

TRANSPORTATION AUTHORITY MONITORING AND OVERSIGHT

FISCAL YEAR 2012 REPORT



A REPORT BY THE
FLORIDA TRANSPORTATION
COMMISSION



FLORIDA TRANSPORTATION COMMISSION

Ronald Howse, Chairman
Jay Trumbull, Vice-Chairman
Beth Kigel, Secretary
Donnie Ellington
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Rick Scott
Governor

May 28, 2013

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 2012 Report*, which was adopted at our public meeting on May 9, 2013. This annual report is produced in fulfillment of the Commission's expanded oversight role, which resulted from the passage of HB 985 in 2007 and HB 1213 in 2009. That oversight encompasses the monitoring and evaluation of 10 transportation authorities created under Chapters 343, 348 and 349, Florida Statutes. During the course of this review, we have found that many of the authorities have instituted "best practices" and are operating in an efficient and effective manner.

As a result of the legislative mandates, the FTC, in concert with the statutorily designated authorities, adopted performance measures and objectives, operating indicators and governance criteria to assess the overall responsiveness of each authority in meeting their responsibilities to their customers. The performance measures and operating indicators remained unchanged from Fiscal Year (FY) 2011, though one objective was updated to assure continued relevance.

To varying degrees, each authority was successful in meeting the performance measures established by the FTC. High standards were set for the authorities with the expectation that long-term improvements would be implemented. Performance results presented herein are based on FY 2012 financial and operational data. We believe the authorities will continue to utilize the findings within this report to more efficiently and effectively operate their respective expressway, toll and transit systems.

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

Significant governance, compliance and financial issues continue to be noted for the Santa Rosa Bay Bridge Authority (SRBBA). That Authority entered into a lease-purchase agreement with the Florida

Department of Transportation (Department) in 1996, whereby the Department maintains and operates the Garcon Point Bridge and remits tolls collected to the SRBBA as lease payments. SRBBA is in default on its bonds by failing to meet toll covenants relating to debt service coverage and reserve account requirements and for failure to make required debt service payments. The Trustee retained legal counsel and a financial advisor to assist in developing restructuring alternatives for the SRBBA bonds. However, no specific restructuring proposals have yet been submitted for consideration. On January 1, 2013, the Trustee declared that the principal of all outstanding SRBBA bonds, in the amount of \$131.2 million, is immediately due and payable. The bonds are not backed by the Department or the State of Florida and no instances of Department noncompliance were noted during the review.

For the purposes of this report, the authorities are organized into three main sections for clarity; Established Toll Authorities, Transit Authorities, and Emerging Authorities. Background and a detailed analysis of actual performance assessed relative to adopted objectives, operating statistics and trends, and compliance with governance requirements are reported in each respective authority's individual chapter. An Executive Summary provides an overview and summary of results. The Introduction section describes the history pertaining to the legislation, included transportation authorities and development of the reporting criteria. A Summary of FY 2012 Findings and the Plan for FY 2013 that describes activities related to production of next year's report are also included. Finally, Appendices are provided for legislative excerpts, five-year trend data for each authority and Orlando-Orange County Expressway Authority audit findings.

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

With regards,



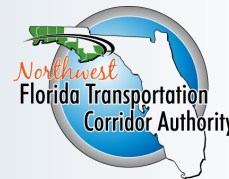
Ronald Howse, Chairman
Florida Transportation Commission

cc: Honorable Don Gaetz, President, Florida Senate
Honorable Will Weatherford, Speaker, Florida House of Representatives
Honorable Jeff Brandes, Chairman, Senate Transportation Committee and Members
Honorable Andy Gardiner, Chairman, Senate Transportation, Tourism and Economic
Development Appropriations Subcommittee and Members
Honorable Joe Negron, Chairman, Senate Appropriations Committee and Members
Honorable Daniel Davis, Chairman, House Transportation and Highway Safety Subcommittee
and Members
Honorable Ed Hooper, Chairman, House Transportation and Economic Development
Appropriations Subcommittee and Members
Honorable Seth McKeel, Chairman, House Appropriations Committee and Members
Mr. Ananth Prasad, Secretary, Florida Department of Transportation
Mr. Jerry McDaniel, State Budget Director, Executive Office of the Governor

Florida Transportation Commission

Transportation Authority Monitoring and Oversight

Fiscal Year 2012 Annual Report



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EXECUTIVE SUMMARY

Authorities under Florida Transportation Commission Oversight

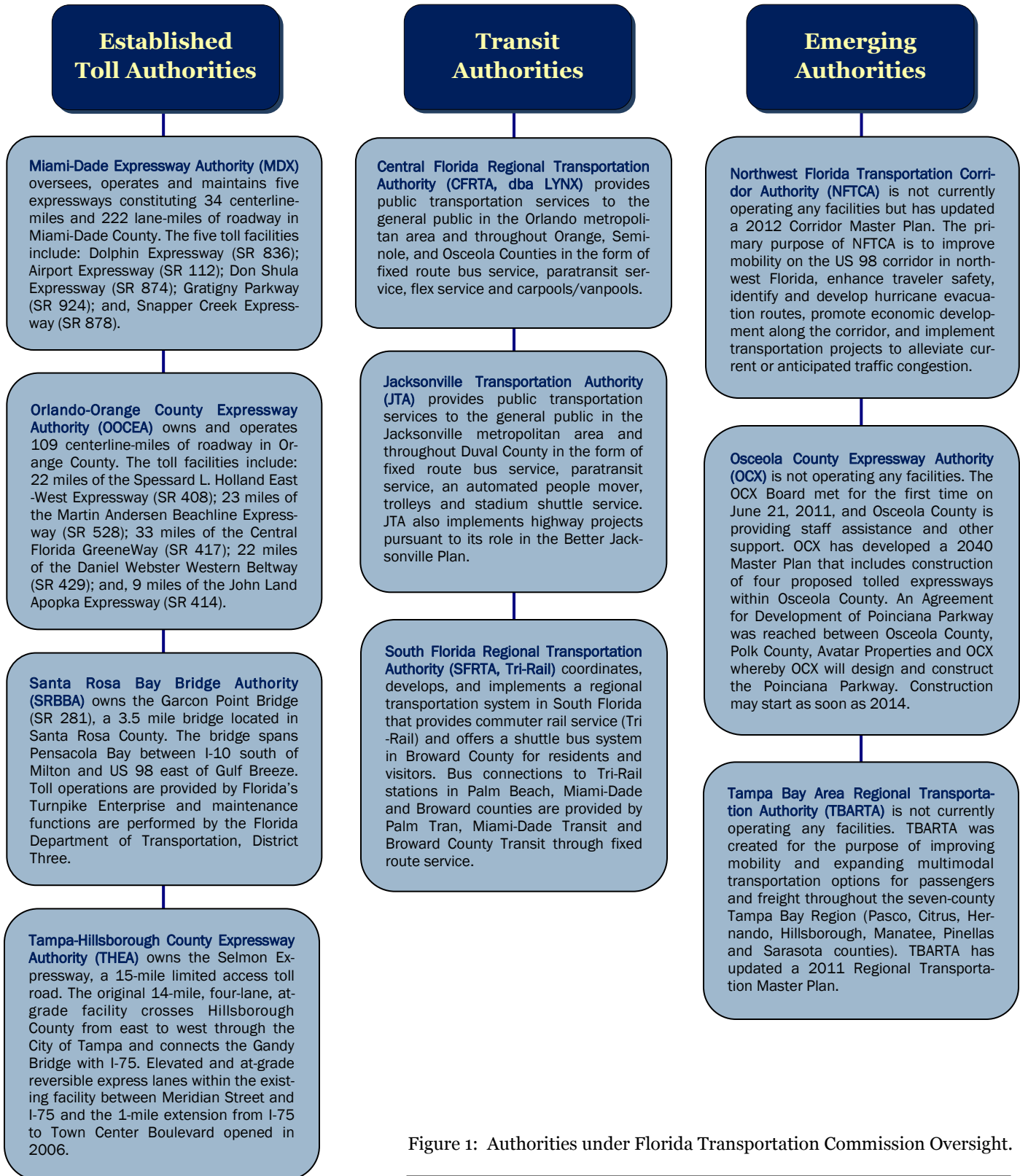


Figure 1: Authorities under Florida Transportation Commission Oversight.

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, further expanded Commission oversight responsibilities to include the Jacksonville Transportation Authority, established in Chapter 349, Florida Statutes. In addition, HB 1271, passed by the 2010 legislature, created the Osceola County Expressway Authority under a new Part of Chapter 348, Florida Statutes.

The organization of each of the 10 transportation authorities subject to Commission monitoring and oversight, as presented in this fiscal year (FY) 2012 report, is shown in Figure 1.

The Commission, in concert with the designated authorities, adopted performance measures and objectives, operating indicators and governance criteria to assess the overall responsiveness of each authority in meeting their responsibilities to their customers. As expected, the vast majority of the performance measurement objectives remained unchanged from FY 2011; however, the established toll authority objective for safety was recomputed based on the five-year moving average.

In addition to gathering, analyzing and reporting performance and operating data, Commission staff

reviewed minutes of meetings, agendas, public meeting notices, conflict of interest disclosures, bond documents, and audits. Commission staff also attended public board meetings and conducted site visits with various authorities in order to obtain documentation and gain first-hand exposure to the workings and cultures of the individual authorities.

Actual Results

As the Commission is charged to “Monitor the efficiency, productivity, and management of the authorities. . .” it has dynamically reviewed the activities of the designated authorities and has worked closely with the authorities throughout the year to complete the performance review. Although this report is for FY 2012, significant events subsequent to year-end reporting have also been included.

