator					
End of year cash balance from financial statement	$ 22,530,314	$ 35,228,849	$ 42,316,042	$ 37,237,563	$ 41,248,462
Weekday Ridership					
Average ridership on weekdays	91,587	92,049	88,600	82,353	79,723
Capital Commitment to System Preservation and System Expansion					
% of capital spent on system preservation	67%	51%	77%	43%	86%
% of capital spent on system expansion	33%	49%	23%	57%	14%
Intermodal Connectivity					
Number of intermodal transfer points available	6	6	6	6	21

Performance Measures Florida Transportation Commission 2017

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	2013	2014	2015	2016	2017
Unlinked Passenger Trips Per Revenue Hour						
(Passenger trips divided by revenue hours)	>19.1	18.8	18.1	18.8	18.5	17.1
Operating Expense Per Revenue Mile						
Operating expense divided by revenue miles	<$7.74	$ 7.16	$ 7.48	$ 8.06	$ 7.99	$ 8.24
Operating Expense Per Revenue Hour						
Operating expense divided by revenue hours	<$108.34	$ 105.23	$ 107.20	$ 111.60	$ 112.35	$ 116.31
Operating Expense Per Passenger Trip						
Operating expenses divided by annual ridership	<$6.31	$ 5.59	$ 5.92	$ 5.93	$ 6.08	$ 6.79
Operating Expense Per Passenger Mile						
Operating expense divided by passenger miles	<$1.19	$ 0.85	$ 0.87	$ 0.98	$ 1.01	$ 1.13
Farebox Recovery Ratio						
Passenger fares divided by operating expenses	>17.6%	18.5%	17.1%	15.8%	15.5%	14.2%
Revenue Miles Between Safety Incidents						
Revenue miles divided by safety incidents for bus	>5% above 2009 (227,975)	94,216	124,812	105,651	146,023	136,960
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	21,851	14,370	12,908	11,104	12,047
Revenue Miles versus Vehicle Miles						
Revenue miles divided by vehicle miles	>.90	0.94	0.94	0.91	0.91	0.91
Customer Service						
Average time from complaint to response	14 Days	24	10	7	6	7
Customer complaints divided by boardings	<2 per 5,000 boardings	2.6	2.7	1.7	1.7	1.8
On-time Performance						
% trips end to end on time based on departures < 6 minutes late and < 1 minute early	>80%	72.1%	73.1%	75.0%	78.5%	80.0%

Reportable Indicators

		2013	2014	2015	2016	2017
Operating Expense Per Capita (Potential Customer)						
Annual operating budget divided by the service area population		$ 75.81	$ 66.34	$ 68.91	$ 68.55	$ 70.72
Average Headway (minutes)						
Average time for vehicle to complete its portion of total route miles one time		32.7	29.2	23.4	23.9	23.2
Service Area Population						
Approximation of overall market size		827,481	985,050	1,001,311	1,021,375	1,036,907
Service Area Population Density						
Persons per square mile based on the service area population and size		1,915.5	1,231.3	1,254.8	1,280.0	1,299.4
Operating Expense						
Spending on operations, including administration, maintenance, and operation of service vehicles		$ 62,734,021	$ 65,350,740	$ 69,004,946	$ 70,011,559	$ 73,333,011
Operating Revenue						
Revenues generated through the operation of the transit authority		$ 12,509,246	$ 12,078,657	$ 12,078,038	$ 12,029,681	$ 11,448,776
Total Annual Revenue Miles						
Vehicle miles operated in active service (available to pick up revenue passengers)		8,762,085	8,736,870	8,557,699	8,761,357	8,902,390
Total Annual Revenue Hours						
Vehicle hours operated in active service		596,161	609,595	618,327	623,183	630,492
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		23,157	15,291	14,245	12,209	13,267
Total Revenue Vehicles						
Vehicles available to meet annual maximum service requirements		172	171	175	190	192
Peak Vehicles						
Vehicles operated to meet annual maximum (peak) service requirements		138	158	150	150	153

Performance Measures Florida Transportation Commission 2017

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

	2013	2014	2015	2016	2017
Ratio of Revenue Vehicles to Peak Vehicles (spare ratio)					
Revenue vehicles, including spares, out-of-service vehicles, and vehicles in/awaiting maintenance, divided by the number of vehicles operated in maximum service	19.8%	7.6%	14.3%	21.1%	20.3%
Annual Passenger Trips					
Passenger boardings on transit vehicles	11,220,230	11,037,817	11,634,258	11,508,138	10,794,798
Average Trip Length					
Average length of passenger trip, generally derived through sampling	6.6	6.8	6.1	6.0	6.0
Annual Passenger Miles					
Passenger trips multiplied by average trip length	74,165,720	75,053,198	70,387,261	69,048,828	64,694,247
Weekday Span of Service (hours)					
Hours of transit service on a representative weekday from first service to last service for all modes	21.5	22.5	22.5	22.5	21.0
Average Fare					
Passenger fare revenues divided by passenger trips	$ 1.03	$ 1.01	$ 0.94	$ 0.94	$ 0.96
Passenger Trips Per Revenue Mile					
Passenger trips divided by revenue miles	1.28	1.26	1.36	1.31	1.21
Passenger Trips Per Revenue Hour					
Passenger trips divided by revenue hours	18.8	18.1	18.8	18.5	17.1
Passenger Trips Per Capita					
Passenger trips divided by service area population	13.6	11.2	11.6	11.3	10.4
Average Age of Fleet in Years					
Average age of fleet in years	6.5	7.3	6.3	6.7	6.4
Unrestricted Cash Balance - Financial Indicator					
End of year cash balance from financial statement	$ 4,895,237	$ 8,300,473	$ 7,161,530	$ 3,623,334	$ 4,199,814
Weekday Ridership					
Average ridership on weekdays	38,050	37,015	38,116	37,522	36,036
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 2017