During the course of this review, we have found that many of the authorities have instituted “best practices” and have realized significant cost savings since they were placed under oversight and monitoring by the Commission. To varying degrees, each authority was successful in meeting the performance measures established by the Commission. High standards were set for the authorities with the expectation that long-term improvements would be implemented. With few exceptions or minor deviations, all of the authorities are operating in accordance with Florida Statutes and policies regarding ethics, conflicts of interest, open meetings, and public records. With only one exception, authorities complied with the requirement to prepare audited financial statements and debt service coverage requirements contained in bond covenants. Detailed results for applicable performance measures, operating indicators and governance

Transportation Authority Monitoring and Oversight

criteria for each of the 10 transportation authorities are presented as individual chapters in this report.

Although no bonds were issued in FY 2012, several authorities engaged in bonding activity in FY 2013. In November and December 2012, Orlando-Orange County Expressway Authority (OOCEA) issued \$619 million in fixed rate Refunding Revenue Bonds (Series 2012, 2013A and 2013B) in order to capitalize on historically low interest rates and to convert variable rate debt to fixed rate debt. In December 2012, Tampa-Hillsborough County Expressway Authority (THEA) issued \$404 million in Refunding Revenue Bonds and \$40 million in Taxable Revenue Bonds. Bond proceeds were primarily used to fully defease THEA's current outstanding bonds, pay all amounts owed to the Florida Department of Transportation (Department) under the State Infrastructure Bank and Toll Facilities Revolving Trust Fund loans, and fund THEA's portion of the I-4 Selmon Connector. In April 2013, Miami-Dade Expressway Authority (MDX) issued \$270 million in fixed rate Toll System Refunding Revenue Bonds, Series 2013A, resulting in an estimated present value savings of \$29 million.

Subsequent to the THEA Bond issue in December 2012, the Lease-Purchase Agreement with the Department terminated. THEA now owns, operates, and retains title and absolute ownership of the expressway system. THEA is required to fully repay its remaining long-term debt to the Department in 20 equal installments beginning July 1, 2025.

In February 2012, OOCEA and the Department entered into a Memorandum of Understanding to build the Wekiva Parkway. OOCEA will independently finance, build, own and manage sections of the Wekiva Parkway primarily in Orange

County and the Department will be responsible for the remaining portions in Lake and Seminole Counties. As part of the agreement, OOCEA agreed to repay long-term debt owed to the Department by paying \$10 million in July 2012 and \$20 million each year thereafter until the long-term debt advances are eliminated.

Jacksonville Transportation Authority (JTA) implemented a new fare structure on January 30, 2012. Among other fare increases, the base bus fare increased from \$1.00 to \$1.50, the 31 day bus pass increased from \$40 to \$50, and the weekly bus pass increased from \$12 to \$16. Concurrent with the fare increases, JTA implemented a new electronic payment system to replace the old farebox system and suspended fares on the Skyway system until at least September 30, 2013. In addition to the new fare structure, JTA selected a new Executive Director in December 2012, and subsequently implemented a major reorganization of the Authority.

Several other authorities made changes to their tolling plans. On July 1, 2012 (FY 2013), OOCEA implemented a toll rate increase at approximately 98 percent of its toll collection sites. In November 2012, the THEA Board amended its Toll Rate Policy whereby an annual system-wide toll increase will be implemented at all THEA tolling locations beginning on July 1, 2013 (FY 2014). In March 2013, MDX approved a tolling plan where current untolled segments on SR 836 and SR 112 will be tolled by FY 2015. A new toll policy was also adopted which will eliminate the current administrative fee, effective July 1, 2013 (FY 2014), for Toll-by-Plate customers and the new rate will be set at twice the SunPass rate. In addition, effective July 1, 2017 (FY 2018), all toll rates on all MDX facilities will be indexed to the Consumer Price Index.

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 September 2011, the Trustee agreed to pay for directors and officers liability insurance for SRBBA Board members and the Board was reformed in December 2011. Prior to being reformed, the SRBBA Board had not met for one year due to a lack of quorum necessary to conduct business. Currently, three of seven Board positions are vacant. 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, is immediately due and payable. The SRBBA bonds are not backed by the Department or the State of Florida.

House Bill (HB) 1B, signed into law in December 2009, amended Section 20.23, Florida Statutes, and created the Florida Statewide Passenger Rail Commission (Rail Commission). The legislation also provides South Florida Regional Transportation Authority (SFRTA) with new dedicated funding for Tri-Rail beginning in FY 2011. The Rail Commission is responsible for monitoring and oversight of all publicly funded passenger rail systems in the state, including authorities created under Chapters 343, 349 or 163, if the authority receives public funds for the provision of passenger rail service. As such, SFRTA falls under the purview of the Rail Commission. However, the legislation does not preclude the Florida Transportation Commission from conducting its performance and work program

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

HB 599, passed by the 2012 Legislature and signed into law by Governor Scott in April 2012, significantly amended SFRTA's enabling legislation. Effective July 1, 2012 (FY 2013), the legislation expands the SFRTA Board from 9 to 10 members, enhances Department oversight of the SFRTA budget, and limits expansion of the Tri-Rail system to Monroe County without Department approval. The legislation also 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.

HB 599 also directed the Commission to conduct a study of the potential for cost savings that might be realized through increased efficiencies through the sharing of resources of expressway authorities in the state, with a report due to the Governor and Legislature by December 31, 2012. The report, *FTC Study of Cost Savings for Expressway Authorities*, was submitted as required and can be found on the Commission's website: www.ftc.state.fl.us/PDF/Reports/Safety/Cambridge-Report.pdf. One of the major recommendations of the report is to implement a Centralized Customer Service System (CCSS). In September 2012 (FY 2013), Florida's Turnpike Enterprise (Enterprise), MDX, OOCEA and THEA entered into a Memorandum of Understanding to engage a third-party private sector vendor to

provide a CCSS. The CCSS will provide statewide back office operation for administration of electronic toll collection activities including customer account maintenance, transponder distribution, and violations processing. Meetings between the authorities have been ongoing and Enterprise is taking the lead in developing the procurement document (Request for Proposals) needed to implement the CCSS.

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 as well.

The Commission was also required to conduct periodic reviews of each authority's operations and budget, acquisition of property, management of revenue and bond proceeds, and compliance with applicable laws and Generally Accepted

Accounting Principles (GAAP). Nonetheless, the Commission was specifically restricted not only from entering into the day-to-day 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 with this FY 2012 Transportation Authority Monitoring and Oversight Report being the most recent.

Authorities under Commission Oversight

Table 1 shows the ten authorities created under Chapters 343, 348 and 349, Florida Statutes, that are subject to Commission monitoring and oversight, effective July 1, 2012.

Table 1
Authorities under Commission Oversight

Miami-Dade Expressway Authority
Orlando-Orange County Expressway Authority
Santa Rosa Bay Bridge Authority
Tampa-Hillsborough County Expressway Authority
Central Florida Regional Transportation Authority
Jacksonville Transportation Authority
South Florida Regional Transportation Authority
Northwest Florida Transportation Corridor Authority
Osceola County Expressway Authority
Tampa Bay Area Regional Transportation Authority

Five authorities were previously considered by the Commission as “inactive” because they had never met, operated no facilities, disbanded, or were active at one time and transferred their facilities. However, as noted in the Legislative Update that follows, Senate Bill (SB) 2152 repealed these authorities from Chapter 348, Florida Statutes, effective July 1, 2011 (Brevard County Expressway Authority, Broward County Expressway Authority, Pasco County Expressway Authority, St. Lucie County Expressway Authority, and Seminole County Expressway Authority).

The Southwest Florida Expressway Authority (SWFEA) was previously included as an “active” authority in the Commission’s oversight report. As previously reported, in June 2010, the Board voted that SWFEA did not have a viable project and to start the authority dissolution process. In March 2011, the SWFEA Board approved a dissolution resolution and approved numerous motions to finalize all Board actions required to dissolve the Authority. As a result, no future Board meetings were held. SB 2152 also repealed SWFEA from Chapter 348, Florida Statutes, effective July 1, 2011.

Legislative Update

2011 Legislature

During the 2011 legislative session, SB 2152 was approved by Governor Scott on May 26, 2011, and became effective on July 1, 2011. The bill repealed the Brevard County Expressway Authority, Broward County Expressway Authority, Pasco County Expressway Authority, St. Lucie County Expressway Authority, Seminole County Expressway Authority, and Southwest Florida Expressway Authority. SB 2152 also repealed various sections of law relating to and authorizing lease purchase agreements between certain authorities (Northwest Florida Transportation Corridor Authority, Tampa Bay Area Regional Transportation Authority, Osceola County Expressway Authority, and Jacksonville Transportation Authority) and the Department. (The relevant language from SB 2152 is detailed in Appendix A.)

In addition, the General Appropriations Act, SB 2000 (Chapter 2011-69 Laws of Florida) that provides for state appropriations and funding for FY 2012 was approved by Governor Scott, with vetoes, on May 26, 2011. The Governor vetoed approximately \$11.2 million in payments to expressway authorities from the State

Transportation Trust Fund. The three authorities impacted were Orlando-Orange County Expressway Authority, Tampa-Hillsborough County Expressway Authority, and Osceola County Expressway Authority. The appropriation to Tampa Bay Area Regional Transportation Authority for the unexpended balance of funds previously appropriated was also vetoed. (The relevant vetoes from SB 2000 are detailed in Appendix A.)

2012 Legislature

During the 2012 legislative session, House Bill (HB) 599, was approved by Governor Scott on April 27, 2012, and became effective on July 1, 2012. HB 599 revises membership of the South Florida Regional Transportation Authority (SFRTA) governing board and provides that the Department will cease funding SFRTA operations if an alternate dedicated local funding source is implemented before July 1, 2019; enhances Department oversight of the SFRTA budget and limits expansion of the system to Monroe County without Department approval; revises financial disclosure requirements and use of communications media technology for public meetings for the Jacksonville Transportation Authority; directs the Florida Transportation Commission to study potential cost savings through the sharing of resources by expressway authorities, with a report due by December 31, 2012; requires the Pinellas Suncoast Transit Authority and the Hillsborough Area Regional Transit Authority to conduct a joint study to identify greater efficiencies and service enhancements including possible consolidation of functions or organizational merger (the Tampa Bay Area Regional Transportation Authority will assist and facilitate the study), with a report due by February 1, 2013; and codifies a Memorandum of Understanding between the Department and the

Orlando-Orange County Expressway Authority concerning financing, construction, operation, and maintenance of the Wekiva Parkway. (The relevant language from HB 599 is detailed in Appendix A.)

SB 1998 was approved by Governor Scott on April 20, 2012, and became effective on July 1, 2012. SB 1998 repeals the Toll Facilities Revolving Trust Fund (TFRTF) and authority for the Department to advance funds from the TFRTF to expressway authorities; and requires the cash balance in the TFRTF and all future payments obligated to the trust fund be deposited in the State Transportation Trust Fund. (The relevant language from SB 1998 is detailed in Appendix A.)

In addition, the General Appropriations Act, HB 5001 (Chapter 2012-118 Laws of Florida) that provides for state appropriations and funding for FY 2013 was approved by Governor Scott, with vetoes, on April 17, 2012. The Governor vetoed approximately \$12.3 million in payments to expressway authorities from the State Transportation Trust Fund. The two authorities impacted were Orlando-Orange County Expressway Authority (\$5.9 million) and Tampa-Hillsborough County Expressway Authority (\$6.4 million). An appropriation of \$1.2 million to the Central Florida Regional Transportation Authority for a LYNX route was also vetoed. (The relevant vetoes from HB 5001 are detailed in Appendix A.)

Performance Measures and Operating Indicators

The Commission adopted the following revisions to FY 2012 performance measures and operating indicators. Specific performance measures, objectives and operating indicators for the various transportation authorities are presented in individual chapters of this report.

FY 2012 Changes to Performance Measures and Operating Indicators – “Established” Toll Authorities

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

FY 2012 Changes to Performance Measures and Operating Indicators – Transit Authorities

No changes were made to transit authority performance measures or operating indicators for FY 2012.

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 (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.

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

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

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

- Tampa-Hillsborough County Expressway Authority (THEA)

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



Open Road Tolling Gantry - MDX.

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

- Background on the authority
- Performance measure results for fiscal year (FY) 2012
- Operating indicators for FY 2010 through FY 2012
- Governance assessment
- Summary

Transportation Authority Monitoring and Oversight

The 17 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 2012

<i>Performance Measure</i>	<i>Detail</i>	<i>Objective</i>
Operations		
SHS Roadway Maintenance Condition Rating	Condition rating of at least 90	90
Pavement Condition Rating	% SHS lane miles rated "excellent or good"	> 85%
Bridge Condition - Rating	% bridge structures rated "excellent or good"	> 95%
Bridge Condition - Weight Restrictions	% SHS bridge structures with posted limit	0%
Electronic Toll Collection (ETC) - Transactions	Number of ETC transactions as % of total transactions	> 75% by 06/30/12
Revenue Variance	Variance from indicated revenue (without fines)	< 4%
Safety	Fatalities per 100 million vehicle miles traveled	> 10% below 5 yr. avg. (.49)
Customer Service	% customers satisfied with level of service	> 90%
Operations and Budget		
Consultant Contract Management	Final cost % increase above original award	< 5%
Construction Contract Adjustments - Time	% contracts completed within 20% above original contract time	≥ 80%
Construction Contract Adjustments - Cost	% projects completed within 10% above original contract amount	≥ 90%
Cost to Collect a Toll Transaction	Total toll collection cost / number of transactions (net of exclusions)	< \$0.16
Annual Operating, Maintenance and Administrative (OM&A) Forecast Variance	Actual OM&A to annual budget	< 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 - Bonded/Commercial Debt	[(Rev - interest) - (toll operating & maintenance expense)] / commercial debt service expense	> 1.5
Debt Service Coverage - Comprehensive Debt	[(Rev - interest) - (toll operating & maintenance expense)] / all scheduled debt service expense	> 1.2
Debt Service Coverage - Compliance with Bond Covenants	Debt service coverage meets or exceeds minimum Bond Covenant requirements	Yes

In addition to performance measures, the Commission established a set of operating indicators reported by each authority for the last five fiscal years. As with the performance measures, a summary is included in each authority's section of the report, with a full five-year accounting included in Appendix B. The 21 operating indicators adopted by the Commission are presented in Table 3. The indicators are grouped by the various areas for which the statute requires monitoring (e.g., operations, budget, property acquisition, revenue management and bond proceeds).

The Commission also established seven broad areas of governance that are monitored in order to provide an assessment of the on-going management of all of the 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 four Established Toll Authorities are presented in the following pages, beginning with the Miami-Dade Expressway Authority (MDX).

Table 3
Florida Transportation Commission
Toll Authority Operating Indicators
FY 2012

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

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Miami-Dade Expressway Authority (MDX)

Background



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

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

Highlights

- MDX implemented cashless ORT on three of its five facilities in the summer of 2010 and plans to implement ORT on the remaining two facilities (SR 836 and SR 112) by FY 2015.
- MDX met 12 of 16 applicable performance measure objectives. The measures not met were Revenue Variance, Safety, Debt Service Coverage - Bonded Debt, and Debt Service Coverage - Comprehensive Debt (Bond Covenant Compliance was met).
- FY 2012 total operating revenue increased \$0.8 million, or 0.7 percent, over FY 2011 while total operating expenses increased \$5.9 million, or 10.8 percent.
- The FY 2012 independent financial statement audit reflected an unqualified opinion.
- In September 2012 (FY 2013), MDX entered into a Memorandum of Understanding with Florida's Turnpike Enterprise, Orlando-Orange County Expressway Authority and Tampa-Hillsborough Expressway Authority to engage a third-party private sector vendor to provide a Centralized Customer Service System (CCSS). The CCSS will provide statewide back office operation for electronic toll collection activities.
- In March 2013, MDX approved a toll policy where current untolled segments on SR 836 and SR 112 will be tolled by FY 2015. A new toll policy was also adopted which will eliminate the current administrative fee, effective July 1, 2013 (FY 2014), for Toll-by-Plate customers and the new rate will be set at twice the SunPass rate. In addition, effective July 1, 2017 (FY 2018), all toll rates on all MDX facilities will be indexed to the CPI.
- In April 2013 (FY 2013), MDX issued \$270 million in fixed rate Toll System Refunding Revenue Bonds, Series 2013A, resulting in an estimated present value savings of \$29 million.

Table 4
Miami-Dade Expressway Authority
Current Board Members

Name	Affiliation	Position
Maurice A. Ferre	Office of Maurice A. Ferre	Chairman
Shelly Smith Fano	Miami Dade College	Vice-Chair
Gonzalo Sanabria	Coldwell Banker Commercial	Treasurer
Carlos R. Fernandez-Guzman	Pacific National Bank	Board Member
Alfredo L. Gonzalez	Genovese Joblove & Battista, P.A.	Board Member
Maritza Gutierrez	Creative Ideas Advertising, Inc.	Board Member
Jose M. Hevia	Aligned Properties	Board Member
Robert W. Holland, Esq.	Law Office of Robert W. Holland	Board Member
Felix Lasarte, Esq.	The Lasarte Law Firm	Board Member
Louis V. Martinez, Esq.	Louis V. Martinez, P.A.	Board Member
Rick Rodriguez Pina	Rodriguez Pina & Associates	Board Member
Norman Wartman	Miami-Dade County Citizens	Board Member
	Transportation Advisory Committee	
Gus Pego, P.E.	District Six Secretary	Ex-Officio

Transportation Authority Monitoring and Oversight

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

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 222 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). The Authority reported toll and fee revenue of \$122.5 million (net of \$2.3 million of allowance) in Fiscal Year (FY) 2012 based on 233 million transactions.

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



Open Road Tolling Mainline Gantry.

ORT deployment on three of its Expressways. These contracts included the tolling lane system and the back-office, Account Management Toll Enforcement System (AMTES). In addition, MDX contracted for infrastructure modifications 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 thereby allowing free movements. Currently, only 55 percent of the users of the Expressway System pay a toll. The complete conversion to ORT on the remaining two MDX facilities (SR 836 and SR 112) is scheduled to be completed by FY 2015.

On September 12, 2012, a Memorandum of Understanding (MOU) was entered into between Florida's Turnpike Enterprise (Enterprise), MDX, Orlando-Orange County Expressway Authority (OOCEA), and Tampa-Hillsborough County Expressway Authority (THEA) for the purpose of implementing a Centralized Customer Service System (CCSS) for statewide back office operation for administration of electronic toll collection activities in order 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, interfacing with third parties and interoperability with non-participants. The MOU and contemplated ILA are

subject to approval by the OOCEA, THEA and MDX Board of Directors. Enterprise will take the lead and develop the procurement document needed to implement the CCSS and the other participating agencies have the right to enter into separate agreements with the selected vendor on the same, or substantially the same, terms as contained in the agreement executed between Enterprise and the selected vendor.