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	2013	2014	2015	2016	2017
Unlinked Passenger Trips Per Revenue Hour (Passenger trips divided by revenue hours)	>70.7	66.9	75.4	87.6	75.9	74.0
Operating Expense Per Revenue Mile Operating expense divided by revenue miles	<$27.38	$ 31.45	$ 32.75	$ 34.60	$ 39.56	$ 39.06
Operating Expense per Revenue Hour Operating expense divided by revenue hours	<$369.06	$ 357.30	$ 357.98	$ 387.70	$ 418.39	$ 423.93
Operating Expense Per Passenger Trip Operating expenses divided by annual ridership	<$4.30	$ 5.34	$ 4.75	$ 4.43	$ 5.51	$ 5.73
Operating Expense Per Passenger Mile Operating expense divided by passenger miles	<$6.00	$ 11.61	$ 6.68	$ 5.21	$ 6.72	$ 8.19
Farebox Recovery Ratio Passenger fares divided by operating expenses	N/A	0.0%	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)	61,066	43,032	56,114	15,020	51,539
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	16,654	8,196	8,417	16,522	25,770
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	9	5	7	19	16
Customer complaints divided by boardings	<2 per 5,000 boardings	0.1	0.1	0.02	0.04	0.06
On-time Performance Successful cycles divided by scheduled cycles	>98%	99.1%	99.0%	99.3%	99.3%	98.4%

Reportable Indicators

	2013	2014	2015	2016	2017
Operating Expense Per Capita (Potential Customer) Annual operating budget divided by the service area population	$ 6.96	$ 5.72	$ 5.82	$ 6.40	$ 5.82
Average Headway (minutes) Average time for train to complete its portion of total route miles one time	5.7	5.9	5.8	6.2	6.0
Service Area Population Approximation of overall market size	827,481	985,050	1,001,311	1,021,375	1,036,907
Service Area Population Density Persons per square mile based on the service area population and size	1,915.5	1,231.3	1,254.8	1,280.0	1,299.4
Operating Expense Spending on operations, including administration, maintenance, and operation of service vehicles	$ 5,761,791	$ 5,637,497	$ 5,825,143	$ 6,535,724	$ 6,039,723
Operating Revenue Revenues generated through the operation of the transit authority	$ 195,469	$ 195,511	$ 195,721	$ 195,811	$ 47,185
Total Annual Revenue Miles Vehicle miles operated in active service (available to pick up revenue passengers)	183,197	172,126	168,341	165,218	154,618
Total Annual Revenue Hours Vehicle hours operated in active service	16,126	15,748	15,025	15,621	14,247
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	16,777	8,260	8,483	16,654	25,991
Total Revenue Vehicles Vehicles available to meet annual maximum service requirements	10	10	10	6	6
Peak Vehicles Vehicles operated to meet annual maximum (peak) service requirements	5	5	5	5	5

Performance Measures Florida Transportation Commission 2017

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

	2013	2014	2015	2016	2017
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%	16.7%	16.7%
Annual Passenger Trips					
Passenger boardings on transit vehicles	1,079,179	1,188,007	1,315,833	1,186,358	1,053,621
Average Trip Length					
Average length of passenger trip, generally derived through sampling	0.5	0.7	0.9	0.8	0.7
Annual Passenger Miles					
Passenger trips multiplied by average trip length	496,422	843,485	1,118,458	972,814	737,535
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	$ -	$ -	$ -	$ -	$ -
Passenger Trips Per Revenue Mile					
Passenger trips divided by revenue miles	5.89	6.90	7.82	7.18	6.81
Passenger Trips Per Revenue Hour					
Passenger trips divided by revenue hours	66.9	75.4	87.6	75.9	74.0
Passenger Trips Per Capita					
Passenger trips divided by service area population	1.3	1.2	1.3	1.2	1.0
Average Age of Fleet in Years					
Average age of fleet in years	14.6	15.6	16.6	17.6	18.6
Unrestricted Cash Balance - Financial Indicator					
End of year cash balance from financial statement	$ 355,086	$ 112,325	$ 318,123	$ 208,950	$ 196,131
Weekday Ridership					
Average ridership on weekdays	4,086	4,459	4,945	4,484	4,007
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 2017