MDX has competitively competed for loans from the Department's Toll Facility Revolving Trust Fund (TFRTF) and State Infrastructure Bank (SIB) to fund various projects. The following table indicates that approximately \$36.2 million in outstanding debt is due to the Department as of June 30, 2012.

Table 5
Miami-Dade Expressway Authority
Long-Term Debt Payable to the Department
Year Ended June 30, 2012

<i>Transaction</i>	<i>(millions)</i>
Loans from Toll Facilities Revolving Trust Fund ¹	\$5.7
Loans from State Infrastructure Bank ²	\$30.5
Total Due Department	\$36.2

Source: MDX Notes to Audited Financial Statements.

¹ To be repaid by FY 2021.

² To be repaid by FY 2018.

Performance Measures

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

critical to the overall economic well-being and quality of life in Florida. FY 2012 results, as reported by MDX, are provided in Table 6. Results for the last five fiscal years are included in Appendix B.

MDX met or exceeded 12 of the 16 applicable performance measure objectives. The four performance measure objectives the Authority did not meet are described below and include trend data, explanations and any action plans that MDX has developed to assist in meeting the measures. Explanations are based on input from MDX management.

Revenue Variance

FY 2012 actual toll revenue, without recovery of fines, represents a 5.5 percent variance from indicated revenue, exceeding the established objective of less than 4.0 percent. This compares to a 2.5 percent revenue variance reported in FY 2011.

MDX recognizes SunPass and Cash revenue at "lane exit date" but recognizes Toll-by-Plate revenue based on "billed date" because the information is more accurate and conservative. Any delay in the billing process negatively impacts the revenue variance performance measure. MDX indicated that the FY 2012 increase in revenue variance is primarily attributable to the delay in recognition of revenues due to the backlog of processing transactions and billings. MDX has a five-step invoice to citation process. The first three steps are initial invoice, late notice and toll violation notice. Each step is net 30 days with a seven day grace period for mailing, and any new transactions are added to the next invoice or notice sent out. Step four is a 60-day collection action, whereby a collection agency receives the account and attempts collections. After 60 days the account in collections is returned and the entire account is rolled into a Uniform Traffic Citation (UTC). Once a toll violator's account is

Transportation Authority Monitoring and Oversight

Table 6
Miami-Dade Expressway Authority
Summary of Performance Measures
FY 2012

<i>Performance Measure</i>	<i>Detail</i>	<i>Objective</i>	<i>Actual Results</i>	<i>Meets Objective</i>
Operations				
SHS Roadway Maintenance Condition Rating	Condition rating of at least 90	90	90.6	✓
Pavement Condition Rating	% SHS lane miles rated "excellent or good"	> 85%	92.3%	✓
Bridge Condition - Rating	% bridge structures rated "excellent or good"	> 95%	97.6%	✓
Bridge Condition - Weight Restrictions	% SHS bridge structures with posted limit	0%	0.0%	✓
Electronic Toll Collection (ETC) - Transactions	Number of ETC transactions as % of total transactions	> 75% by 6/30/12	95.9%	✓
Revenue Variance	Variance from indicated revenue (without fines)	< 4%	5.5%	X
Safety ¹	Fatalities per 100 million vehicle miles traveled	> 10% below 5 yr. avg (.49)	0.97	X
Customer Service	% customers satisfied with level of service	> 90%	N/A	N/A
Operations and Budget				
Consultant Contract Management	Final cost % increase above original award	< 5%	1.1%	✓
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%	✓
Cost to Collect a Toll Transaction	Total toll collection cost / number of transactions (net of exclusions)	< \$0.16	\$0.06	✓
Annual Operating, Maintenance and Administrative (OM&A) Forecast Variance	Actual OM&A to annual budget	< 110%	96.2%	✓
Applicable Laws				
Minority Participation ²	M/WBE and SBE utilization as % of total expenditures (each agency establishes goal/target)	> 90%	221.0%	✓
Revenue Management and Bond Proceeds				
Debt Service Coverage - Bonded/Commercial Debt	[(Rev - interest) - (toll operating & maintenance expense)] / commercial debt service expense	> 1.5	1.26	X
Debt Service Coverage - Comprehensive Debt	[(Rev - interest) - (toll operating & maintenance expense)] / all scheduled debt service expense	> 1.2	1.11	X
Debt Service Coverage - Compliance with Bond Covenants	Debt service coverage meets or exceeds minimum Bond Covenant requirements	Yes	Yes	✓

¹ Safety objective based on five year average of fatalities per 100 million VMT for the four established Authorities. Actual results based on CY 2011 data.

² MDX has a Small Business Enterprise goal of 10 percent and reported achieving 22.1 percent, significantly exceeding the goal.

turned over to a collection agency, MDX no longer bills that account and no revenue is recognized from these post-collection toll transactions (although the accounts are still traced for eventual resolution and subsequent invoicing). If an account is in UTC status, a new UTC is issued every 30 days from the date of the previous UTC, rolling up all un-invoiced transactions. Failures by MDX's system integrator to deliver the system as designed, delayed the process of toll violation noticed to the collections for eight months and the delay from collections to UTC was 20 months.

Safety

The Florida Department of Highway Safety and Motor Vehicles reports official fatalities based on a Calendar Year (CY). As such, the fatalities per 100 million vehicle miles traveled (VMT) measure is based on CY 2011 data. Accident fatalities on MDX facilities decreased annually from CY 2006 (13 fatalities reported) to CY 2009 (6 fatalities reported). For CY 2010 and CY 2011, accident fatalities increased to 9 and 11, respectively. MDX actual performance of 0.97 fatalities per 100 million VMT exceeded the established objective of 0.49.

During FY 2012, MDX continued to take steps to improve on safety. Approximately 11,093 linear feet (LF) of guardrail, 2,638 LF of fencing and 16,221 LF of striping were installed at various locations along the five MDX expressways. MDX completed the reconstruction of the southern half of SR 874 Don Shula Expressway, which incorporates safety improvements to meet the latest standards including new guardrail, signing and lighting. Reconstruction of the northern part of SR 874 is underway and includes some of the same safety upgrades. Additional safety improvements such as striping, reflective pavement marker replacement, signage upgrades, and resurfacing at different segments along the system are also programmed within the MDX five-year Work Program.

The MDX Intelligent Transportation System (ITS) network includes fiber communications and surveillance equipment, which reduces accident detection times and provides for speedy incident clearance. MDX is advancing a project for the installation of Dynamic Message Signs (DMS) system-wide that will display live traffic condition information collected by the MDX ITS surveillance system, thus improving operations throughout the MDX System. Implementation of this project will begin in FY 2013. In addition, MDX will soon advertise a project to mill, resurface, and install new guardrail, signing and lighting on the entire length of SR 112 Airport Expressway, as well as reconstruct two ramps at the SR 112 and 27th Avenue Interchange. MDX also provides 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 traffic congestion and aid in the avoidance of serious secondary accidents.

Besides implementing a number of safety improvements to the roadway system, MDX has continued to promote its safety campaign to improve driver safety education. The successful Text the Last Word campaign encourages drivers to take "the pledge" to not text while driving, while



Central Boulevard Reconstruction.

highlighting the dangers of distracted driving. A website dedicated to the consequences of texting while driving, www.textthelastword.com, received approximately 500 thousand views during FY 2012. Also, MDX attended 50 events throughout the community and collected nearly 5 thousand pledge signatures during FY 2012. In addition, MDX focused its attention on high school students by sponsoring a poster and video competition where students were encouraged to communicate the dangers of texting and driving from their perspectives. Winners were recognized throughout the county and featured on local television stations. Additional information related to distracted driving, seat belt usage, impaired driving and speeding/aggressive driving can be found on the MDX website www.mdxsafety.com.

MDX indicated that the FY 2012 increase in revenue variance is primarily attributable to the delay in recognition of revenues due to the backlog of processing transactions and billings.

Besides implementing a number of safety improvements to the roadway system, MDX has continued to promote its safety campaign to improve driver safety education.

Total toll transactions increased 5.7 percent in FY 2012. Cash transactions decreased 28.7 percent while ETC transactions increased 7.9 percent.

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

MDX met its bond covenant requirements for debt service coverage of 1.2 for Senior Debt and 1.0 for Total Debt Coverage achieving 1.37 and 1.16, respectively. MDX did not meet the two performance measures objectives for Debt Service Coverage established by the Commission and did

not meet its own senior debt service coverage policy.

Debt service coverage ratios, as standardized in the Commission's performance measure calculations, may differ significantly from the debt service coverage calculations required in MDX bond resolutions and related documents. For example, the calculation of the ratio of net revenue to debt service for all bonds outstanding, as defined by MDX bond resolutions, is reported as 1.37 in the Required Supplementary Information section of the FY 2012 audited financial statements. This compares to 1.26 as reported in the performance measures table and falls short of the Commission's debt service coverage objective of greater than 1.5 and MDX's policy of greater than 1.4 times coverage. The primary differences in the calculation are attributed to non-operating revenues such as investment income and grant revenues (capital contributions) and administrative expenses that are included in the MDX calculation, but are excluded in the performance measure calculation.

The FY 2012 debt service ratio is the lowest MDX has posted to date. The significant decrease in debt service coverage is primarily attributed to an increase in senior debt service of \$15.1 million, or 25.8 percent, in FY 2012 as a result of the Series 2010A and Series 2010B MDX Bonds issued in August 2010. In addition, toll revenue was below projections, primarily due to a lag in video billings and collections.

At the March 2013 Public Hearing, the MDX Board approved a toll policy whereby the currently untolled segments on SR 836 and SR 112 will be tolled by FY 2015. ORT will be fully implemented as these are the final two facilities to go cashless. On a separate action, the Board approved a new toll policy that eliminates the \$3.00 administrative fee, effective July 1, 2013 (FY 2014). In lieu of the administrative fee, the rate for customers who

choose to use Toll-by-Plate will be twice the SunPass rate. In addition, effective July 1, 2017 (FY 2018), all toll rates on all MDX facilities will be indexed to the Consumer Price Index (CPI). In April 2013 (FY 2013), MDX issued \$270 million in fixed rate Toll System Refunding Revenue Bonds, Series 2013A, to refund outstanding Series 2001A, Series 2002 and Series 2004B Bonds for an estimated net present value savings of \$29 million. MDX also executed a new agreement with Enterprise which is expected to reduce pass-through toll collection costs. All of the above actions will have a positive impact on the debt service coverage ratio moving forward.

Presented below are examples of some of the notable performance measures where MDX met the objective. Explanations are provided to either clarify the source of the data or the methodology utilized by the Authority.

Electronic Toll Collection (ETC) Transactions

The percentage of Electronic Toll Collection (ETC) transactions to total transactions increased from approximately 94 percent in FY 2011 to 96 percent in FY 2012, far exceeding the goal of greater than 75 percent ETC participation by June 30, 2012. Total toll transactions in FY 2012 increased 5.7 percent over FY 2011 levels. Cash transactions decreased 28.7 percent while ETC transactions increased 7.9 percent.

Customer Service

Historically, results from the Enterprise Annual Customer Satisfaction Survey have been used to report MDX Customer Service performance. In an effort to reduce costs, the Enterprise now conducts the survey every two years rather than every year. As a result, the Enterprise Customer Satisfaction Survey was not performed for FY 2012. However, the FY 2013 survey is currently being conducted

and is expected to be completed in the spring of 2013. Although MDX oversees, operates and maintains its own toll facilities and equipment and provides for its own video toll collection and violation enforcement, the Enterprise maintains SunPass accounts and processes SunPass payments to the Authority. As previously noted, on September 12, 2012, MDX entered into a MOU with the Enterprise, OCEA and THEA for the purpose of implementing a CCSS for statewide back office operation for administration of electronic toll collection activities. At this time, a final agreement has not been reached and a vendor has not been procured.

Cost to Collect a Toll Transaction

The FY 2012 cost to collect a toll transaction of \$0.063 slightly decreased from \$0.067 reported in FY 2011. Despite an increase of 5.7 percent in FY 2012 toll transactions, toll collection costs (net of exclusions) remained flat.

Minority Participation

MDX has adopted a Small Business Enterprise (SBE) Participation Policy (certification based on a firm's annual revenues), which requires that not less than 10 percent of the Authority's total annual contract dollars awarded for services be committed to SBE's. In order to meet this requirement, the Authority evaluates individual projects and identifies those projects most applicable for SBE participation based on available qualified and certified small businesses. These contracts are then competitively procured through various methods (such as request for proposal (RFP), invitation to bid (ITB), etc.), as may be applicable. For FY 2012, MDX reported achieving 22.1 percent SBE participation commitment, or \$16.0 million, thereby exceeding the 10 percent SBE participation commitment requirement.

In addition, in December 2009, MDX adopted a Local Business Preference in Procurement Policy that allows a defined preference in a competitive

procurement process to certified Local Businesses (LB). The LB certification is based on fulfillment of three criteria: the majority of a business ownership must reside in Miami-Dade County; the majority of the business employees must reside in Miami-Dade County; and, the business main office must be located in Miami-Dade County for at least one year. Although the preference may be offered in several ways, MDX has applied the policy by requiring a certain level of LB participation in contracts. Similar to the SBE requirement, MDX evaluates individual projects and identifies those projects most applicable for LB participation based on available qualified and certified local businesses. These contracts are then competitively procured through various methods (such as request for proposal (RFP), invitation to bid (ITB), etc.), as may be applicable. In FY 2012, actual LB payments totaled 11.7 percent, or \$15.2 million, of all service contracts.

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. Previously the MDX Procurement Policy established a goal of 25 percent MBE/DBE participation in the aggregate of its projects. However, on May 22, 2012, the MDX Board amended the Procurement Policy by removing the 25 percent MBE/DBE participation goal. Although never intended to be a requirement, and always administered as an aspirational goal, the 25 percent participation goal created confusion and unrealistic expectations as it related to enforceability and achievability.

MDX employs an aggressive outreach program. The program incorporates a series of free technical and business training opportunities for small businesses as well as community outreach through partnership with other sister agencies and non-profit organizations. MDX also hosts an annual Procurement Workshop for SBE/Minority/Local

Businesses attended by over 300 firms, both prime and subcontractors. This workshop provides a forum for networking and includes an educational/informational panel for the benefit of SBE/Minority/Local firms.

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 2012 operating indicators, as reported by MDX, are provided in Table 7. Also, to assist in trend analysis, FY 2010 and FY 2011 operating results are provided. Results for the last five fiscal years are included in Appendix B. It is important to note FY 2012 operating indicators that significantly differ from prior year trends.

Growth in Value of Transportation Assets

Land, infrastructure and construction in progress change from year to year as new capital projects 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 2012, infrastructure assets increased approximately \$129 million primarily due to completion of the reconstruction of the SR 874/Killian Parkway interchange, construction of the eastbound auxiliary lane on SR 836, steel bridge/structure painting and repairs, and hardware and software development for full ORT toll system conversion.

On an annual basis as priorities are re-evaluated, projects are completed, new projects are identified

Table 7
Miami-Dade Expressway Authority
Summary of Operating Indicators (in millions)
FY 2010 through FY 2012

<i>Indicator</i>	<i>Detail</i>	<i>Actual 10 Results (millions)</i>	<i>Actual 11 Results (millions)</i>	<i>Actual 12 Results (millions)</i>
Operations				
Growth in Value of Transportation Assets	Land Acquisition	\$260.1	\$268.4	\$292.1
	Infrastructure Assets	\$318.3	\$342.0	\$470.7
	Construction in Progress	\$391.1	\$482.4	\$437.5
	Total Value of Transportation Assets	\$969.4	\$1,092.8	\$1,200.2
Preservation of Transportation Assets	Renewal & Replacement of Infrastructure	\$0.0	\$0.0	\$0.0
	Routine Maintenance of Infrastructure	\$6.0	\$6.6	\$6.5
	Total Preservation Costs	\$6.0	\$6.6	\$6.5
Toll Collection Transactions	Revenue from Electronic Transactions	68.2%	81.3%	86.6%
Annual Revenue Growth	Toll and Operating Revenue	-1.1%	8.9%	0.7%
Operations and Budget				
Operating Efficiency	Toll Collection Expense as % of Operating Expense	36.2%	37.1%	40.3%
	Routine Maintenance Expense as % of Operating Expense	11.2%	12.0%	10.8%
	Administrative Expense as % of Operating Expense	11.2%	10.2%	8.3%
	Operating Expense as % of Operating Revenue	47.6%	44.5%	49.0%
	Toll Operations and Maintenance Expense as % of Operating Revenue	22.6%	21.9%	25.1%
Property Acquisition				
Right-of-Way	Agency Appraisals	\$2.2	\$0.7	\$0.0
	Initial Offers	\$1.9	\$0.4	\$0.0
	Owners Appraisals	\$1.9	\$2.2	\$0.0
	Final Settlements	\$1.9	\$0.9	\$0.0
Revenue Management and Bond Proceeds				
Underlying Bond Ratings (Uninsured)	Standard & Poor's Bond Rating	A	A	A
	Moody's Bond Rating	A3	A3	A3
	Fitch Bond Rating	A-	A-	A-

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

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 2013-2017 Work Program continues capacity and operational improvements such as widening of the northern

half of SR 874, installation of Dynamic Message Signs system-wide, and reconstruction of the SR 826/SR 836 interchange. The SR 826/SR 836 Interchange Project is partially funded through a Joint Participation Agreement (JPA) with the Department for \$207.5 million. The Central Boulevard Project, a reconstruction of the entrance to the Miami International Airport, continues with expected completion by the end of 2013. MDX's planning efforts continue with the award of a planning study for extending SR 836 to the southwest while studies are ongoing for extending SR 924 to the east and west. MDX continues the study of the conversion of the existing Miami Dade Transit bus-way along US 1 to an Express Managed Lane Facility, which could potentially improve transit service.

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 2012 routine maintenance expenses remained virtually unchanged (decreased \$29 thousand) from FY 2011. FY 2011 routine maintenance expenses increased by \$0.6 million, or 9.2 percent, over FY 2010. This increase is primarily due to periodic maintenance expenses related to the installation of anti-theft devices on certain street lighting and signing overlays, and increases in roadway and plaza maintenance, consultant

maintenance support, ITS maintenance and right of way maintenance.

Toll Collection Transactions (Revenue from Electronic Toll Transactions)

As previously reported in the Performance Measures section of this chapter, the percentage of Electronic Toll Collection (ETC) transactions to total transactions increased from 93.9 percent in FY 2011 to 95.9 percent in FY 2012. ETC revenue increased from 81.3 percent of total revenue in FY 2011 to 86.6 percent in FY 2012. There is a direct correlation between electronic transactions and revenue. Even though the electronic toll rate is less than the cash rate, MDX overall operating revenue increased primarily due to a 5.7 percent overall increase in toll transactions.

Annual Revenue Growth (Toll and Operating Revenue)

Total operating revenue for FY 2012 increased 0.7 percent over FY 2011, compared to an increase of 8.9 percent over FY 2010. MDX attributed the FY 2011 increase to the conversion of conventional tolling to ORT on SR 924 and SR 874, and first ever tolling on SR 878. The revenue decrease in FY 2010 is primarily attributed to economic conditions adversely impacted by the housing market and rising unemployment.