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	2013	2014	2015	2016	2017
Consultant Contracts						
Final Cost % increase above Original Award	< 5%	0.0%	N/A	0.0%	-14.9%	0.0%
Construction Contracts						
Completed within 20% above original contract time	≥ 80%	100.0%	N/A	N/A	100.0%	100.0%
Completed within 10% above original contract amount	≥ 90%	100.0%	N/A	N/A	100.0%	100.0%

Applicable Laws:

	Objective	2013	2014	2015	2016	2017
Minority Participation						
M/WBE & SBE Utilization as a % of Total Expenditures	> 90% of agency target:	14.3%	22.3%	24.9%	23.6%	20.3%

Property Acquisition:

	Objective	2013	2014	2015	2016	2017
Right-of-Way						
# Projects Requiring ROW Acquisition		N/A	N/A	N/A	1	1
# Parcels Needed to be Acquired for Projects		N/A	N/A	N/A	24	47
# Parcels Acquired via Negotiations		N/A	N/A	N/A	18	39
# Parcels Acquired via Condemnation		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	-	-

Performance Measures Florida Transportation Commission 2017

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	2013	2014	2015	2016	2017
Unlinked Passenger Trips Per Revenue Hour (Passenger trips divided by revenue hours)	>39.3	41.0	38.6	36.4	34.0	35.0
Operating Expense Per Revenue Mile Operating expense divided by revenue miles	<$21.43	$ 17.25	$ 17.88	$ 20.84	$ 25.07	$ 25.79
Operating Expense Per Passenger Trip Operating expenses divided by annual ridership	<$17.86	$ 12.99	$ 13.91	$ 17.02	$ 21.25	$ 21.34
Operating Expense Per Passenger Mile Operating expenses divided by passenger miles	<$0.54	$ 0.48	$ 0.51	$ 0.63	$ 0.77	$ 0.72
Farebox Recovery Ratio Passenger fares divided by operating expenses	>22.5%	22.1%	20.9%	17.5%	14.6%	14.1%
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	87,902	106,964	53,113	69,145	83,931
Revenue Miles versus Vehicle Miles Revenue miles divided by vehicle miles	>.93	0.97	0.97	0.97	0.97	0.97
Customer Service Average time from complaint to response	14 days	10	14	12	10	9
Customer complaints divided by boardings	<2 per 5,000 boardings	2.2	1.6	1.1	1.2	1.9
On-time Performance % trips end to end on time < 6 minutes late	>80%	82.6%	86.2%	83.5%	83.5%	84.7%

Reportable Indicators

	2013	2014	2015	2016	2017
Operating Expense Per Capita (Potential Customer) Annual operating budget divided by the service area population	$ 9.92	$ 11.13	$ 13.27	$ 16.38	$ 16.52
Average Headway (minutes) Average time for train to complete its portion of total route miles one time	27.9	28.3	28.6	29.5	28.2
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	1,238	1,238	1,238	1,238	1,238
Operating Expense Spending on operations, including administration, maintenance, and operation of service vehicles	$ 54,580,897	$ 61,213,969	$ 73,042,631	$ 90,135,130	$ 90,925,787
Operating Revenue Revenue generated through the operation of the transit authority	$ 12,575,652	$ 13,100,115	$ 13,199,536	$ 13,562,478	$ 14,091,406
Total Annual Revenue Miles Vehicle miles operated in active service (available to pick up revenue passengers)	3,164,457	3,422,858	3,505,483	3,595,531	3,525,108
Total Annual Revenue Hours Vehicle hours operated in active service	102,501	113,915	117,914	124,669	121,880
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	90,500	109,970	54,670	71,323	86,408
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	$ 532.49	$ 537.37	$ 619.46	$ 723.00	$ 746.03
Peak Vehicles Vehicles operated to meet annual maximum (peak) service requirements	40	42	42	42	42

Performance Measures Florida Transportation Commission 2017

Five Year Trend for Transit Authority Performance Measures and Reportable Indicators

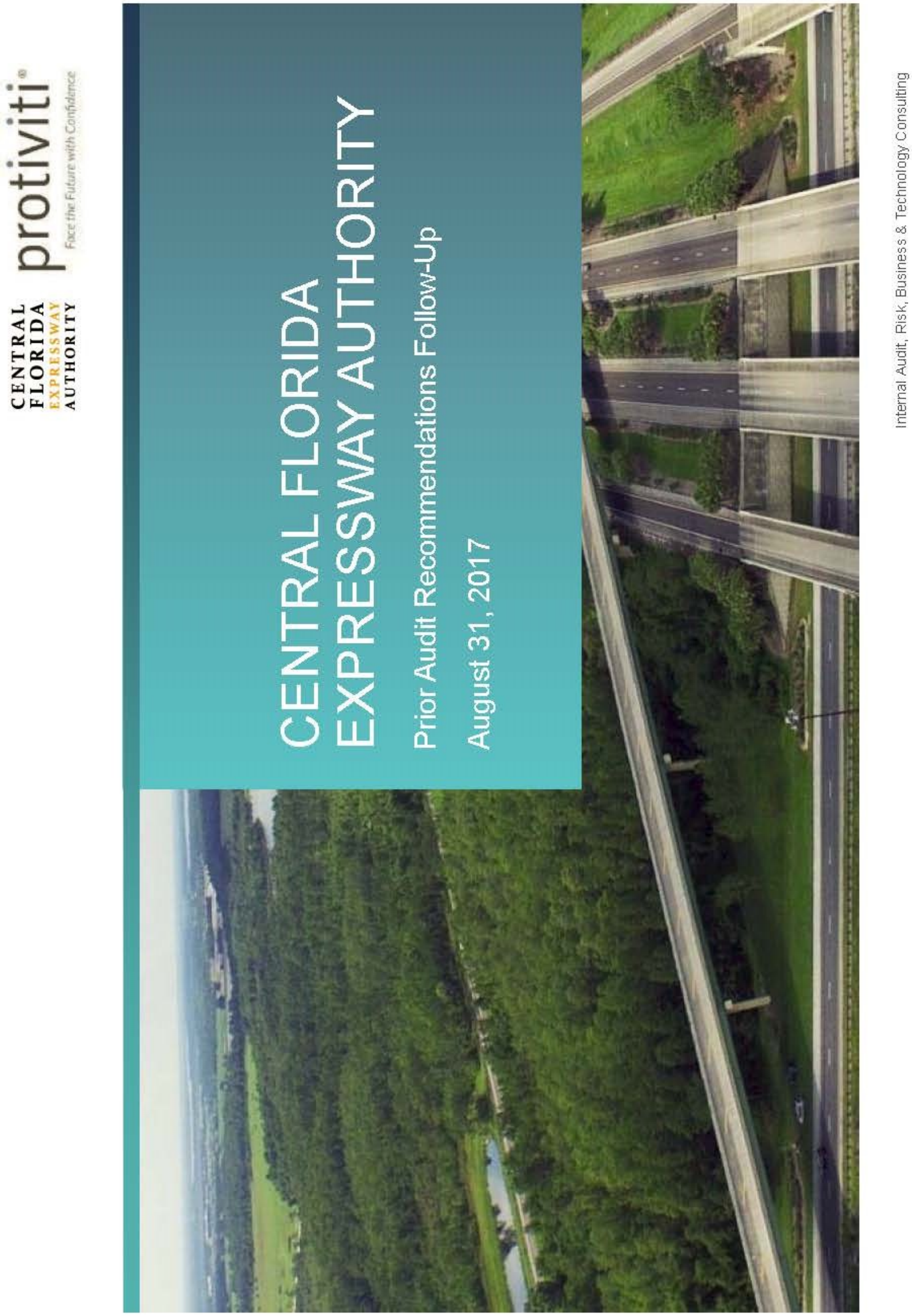
Transit Authority Name: **SOUTH FLORIDA REGIONAL TRANSPORTATION AUTHORITY (SFRTA/Tri-Rail)**

Official Reporting Period: July 1 through June 30

Reportable Indicators

	2013	2014	2015	2016	2017
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%	16.0%	16.0%	16.0%	16.0%
Annual Passenger Trips					
Passenger boardings on transit vehicles	4,201,040	4,400,977	4,292,705	4,241,486	4,261,113
Average Trip Length					
Average length of passenger trip, generally derived through sampling	27.2	27.2	27.2	27.7	29.7
Annual Passenger Miles					
Passenger trips multiplied by average trip length	114,100,246	119,706,574	116,761,576	117,277,088	126,555,056
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	$ 2.87	$ 2.91	$ 2.98	$ 3.09	$ 3.00
Passenger Trips Per Revenue Mile					
Passenger trips divided by revenue miles	1.33	1.29	1.22	1.18	1.21
Passenger Trips Per Revenue Hour					
Passenger trips divided by revenue hours	41.0	38.6	36.4	34.0	35.0
Passenger Trips Per Capita					
Passenger trips divided by service area population	0.76	0.80	0.78	0.77	0.77
Average Years Since Last Rebuild					
Locomotives (9)	11.2	12.2	13.2	14.2	15.2
Coaches (12)	12.2	13.2	14.2	15.2	16.2
Unrestricted Cash Balance - Financial Indicator					
End of year cash balance from financial statement	$ 20,989,164	$ 18,870,967	$ 18,129,966	$ 18,344,503	$ 10,570,264
Weekday Ridership					
Average ridership on weekdays	14,292	14,609	14,176	13,894	13,999
Capital Commitment to System Preservation and System Expansion					
% of capital spent on system preservation	0%	100%	100%	82%	56%
% of capital spent on system expansion	100%	0%	0%	18%	44%
Intermodal Connectivity					
Intermodal transfer points available through Tri-Rail	18	18	18	18	18

APPENDIX B—CFX AUDIT FINDINGS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Prior Audit Recommendations Follow-Up
August 31, 2017
Internal Audit, Risk, Business & Technology Consulting

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EXECUTIVE SUMMARY

Overview

As part of the Fiscal Year 2018 Internal Audit plan, Internal Audit 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:

- 2013 Toll Revenue Audit
- 2015 Intelligent Transportation Security (ITS) Systems Security Review
- 2016 Toll Revenue Audit
- 2017 Vendor Security Review
- 2017 Public Records Review
- 2017 Purchasing Spend Data Audit
- 2017 Procurement and Contract Billing Audit
- 2017 Customer Service Center Performance Assessment
- 2017 Accounting SOD and System Access Review
- 2017 Change Management - Tolling System Replacement Audit
- 2017 Human Resources Process Review
- 2017 Discount/Rebate Program Audit
- 2017 Business Continuity Management Review

Internal Audit last reviewed the status of open audit recommendations in January 2017. Results were reported to the Audit Committee at that time.