SR 826/SR 836 Interchange Improvements.

Operating Efficiency and Rating Agency Performance

FY 2012 total operating expenses increased \$5.9 million, or 10.8 percent, over FY 2011 while total operating revenues increased \$0.8 million, or 0.7 percent. This resulted in an overall increase in the ratio of operating expenses to operating revenues in FY 2012. Toll collection expenses for FY 2012 increased 20.4 percent, while maintenance and administration expenses decreased 0.4 percent and 10.1 percent, respectively, over FY 2011 levels. The significant \$4.1 million, or 20.4 percent, increase in toll collection expenses is primarily due to an increase in SunPass processing costs assessed to MDX by the Department's Turnpike Enterprise as a result of processing more SunPass transactions.

MDX reports depreciation on infrastructure (roads, bridges and other highway improvements), furniture and equipment, toll equipment, toll facilities and buildings. FY 2012 depreciation expenses increased \$2.3 million, or 10.6 percent, over FY 2011.

FY 2012 Toll Collection expenses increased 20.4 percent, while Maintenance and Administration expenses decreased 0.4 percent and 10.1 percent, respectively.

Standard and Poor's Rating Services downgraded MDX's bond rating to A- from A in October 2012 (FY 2013).

Right-of-Way

MDX did not acquire any right-of-way in FY 2012. It is anticipated that right-of-way purchases may begin as early as 2013 for projects included in the MDX Work Program.

Underlying Bond Ratings

For FY's 2004 through 2012, the underlying ratings assigned to MDX bonds from the three major bond rating agencies did not change. However, in October 2012 (FY 2013) Standard and Poor's Rating Services lowered the underlying ratings of MDX bonds to A- from A with a stable outlook. The downgrade was attributable to a decline in FY 2012 debt service coverage that was below MDX's budget and minimum debt service policy coupled with a comparable debt service coverage ratio forecast for FY 2013.

Governance

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

Ethics and Conflicts of Interest

MDX provided a copy of its Code of Ethics policy that was last amended on December 13, 2011. 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

Transportation Authority Monitoring and Oversight

MDX, Ethics Officer, ethics training, whistleblower protection and compliance hotline.

According to MDX, no ethics or conflict of interest violations or investigations were reported during FY 2012. Commission staff reviewed the Authority's Board minutes and did not find any recorded instances of ethics or conflicts of interest violations or investigations. The meeting minutes did disclose instances where Board Members abstained from voting on agenda items due to voting conflicts. Conflict of interest documentation (State Commission on Ethics Form 8B - Memorandum of Voting Conflict for County, Municipal, and Other Local Public Officers) was provided. Commission staff also noted that MDX General Counsel informed Board members that in order to comply with the annual ethics training, as required by the MDX Code of Ethics, an "Ethics Moment" discussion covering various topics will be presented at every Board meeting beginning in May 2012. Staff training was conducted twice during FY 2012. Training addressed MDX Bylaws related to accountability, transparency and responsibility, anti-discrimination/anti-harassment policy, Government in the Sunshine, Whistle-blower Act, public records, voting conflicts and financial disclosure.

At every Board meeting, beginning in May 2012, MDX General Counsel conducts an "Ethics Moment" discussion covering various topics to fulfill ethics training as required by the MDX Code of Ethics.

In connection with the financial statement audit, Board Members and staff are also required to complete a questionnaire for related party transactions and fraud risk that is sent directly to the audit firm for evaluation. Commission staff reviewed the questionnaires provided by MDX and noted a reported instance of suspected fraud regarding the use of a toll customer's credit card

information that was provided to MDX to pay for a toll invoice. Although the customer reported that the correct toll amount was charged to her credit card, additional unauthorized charges, from a company that was not recognized by the customer, appeared shortly thereafter. After further research, it was determined that the issue was not an MDX/AMTEC originated issue but was a general fraud issue with the customer's card. MDX concluded that the customer's credit was not compromised at the Authority.

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 2012, 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, 2012 was performed. The Independent Auditor's Report indicated that the financial statements were prepared in conformity with GAAP and received an unqualified opinion. The Independent Auditor's Report on Compliance and Internal Control over Financial Reporting did not identify any deficiencies in internal control that were considered material weaknesses, and the results of audit tests did not disclose instances of noncompliance required to be reported under Government Auditing Standards. The Independent Auditor's Report on Compliance and Internal Control over Compliance for Each Major State Project indicated no issues related to compliance,

internal control, findings or questioned costs required to be reported under applicable standards.

In the Independent Auditor's Management Letter, the auditors provided recommendations for two prior year audit findings and one current year audit finding. The auditors again recommended that an audit of the Account Management Toll Enforcement Center (AMTEC) be performed to identify any control deficiencies in the third party service organization (service organization). Also, MDX and the service organization should continue to progress in refining the toll-by-plate data to ensure that controls are implemented, which will



Killian Parkway Interchange Improvements.

ensure that transactions can be completely verified. MDX indicated that it recognizes the need for the audit and will continue to pursue delivery of the full functionality of the system. The second prior year finding is for information technology (IT) issues related to both the MDX IT Department as well as the service organization (AMTEC location). Findings were related to the following IT issues: physical security controls, end-user and application security controls, antivirus/malware controls, various policy and procedure documentation, data backup, business continuity/disaster recovery program, and network security controls. The auditors again recommended that the IT

Department and management evaluate each of the issues previously noted and consider the most efficient and effective way to address them. The auditors noted that MDX has taken this prior year recommendation under advisement, considered the resources available, and addressed the observation as needed and that the finding will not be repeated in the subsequent year unless further information comes to light. MDX indicated that it has already initiated changes as recommended by the auditors and will need to do further analysis of the cost, benefit and risks on the remaining recommendations. Findings related to the service organization (ETCC) are/will be addressed to ensure adherence to the auditors' recommendations and best practices.

The current year finding incorporated the following operations and service organization issues: documentation to verify transactional detail from origination point through collection is not readily available to MDX, some customer accounts were placed on a billing hold in the RITE system whereby revenue may not be properly recognized by MDX, and the reconciliation process in place between the service organization and its third party collection agency was not functioning as intended. The auditors recommended that MDX and the service organization continue to progress in refining the system to ensure that controls are implemented, which will allow MDX to have independent access to information needed for financial purposes and up-to-date and accurate customer account information. Implementing the recommendations would streamline processing, reduce time needed to complete various tasks, and would improve the timeliness and accuracy of financial reporting. MDX management concurs with the recommendation.

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

Transportation Authority Monitoring and Oversight

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.

The Authority is also subject to the provisions of Section 189.417, Florida Statutes and Chapter 286, Florida Statutes, for open meetings. A review of MDX agendas and Board meeting minutes, as posted on the Authority's website, showed that the agendas and minutes appear to be in compliance with statute and policy. Beginning in 2010, a video of MDX Board meetings is also provided on the Authority's 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 May 22, 2012) is comprehensive but the focus of this review is on delegated procurement authority. With prior written approval from the Executive Director, the Procurement Manager, as the delegated Chief Purchasing Officer, may in writing delegate his/her authority regarding procurements to any of the MDX Directors for purchases not to exceed \$25 thousand (Small Purchases). The Procurement Manager is authorized to approve Small Purchases not to exceed \$25 thousand in the aggregate in any fiscal year without Board approval (subject to Board approved budget and following the established competitive procurement process).

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

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

Pursuant to MDX Bylaws, the Authority has five Standing Committees (composed of Board Members) that have decision-making authority with respect to all procurement matters delegated to them under the Bylaws. These committees also serve as the Award Committees and oversee the procurement and contracts of the services delegated to them under the Bylaws. Certain



SR 836 Extension.

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

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

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

Consultant Contract Reporting

MDX provided a list of all "General Consulting" contracts and those sub contracts that exceeded \$25 thousand in FY 2012. As indicated in Table 8, 34 sub consultants were used by the general consulting firms for a total cost of \$9.7 million in FY 2012.

Compliance with Bond Covenants

In September 2006, MDX issued \$304 million in Revenue Bonds, Series 2006. Bonds are payable from and secured by a pledge of net revenues from the operation of the System. Bond proceeds are primarily being used to partially fund Work Program projects. In August 2010 (FY 2011), MDX issued approximately \$413 million in Revenue and Refunding Revenue Bonds (Series 2010A and Series 2010B). Bond proceeds will be used to: partially fund Work Program projects; refund and defease Series 2000 and 2004A bonds; partially fund the debt service reserve fund; pay termination costs for the Swap agreement relating to the Refunded 2004A bonds; and pay expenses related to bond issuance costs. As of June 30, 2012, total bonds in the principal amount of approximately \$1.25 billion remained 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 a General Engineering Consultant (HNTB).
- An independent inspection and report concerning the condition of the Expressway System is required at least annually. An annual

Transportation Authority Monitoring and Oversight

Table 8
Miami-Dade Expressway Authority
Summary of General Consultant Sub Consultant Activity
FY 2012