Objectives, Scope, and Approach

This review was completed as of August 31, 2017, and consisted of meetings with management to determine the status of open audit recommendations and 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, 2017, no further work was performed and the recommendation was not included for review.

Testing performed included inquiry with the employees responsible for completing the recommendations and/or review of 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 prior audit recommendation.

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EXECUTIVE SUMMARY

Recommendations Summary

Audit	Open as of January 15, 2017	New Action Plans	Completed as of August 31, 2017	In Progress as of August 31, 2017*	Past Due
2013 Toll Revenue Audit	1	0	0	1	1
2015 Intelligent Transportation Security (ITS) Systems Security Review	1	0	1	0	0
2016 Toll Revenue Audit	1	0	0	1	1
2017 Vendor Security Review	0	1	1	0	0
2017 Public Records Review	6	0	1	5	1
2017 Purchasing Spend Data Review	0	2	2	0	0
2017 Procurement and Contract Billing Audit	0	1	0	1	0
2017 Customer Service Center Performance Assessment	0	3	0	3	0
2017 Accounting Segregation of Duties and EDEN System Access Review	0	1	1	0	0
2017 Change Management - Tolling System Replacement Audit	0	1	0	1	0
2017 Human Resources Process Review	0	1	0	1	0
2017 Discount/Rebate Program Audit	0	2	2	0	0
2017 Business Continuity Management Review	0	5	1	4	0
Total	9	17	9	17	3

*17 recommendations are classified as "In Progress." 3 of these recommendations are considered "Past Due."

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STATUS OF PAST DUE RECOMMENDATIONS

#	Audit	Management Action Plan	Responsible Party	Summary of Status	Due Date
1	2013 Toll Revenue Audit	**Potential Revenue Leakage/Toll Collections Audit:** CFX is automating certain aspects of the Attendant's Shift Record by integrating the unusual occurrence, violations, and insufficient fund transactions as a function in the Toll System Replacement project that is currently ongoing.	David Wynne, Director of Toll Operations	The new system is currently in the system testing phase but has not yet been deployed to operational status. Management expects the system to be completely implemented by the end of the year.	Original: 7/1/2015 Revised: 12/31/2017
2	2016 Toll Revenue Audit	**Video Monitoring of Counting Room:** CFX will procure and deploy surveillance equipment and EGIS will perform monitoring of the cameras at least weekly. The procurement of the system will be included in the upcoming camera installation project.	Fred Nieves, Manager of E-PASS & Plaza Operations	The procurement of new surveillance equipment was recently combined with the CFX Headquarters Building Security System Upgrades Project. The project will include installation of two cameras for the mailroom and counting room, and is due to begin in October or November 2017, with a duration of 100 days ending in February 2018.	Original: 12/31/2016 Revised: 2/28/2018
3	2017 Public Records Review	**Text Message Collection:** Management will implement a revised mobile mobile device procedure requiring users to keep iMessage turned off. Additionally, CFX will consider implementing a Mobile Device Management (MDM) tool to monitor compliance with revised procedures.	Corey Quinn, Chief of Technology/ Operations	The revised procedure has been implemented and compliance is currently being monitored manually. Research into the MDM capabilities is ongoing in order to reduce the manual effort required by the IT team. If such a solution is implemented, it would be deployed prior to the end of Q1 2018.	Procedure Updates: 6/30/2017 (Complete) Review Vendor MDM Capabilities: Original: 3/31/17 Revised: 3/31/2018

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STATUS OF ALL OPEN RECOMMENDATIONS

STATUS OF ALL OPEN RECOMMENDATIONS

2013 Toll Revenue Audit

Management Action Plan	Responsible Party	Status	Summary of Status	Due Date
Potential Revenue Leakage/Toll Collections Audit: CFX is automating certain aspects of the Attendant's Shift Record by integrating the unusual occurrence, violations, and insufficient fund transactions as a function in the Toll System Replacement project that is currently ongoing.	David Wynne, Director of Toll Operations	In Progress (Past Due)	The new system is currently in the system testing phase but has not yet been deployed to operational status. Management expects the system to be completely implemented by the end of the year.	Original: 7/1/2015 Revised: 12/31/2017

2015 ITS Security Systems Review

Management Action Plan	Responsible Party	Status	Summary of Status	Due Date
Log Configuration: CFX will implement a log aggregation tool as part of the Secure Information and Event Management solution.	Corey Quinn, Chief of Technology/Operations	Complete	A log aggregation tool has been deployed by management as of 8/31/2017	Original: 6/30/2015 Revised: 11/30/2017

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STATUS OF ALL OPEN RECOMMENDATIONS

2016 Toll Revenue Audit

Management Action Plan	Responsible Party	Status	Summary of Status	Due Date
Video Monitoring of Counting Room: CFX will procure and deploy surveillance equipment and EGIS will perform monitoring of the cameras at least weekly. The procurement of the system will be included in the upcoming camera installation project.	Fred Nieves, Manager of E-PASS & Plaza Operations	In Progress (Past Due)	The procurement of new surveillance equipment was recently combined with the CFX Headquarters Building Security System Upgrades Project. The project will include installation of two cameras for the mailroom and counting room, and is due to begin in October or November 2017, with a duration of 100 days ending in February 2018.	Original: 12/31/2016 Revised: 2/28/2018

2017 Vendor Security Audit

Management Action Plan	Responsible Party	Status	Summary of Status	Due Date
Log Configuration: ITS is currently in a collaborative effort with CFX IT to implement a log aggregation tool. This tool will assist in securing, managing, correlating, and alerting upon necessary logs.	Bryan Homayouni, Manager of Traffic Operations	Complete	A log aggregation tool has been deployed by management as of 8/31/2017	11/30/2017

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STATUS OF ALL OPEN RECOMMENDATIONS

2017 Public Records Review

Management Action Plan	Responsible Party	Status	Summary of Status	Due Date
Records Management Policy and Procedures: CFX will develop a revised policy and desktop procedures to clearly state the direction of the Records Management function and clearly define and document key aspects of CFX's records management activities currently in place.	Michelle Maikisch, Chief of Staff	In Progress	The revised policy has been approved by the Board. Desktop procedures are in development and are expected to be completed by the original due date.	Policy revision: 6/30/2017 (Complete) Desktop procedures: 6/30/2018
Record Coordinator Training: CFX will develop a formalized training process for the Record Coordinators with assistance of the records management consultant. Training will be in addition to the basic public records training for all employees and will include detail specific to their role and responsibilities as Record Coordinators.	Michelle Maikisch, Chief of Staff	In Progress	The formalized training process for Record Coordinators is currently under development and is expected to be implemented by the due date.	12/31/2017
Records Management Database: CFX will research solutions to replace the records management database and will include the procurement of a new database in the budget for the next fiscal year.	Michelle Maikisch, Chief of Staff Corey Quinn, Chief of Technology/Operations	In Progress	Research for solutions to replace the records management database is being conducted by the Records Administrator. Purchase and implementation of the new product is on track and is expected to be completed by the due date.	6/30/2018

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STATUS OF ALL OPEN RECOMMENDATIONS

2017 Public Records Review (Continued)

Management Action Plan	Responsible Party	Status	Summary of Status	Due Date
Text Message Collection: Management will implement a revised mobile device procedure requiring users to keep iMessage turned off. Additionally, CFX will consider implementing a Mobile Device Management (MDM) tool to monitor compliance with revised procedures.	Corey Quinn, Chief of Technology/Operations	In Progress (Past Due)	The revised procedure has been implemented and compliance is currently being monitored manually. Research into the MDM capabilities is ongoing in order to reduce the manual effort required by the IT team. If such a solution is implemented, it would be deployed prior to the end of Q1 2018.	Procedure Updates: 6/30/2017 (Complete) Review Vendor MDM Capabilities: Original: 3/31/2017 Revised: 3/31/2018
Electronic Public Records Destruction: CFX will establish a systematic destruction process for each type of electronic technology. The process will be documented in the policies and desktop procedures. CFX will explore e-mail management tools available to assist with the destruction process.	Michelle Maikisch, Chief of Staff	In Progress	Research into e-mail management tools is ongoing and is expected to be completed by the original due date. The systematic destruction process has been completed and implemented.	6/30/2018
Offsite Public Records Destruction: CFX will review the contractual requirements with the offsite storage vendor and will review future certificates to ensure the person performing destruction and the name of the witness are included	Michelle Maikisch, Chief of Staff	Complete	The contractual requirements for the offsite storage vendors have been reviewed, and future certifications will include the name of the person performing the destruction and the witness.	3/31/2017

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STATUS OF ALL OPEN RECOMMENDATIONS

2017 Purchasing Spend Data Audit

Management Action Plan	Responsible Party	Status	Summary of Status	Due Date
Vendor Master File Maintenance: 1. CFX will update each vendor account's vendor type identifier to enable management to perform more efficient reviews of the vendor master file. 2. CFX will update the vendor account search parameters within EDEN to ensure all vendors with no activity within the last 12 months are captured in the review. Vendors deemed inactive will be deactivated. 3. CFX will implement a procedure to verify the vendor name and FEIN agrees to the Form W-9 prior to finalizing the new vendor account in EDEN. However, duplicate vendor accounts that currently have contracts and invoice data associated with each vendor account cannot be deactivated until the contracts are complete.	Lisa Lumbard, Chief Financial Officer	Complete	1. CFX has added three additional vendor types to enable management to perform more efficient reviews of the vendor master file. 2. CFX has updated the Accounts Payable policy with revised search parameters for detecting and reviewing inactive vendors. 3. CFX has implemented a procedure to review the W-9 for each new vendor for current information and completeness, and to search for duplicate vendors prior to finalizing a new vendor account in EDEN.	1. Vendor type identifier: 9/30/2017 2. Inactive vendor search: 7/31/2017 3. New vendor account verification: Upon the creation of a new vendor
Open Purchase Orders: CFX will perform a review of all open purchase orders at fiscal year-end to identify POs that should be closed or carried forward to the subsequent fiscal year	Lisa Lumbard, Chief Financial Officer	Complete	The review of open purchase orders was conducted at fiscal year-end to identify POs by department that were open or partially open as of fiscal year-end. The resulting report was provided to the department heads for comment or closing, as appropriate.	6/30/2017