<i>Consulting Contract</i>	<i>Description</i>	<i>Sub Consultants >\$25 K (\$000)</i>
EAC	General Construction Management Consultant	
AECOM U.S.A., Inc.	Transportation Management	\$837
AMEC Engineering & Consulting, Inc.	Materials Testing Oversight	\$125
Clary Consulting, LLC	Alternative Delivery Methods/P3 Advisory	\$48
Gamax Consulting, Inc.	Project/Program Controls	\$238
HOLT Communications, Inc.	Public Involvement/Information	\$103
HR Engineering, Inc.	Geotechnical	\$38
Integrated Project System, LLC	Scheduling & Cost Estimates	\$223
Janus Research, Inc.	Archaeology/Cultural Resources Management	\$26
Manual G. Vera & Associates, Inc.	Surveying/Mapping	\$113
Pinnacle Consulting Enterprises, Inc.	Construction Engineering & Inspection/Surveying	\$386
Reynolds, Smith and Hills, Inc.	Planning/PD&E Oversight/Geotechnical/Contract Administration	\$489
R.J. Behar & Company, Inc.	Engineering	\$169
Tamayo Engineering, LLC	Document Controls and Traffic Management Center Operations Support	\$134
HNTB	General Engineering Consultant	
Azimuth Consultants, Inc.	GIS Services	\$79
BCC Engineering, Inc.	Roadway/Structures	\$361
Bermello, Ajamil & Partners, Inc.	Public Involvement/Public Information	\$1,303
Botas Engineering, Inc.	Design	\$138
Construction Engineering Consultant	Cost Estimating Support & Market Analysis	\$27
CH Perez & Associates Consulting Engineers, Inc.	Roadway/Traffic Studies/Signs & Paving/Surveying	\$444
EV Services, Inc.	Public Involvement/Public Information	\$210
Fernandez-Beraud, Inc.	Landscaping	\$122
Glass Land Acquisition Service Specialists, Inc.	Right-of-Way Acquisition	\$31
Keith & Schnars, Inc.	Environmental Engineering Services	\$45
MCO Construction and Services, Inc.	Construction Management/Program Controls	\$230
Ribbeck Engineering, Inc.	Design	\$408
Terry Couture Communications Corp.	Public Involvement/Public Information	\$186
Transfield Services Infrastructure, Inc.	Maintenance Management Consultant	
American Lighting & Signalization, Inc.	Highway Lighting Maintenance	\$473
AmRoad, LLC	Concrete Repairs, Striping, RPM's	\$517
Eco Team, LLC	Facilities Janitorial	\$190
In & Out Projects Corporation	Pressure Washing and Painting	\$97
Remington Steel & Sign Corp.	Guardrail, Sign and Attenuator Repairs	\$198
Star Cleaning U.S.A., Inc.	Roadway Sweeping	\$168
Tenusa, Inc.	Landscaping	\$1,418
TSI Lavajet, Corp.	Guardrail, Fence and Sign Repairs	\$89
Wilbur Smith Associates	Traffic and Revenue Consultant	
Total Sub consultants > \$25 K		\$9,663

inspection report, dated May 2012, was provided by the Authority.

- Section 5.01(c) of the Bond Trust Indenture requires MDX to review its financial condition and determine whether net revenues for the

year are sufficient to enable the Authority to comply with bond covenants specified in Section 5.01(b). The Determination resolutions were properly filed with the Trustee (Bank of New York).

- MDX utilizes a nationally recognized Traffic and Revenue Consultant (CDM Smith).
- Debt service coverage ratios for FY 2012 exceed bond requirements.
- Section 5.08 (vi) of the Bond Trust Indenture requires AAA ratings for surety policies from Bond insurers to partially fund the Debt Service Reserve. Due to the subprime mortgage crisis and the effect on the financial condition of these companies, some of the insurer's credit ratings were downgraded by the rating agencies. In FY 2009, the bond insurer ratings downgrade required MDX to either cash-fund the deficiency in the Debt Service Reserve or replace the policies in order to satisfy the Trust Indenture requirement. Although the surety policies are still in place, MDX elected to fully cash fund the Debt Service Reserve in FY 2009 and is in compliance with the Trust Indenture as of June 30, 2011. As a result of the Series 2010A Bond issue in FY 2011, MDX further cash funded the Debt Service Reserve to required levels and properly disclosed an insurer's credit rating downgrade to the SEC.

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 Authority management.

MDX met or exceeded 12 of the 16 applicable management objectives established for performance measures. The four performance measure objectives not met include revenue variance, safety, debt service coverage - bonded/commercial debt, and debt service coverage - comprehensive debt. Although MDX did not meet the two performance measure objectives established by the Commission for debt service coverage and its own senior debt service policy,

MDX did comply with its bond covenant requirements for debt service coverage.

Operating indicator trend analysis showed that FY 2012 infrastructure assets increased \$129 million over FY 2011 due to completion of the reconstruction of the SR 874/Killian Parkway interchange, construction of the eastbound auxiliary lane on SR 836, steel bridge/structure painting and repairs, and hardware and software development for full ORT toll system conversion. FY 2012 total operating revenues increased \$0.8 million, or 0.7 percent, over FY 2011 while total operating expenses increased \$5.9 million, or 10.8 percent. Total toll collection expenses for FY 2012 increased 20.4 percent (\$4.1 million) over FY 2011, while maintenance and administration expenses decreased 0.4 percent and 10.1 percent, respectively. The increase in toll collection expenses is primarily due to an increase in SunPass processing costs assessed to MDX by the Turnpike Enterprise as a result of processing more SunPass transactions. Total toll transactions increased 5.7 percent in FY 2012, with ETC transactions increasing 7.9 percent and cash transactions decreasing 28.7 percent. Although the underlying bond ratings for MDX bonds remained unchanged during FY 2012, Standard and Poor's Rating Services lowered the rating to A- from A in October 2012. The downgrade was primarily attributed to a decline in FY 2012 debt service coverage that was below MDX's budget and minimum debt service policy coupled with a comparable debt service coverage forecast for FY 2013.

In the area of governance, the FY 2012 independent financial statement audit reflected an unqualified opinion. Three recommendations for improvement were provided in the Auditor's Management Letter relating to an audit of the Account Management Toll Enforcement Center's (AMTEC's) third party service provider, various information technology issues, and various

operational issues pertaining to AMTEC's third party service provider including the development of a system that will allow MDX independent access to information needed for financial purposes and up-to-date and accurate customer account information.

In September 2012 (FY 2013), MDX entered into a Memorandum of Understanding with the Turnpike Enterprise, Orlando-Orange County Expressway Authority and Tampa-Hillsborough Expressway Authority to adopt an Interlocal Agreement to manage the procurement and engagement of a third-party private sector vendor to provide a Centralized Customer Service System that will provide statewide back office operation for administration of electronic toll collection activities including customer account maintenance, transponder distribution, and violations processing.

In March 2013, the MDX Board approved a toll policy whereby the currently untolled segments on SR 836 and SR 112 will be tolled by FY 2015. The Board also approved a new toll policy that eliminates the \$3.00 administrative fee, effective July 1, 2013 (FY 2014). In lieu of the administrative fee, the rate for customers who choose to use Toll-by-Plate will be twice the SunPass rate. In addition, effective July 1, 2017

(FY 2018), all toll rates on all MDX facilities will be indexed to the Consumer Price Index.

In April 2013 (FY 2013), MDX issued \$270 million in fixed rate Toll System Refunding Revenue Bonds, Series 2013A, to refund outstanding 2001A, Series 2002 and Series 2004B Bonds for an estimated net present value savings of \$29 million.

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

The Commission recognizes MDX for its ongoing efforts to implement Open Road Tolling on all of its facilities and encourages MDX to continue to develop and pursue action plans to help meet established performance measure objectives. The Commission acknowledges with appreciation the assistance of the MDX Board and staff in providing the resources necessary to conduct this review and to complete this report.

Orlando-Orange County Expressway Authority (OOCEA)



Background

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

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

Highlights

- Phase two of the John Land Apopka Expressway (SR 414) opened to traffic on January 19, 2013.
- OOCEA met or exceeded all 16 applicable performance measure objectives.
- FY 2012 operating revenue increased \$4.5 million, or 1.7 percent, over FY 2011 and operating expenses increased \$12.6 million, or 16.4 percent due to an increase in resurfacing.
- The FY 2012 independent financial statement audit reflected an unqualified opinion.
- In February 2012, OOCEA and the Department entered into a Memorandum of Understanding (MOU) to build the Wekiva Parkway. OOCEA will independently finance, build, own and manage sections of the Wekiva Parkway primarily in Orange County and the Department will be responsible for the remaining portions in Lake and Seminole Counties.
- As part of the Wekiva Parkway agreement, OOCEA agreed to repay long-term debt owed to the Department by paying \$10 million in July 2012 and \$20 million each year thereafter until the long-term debt advances are eliminated.
- On July 1, 2012 (FY 2013), OOCEA implemented a toll rate increase at approximately 98 percent of its toll collection sites.
- In September 2012 (FY 2013), OOCEA entered into a MOU with the Florida's Turnpike Enterprise, Miami-Dade Expressway Authority and Tampa-Hillsborough Expressway Authority to engage a third-party private sector vendor(s) to provide a Centralized Customer Service System which will provide statewide back office operation for electronic toll collection activities.
- In November and December 2012 (FY 2013), OOCEA issued \$618.6 million in fixed rate Refunding Revenue Bonds (Series 2012, 2013A and 2013B) in order to capitalize on historically low interest rates and to convert variable rate debt to fixed rate debt.

Table 9
Orlando-Orange County Expressway Authority
Current Board Members

Name	Affiliation	Position
Walter A. Ketcham, Jr.	Grower, Ketcham, Rutherford, Bronson, Eide & Telan, P.A.	Chairman
Scott Batterson, P.E.	IBI Group	Vice Chairman
Teresa Jacobs	Orange County Mayor	Secretary/Treasurer
Vacant	Vacant	Board Member
Noranne B. Downs, P.E.	District Five Secretary	Board Member

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Transportation (Department) are the two ex-officio members of the Board.