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STATUS OF ALL OPEN RECOMMENDATIONS

2017 Procurement and Contract Billing Audit

Management Action Plan	Responsible Party	Status	Summary of Status	Due Date
Contractor Compliance with Insurance Requirements CFX will perform a retrospective review for the A.M. Best Ratings and financial size categories for insurance carriers currently utilized by vendors for all active construction and maintenance contracts retroactive to July 1, 2016. CFX will also perform a review when new insurance certificates are submitted for review.	Aneth Williams, Director of Procurement	In Progress	The Procurement Department has taken on an additional staff member to perform the review. The review is ongoing and expected to be completed by the original due date.	12/31/2017

STATUS OF ALL OPEN RECOMMENDATIONS

2017 Customer Service Center Performance Assessment

Management Action Plan	Responsible Party	Status	Summary of Status	Due Date
Business Analytics/Performance Monitoring: CFX Toll Operations will identify a number of Key Performance Indicators (KPIs) for performance monitoring that will be displayed on the dashboards within the contact center. CFX will also determine the frequency of measurement to be displayed on the dashboards (real-time, weekly, monthly metrics, etc.). In addition, CFX will work with the third party contact center vendor to create business analytics related to the content of the dashboards.	David Wynne, Director of Toll Operations Corey Quinn, Chief of Technology/ Operations	In Progress	CFX Toll Operations is currently refining a list of Key Performance Indicators (KPIs) but does not consider the list ready to display on the dashboards at this time. The action plan is expected to be completed by the original due date.	4/30/2018
Intelligent Voice Response (IVR) Solution: CFX has identified a Call Path Report within IVR that consists of historical graphs, error reporting, and service utilization. CFX will work with the third party contact center vendor to provide data in an acceptable format and provide an internal link for Toll Operations to access the data.	Corey Quinn, Chief of Technology/ Operations	In Progress	CFX is currently working with the third party contact to provide IVR reporting/monitoring data. Work is on track to be completed by the original due date.	4/30/2018
Quality Assurance Processes: Screen captures are scheduled to be recorded for each call to allow QA to monitor an agent's use of the system during a call. However, the data is not being captured. CFX will review and work on a fix for this issue.	David Wynne, Director of Toll Operations Corey Quinn, Chief of Technology/ Operations	In Progress	CFX has been working with the vendor and has largely resolved the issue. However, the data is still not being captured consistently for about four users. Management expects the issue to be resolved by the original due date.	4/30/2018

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STATUS OF ALL OPEN RECOMMENDATIONS

2017 Accounting System Access and SOD Review

Management Action Plan	Responsible Party	Status	Summary of Status	Due Date
EDEN User Access: CFX will pursue a password change for accounts with administrator access, or determine if the accounts can be deactivated without negatively impacting the business processes.	Corey Quinn, Chief of Technology/Operations	Complete	Administrator accounts are managed by EDEN to assist CFX during any calls. To safeguard against anything happening without management's knowledge, CFX has set up an automatic e-mail to be generated and sent to Lisa Lumbard, CFO, if anyone logs into the administrator accounts. The administrator accounts are utilized by the EDEN application in the background of several processes, and deactivating the accounts may negatively impact business processes. However, CFX feels that the e-mail alerts are reasonable safeguards against the two accounts being used maliciously.	7/31/2017

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STATUS OF ALL OPEN RECOMMENDATIONS

2017 Change Management – Tolling System Replacement Audit

Management Action Plan	Responsible Party	Status	Summary of Status	Due Date
TSR Vulnerability Scans: Though the Critical and High vulnerabilities identified by the vulnerability scanner have been remediated, CFX will continue plans to remediate the Medium vulnerabilities near the completion of the TSR project.	Corey Quinn, Chief of Technology/Operations	In Progress	The remediation of these vulnerabilities is contingent upon the Toll System Replacement project completion. As such, the due date for remediation should be after the project is complete (estimated June 2019), which is consistent with the original due date.	6/30/2019

2017 Human Resources Process Review

Management Action Plan	Responsible Party	Status	Summary of Status	Due Date
Document HR Redundancy Plan: CFX will develop a redundancy plan strategy based on the current organization structure. For all department heads and executives, CFX will determine the necessary expertise required to fill the role, and will designate a position to perform the role's critical duties on an interim basis in the event of a planned or unplanned vacancy.	Michelle Maikisch, Chief of Staff	In Progress	The organizational chart has been reviewed to begin identifying positions requiring similar expertise to department head and executive positions. The HR department is performing further analysis to refine and formally document the redundancy plan. Analysis is ongoing and is expected to be completed by the original due date.	7/1/2018

STATUS OF ALL OPEN RECOMMENDATIONS

2017 Human Resources Process Review (Continued)

Management Action Plan	Responsible Party	Status	Summary of Status	Due Date
Merit-Based Compensation: 1. CFX will define which performance evaluation scores are considered above average, average, and below average. 2. CFX will define the merit adjustment percentages to be assigned to above average, average, and below average performers annually. The merit adjustment percentages and the performance evaluation scores required to earn each adjustment will be communicated to employees in order to enhance the goal-setting process. 3. CFX executive team will schedule the annual performance evaluation review prior to distribution of final performance evaluation scores to ensure the supervisor evaluation style is homogenized.	Evelyn Wilson, Director of HR Michelle Maikisch, Chief of Staff	In Progress	1. CFX has informally defined a range of performance evaluation scores considered above average, average, and below average. Ranges are due to be formally communicated to employees when merit adjustment percentages are assigned to each range at the end of the current fiscal year. 2. CFX will define the merit adjustment to be assigned to each range of performance evaluation scores as part of the budgeting process at the end of the current fiscal year. 3. The CFX executive team will review all performance evaluations before results are distributed to employees, which is generally at the end of the fiscal year.	7/1/2018
Knowledge Management Plan: Based on the most recent entity-wide risk assessment performed in FY2017, CFX will focus initial knowledge management efforts, including the development of a knowledge management plan, on the Information Technology (IT) department. Additionally, knowledge sharing will be included in the teamwork aspect of annual performance evaluations.	Michelle Maikisch, Chief of Staff Corey Quinn, Chief of Technology/Operations Jim Greer, Director of IT	In Progress	The creation of a knowledge management plan is in progress and is expected to be completed by the due date. Additionally, IT will include knowledge sharing in the teamwork aspect of the next round of annual performance evaluations.	7/1/2018

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STATUS OF ALL OPEN RECOMMENDATIONS

2017 Discount/Rebate Program Audit

Management Action Plan	Responsible Party	Status	Summary of Status	Due Date
Revenue Projection Report: Management will implement a monthly review of the Projection Discount Rebate Tracking Schedule to verify the accuracy of inputs and calculations before determining whether revenue thresholds have been met to authorize the Beltway Discount and School Bus Toll Rebate.	Lisa Lumbard, Chief Financial Officer	Complete	The review of the Projection Discount Rebate Tracking Schedule is performed by the Finance Department as part of the monthly review schedule.	8/31/2017
Discount Publication on CFX Website: Management will implement and document a quarterly review of the rate, discount, and rebate information posted to the CFX website for accuracy.	Michelle Maikisch, Chief of Staff	Complete	A website discount review procedure has been implemented to review applicable language relating to the customer discount program, including quarterly review dates and deadlines to submit reports to the Chief of Staff.	7/31/2017

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STATUS OF ALL OPEN RECOMMENDATIONS

2017 Business Continuity Management Review

Management Action Plan	Responsible Party	Status	Summary of Status	Due Date
Infrastructure for Key Applications: CFX will research the feasibility of modifying internal applications to remain available during outages.	Corey Quinn, Chief of Technology/Operations	Complete	CFX has completed research and selected appropriate solutions to maintain availability of key applications during outages.	9/30/2017
Disaster Recovery Testing Plan: CFX will formalize a Disaster Recovery testing plan.	Corey Quinn, Chief of Technology/Operations	In Progress	The documentation is in progress and is expected to be completed by the original due date.	12/31/2017
Crisis Management Testing: Management will create a crisis management testing program.	Evelyn Wilson, Director of HR Michelle Maikisch, Chief of Staff	In Progress	CFX recently hired a Facilities Maintenance Supervisor who will assume responsibility for crisis management testing, business continuity plan development, and evacuation plans.	12/31/2017
Crisis Management Plan: Management will formally document a Crisis Management Plan.	Evelyn Wilson, Director of HR CFX Crisis Management Team ("CMT") CFX Executive Management	In Progress	CFX recently hired a Facilities Maintenance Supervisor who will assume responsibility for crisis management testing, business continuity plan development, and evacuation plans. Additionally, CFX has hired an armed security guard to survey the front desk area and address security concerns within the building. The Crisis Management Plan will be documented and communicated by the Facilities Maintenance Supervisor.	4/1/2018

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STATUS OF ALL OPEN RECOMMENDATIONS

2017 Business Continuity Management Review (Continued)

Management Action Plan	Responsible Party	Status	Summary of Status	Due Date
Business Continuity Plan: Each department will develop business continuity documentation.	Lisa Lumbard, Chief Financial Officer Joe Berenis, Chief of Infrastructure Corey Quinn, Chief of Technology/Operations Aneth Williams, Director of Procurement	In Progress (Accounting) Complete (Infrastructure) In Progress (IT) Not Started (Procurement)	Accounting business continuity documentation is in progress and is scheduled to be completed by the original due date. Infrastructure business continuity documentation is complete and has been provided to the Chief of Staff. IT business continuity documentation is in progress and is scheduled to be completed by the original due date. Procurement business continuity documentation has not yet been started but is scheduled to be completed by the original due date. The Director will contact Protiviti personnel for relevant templates and guidance.	12/31/2017

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