At the January 23, 2013 Board meeting, the incumbent Chairman Walter Ketcham, Vice Chairman Scott Batterson and Secretary/Treasurer Teresa Jacobs were reelected to serve in the same positions. Tanya Wilder's four year term ended January 3, 2013 and Governor Rick Scott has not yet appointed a replacement to fill the vacant position.

After serving as the OOCEA Executive Director for seven years, Michael Snyder retired effective December 29, 2011. The OOCEA Board hired an Interim Executive Director, Max Crumit, P.E, who agreed in August 2012 to stay on permanently.

OOCEA currently owns and operates 109 center-line miles of roadway in Orange County. The roadways include 22 miles of the Spessard L. Holland East-West Expressway (SR 408), 23 miles of the Martin Andersen Beachline Expressway (SR 528), 33 miles of the Central Florida GreeneWay (SR 417), 22 miles of the Daniel Webster Western Beltway (SR 429) and 9 miles of the John Land Apopka Expressway (SR 414). The Authority reported toll revenue of \$263 million in FY 2012 based on 302 million transactions.



Completed SR 429 / SR 414 Interchange.

The five mile section (phase one) of the John Land Apopka Expressway fully opened to traffic in May 2009 and extends Maitland Boulevard (SR 414) west from US 441 to SR 429. Phase two of the John Land Apopka Expressway extends SR 414 from SR 429 four miles to the west and north to US 441 near CR 437 (Plymouth Sorrento Road). As part of phase two, the SR 429 Interchange with CR 437A (Ocoee Apopka Road) was relocated approximately one mile south, and a portion of SR 429 was removed to accommodate the ultimate SR 429/SR 414 system interchange. Construction started in 2010 and was opened to traffic on January 19, 2013.

One of Central Florida's most anticipated transportation projects, the Wekiva Parkway (SR 429), hit several major milestones in 2012. The Wekiva Parkway is a planned 26-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 \$1.7 billion, which includes approximately \$500 million of non-toll road improvements, and will feature all electronic tolling. The Wekiva Parkway Project Development and Environmental (PD&E) Study received the approval of the Federal Highway Administration with the Finding of No Significant Impact (FONSI) on May 11, 2012, allowing the project to move forward for design and construction.

In February 2012, OOCEA and the Department entered into a Memorandum of Understanding (MOU) that delineates the plan to fund, design, construct, own, operate and maintain the Wekiva Parkway. OOCEA and the Department are currently developing an Inter Local Agreement (ILG) with specific terms and provisions governing the project that are consistent with the MOU. OOCEA will independently finance, build, own and manage

Orlando-Orange County Expressway Authority (OOCEA)

Sections 1A, 1B, 2A, 2B and 2C (see Figure 2), which will constitute part of the OOCEA system. While OOCEA 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 project is being designed and built in sections with design scheduled to take approximately 18 to 24 months. The entire Wekiva Parkway is expected to be open to traffic in approximately seven years.

The SR 408/SR 417 (Central Florida GreeneWay) interchange serves more than 130 thousand vehicles each day, making it one of the busiest crossroads in Central Florida. Traffic is projected to nearly double by 2025. To prepare for this growth, OOCEA completed major improvements to SR 408/SR 417 by constructing a new interchange that provides a safer and smoother commute while also preparing for future growth. OOCEA opened a new ramp from southbound SR 417 to westbound SR 408 in November 2011 and a new ramp from eastbound SR 408 to northbound SR 417 in

March 2012. A critical goal of this project was to keep traffic moving during construction so impacts to customers were minimized. Advance planning, coordination and extensive customer outreach led to successful openings and OOCEA customers are now enjoying fewer backups and improved travel times.

Major projects in the Authority's \$706 million Five-Year Work Plan (FY 2013 through FY 2017) include: partial design, right-of-way, and construction for Wekiva Parkway; partial widening of SR 408 and SR 417; resurfacing of SR 429 (part A) and partial resurfacing of SR 417; new SR 417/Boggy Creek Road interchange; design of partial interchange at SR 417/Turnpike; and toll collection system upgrades.

For the last two years, the operating portion of the operating and maintenance costs of the Martin Andersen Beachline Expressway and the Spessard L. Holland East-West Expressway that the Department is required to pay under the terms of

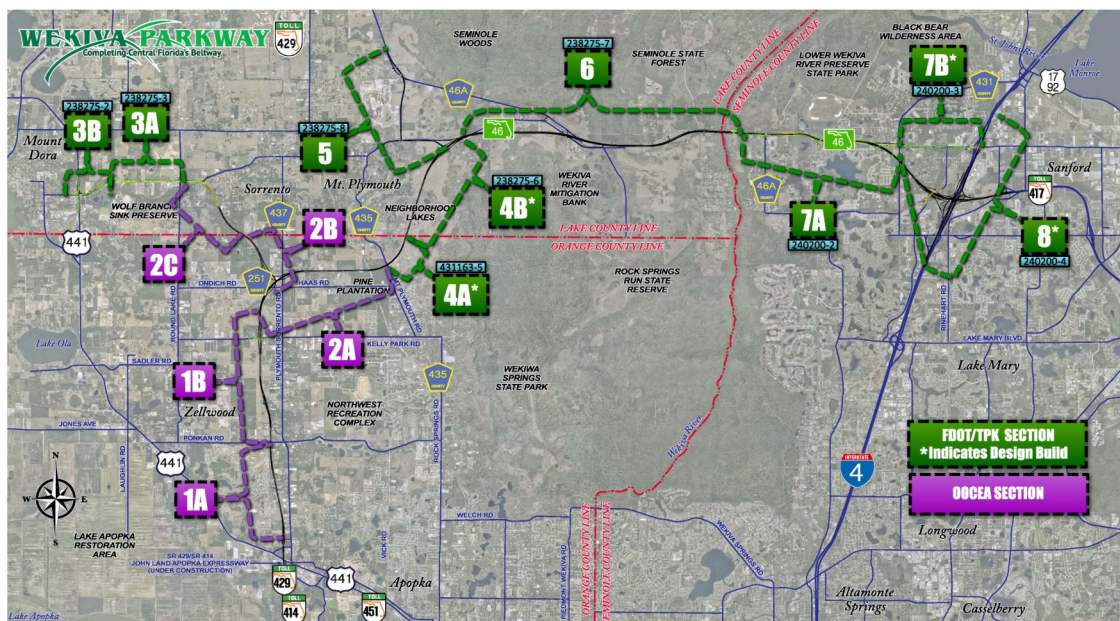


Figure 2: Map of Wekiva Parkway depicting OOCEA and Department segments.

Transportation Authority Monitoring and Oversight

the Lease-Purchase Agreement between OOCEA and the Department have been vetoed. The Authority recorded 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, the Authority utilized funds from a State Infrastructure Bank (SIB) loan to acquire right-of-way for construction of the John Land Apopka Expressway. Table 10 indicates that, as of June 30, 2012, approximately \$268 million in long-term debt is owed to the Department for these operating and maintenance expense advances and other Department advances and loans.

Table 10
Orlando-Orange County Expressway Authority
Long-Term Debt Payable to the Department (in millions)
Year Ended June 30, 2012

<i>Transaction</i>	<i>(millions)</i>
Advances for Operating and Maintenance Expenses ¹	\$224.1
Advances for Completion of East-West Expressway ¹	\$14.0
Loans from State Infrastructure Bank ²	\$29.8
Total Due Department	\$267.9

Source: OOCEA Notes to Audited Financial Statements and OOCEA Management.

¹ OOCEA repaid the Department \$10 million in July 2012 and will repay \$20 million each year thereafter until the long-term advances are eliminated.

² To be repaid by FY 2018.

As previously noted, for the last two years, OOCEA was not reimbursed by the Department for the operating portion of the operating and maintenance costs of the Martin Andersen Beachline Expressway and the Spessard L. Holland East-West Expressway. Subsequent to approval of the State's FY 2012 and FY 2013 budget by the Legislature, Governor Rick Scott exercised his line item veto authority to remove funds from the State Transportation Trust Fund that were intended to fund the Department's obligation to pay OOCEA for certain FY 2012 and FY 2013 operating and maintenance costs identified in the Lease-Purchase Agreement. (The relevant language from Chapter 2011-69 and Chapter 2012-118, Laws of Florida is detailed in Appendix A.) In the February

For the last two years, OOCEA was not reimbursed by the Department for certain operating costs of the Beachline Expressway and East-West Expressway, pursuant to a Lease-Purchase Agreement (LPA). In FY 2012 and FY 2013, Governor Rick Scott vetoed STTF funds that were intended to fund the Department's operating cost obligation under the LPA. OOCEA has started to repay all LPA Department advances pursuant to the terms of the Wekiva Parkway MOU.

2012 MOU between OOCEA and the Department to build the Wekiva Parkway, OOCEA agreed to 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 will be allocated by the Department for construction of its portions of the Wekiva Parkway. When OOCEA bonds issued before July 1, 2012 are fully paid for or defeased, the Lease-Purchase Agreement and any obligations of the Department to pay for any operating or maintenance costs is terminated. The expressway system will remain the property of OOCEA and may not be transferred to the Department. (The relevant language from House Bill 599 is detailed in Appendix A.)

On September 12, 2012, OOCEA entered into a MOU with Florida's Turnpike Enterprise (Enterprise), Miami-Dade Expressway Authority (MDX), 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 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, interfacing with third parties and interoperability with non-participants. The MOU and contemplated ILA are subject to approval by the OOCEA, THEA and MDX Board of Directors. Enterprise will take the lead and develop the procurement document needed to implement the CCSS.

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 2012 results, as reported by OOCEA, are provided in Table 11. Results for the last five fiscal years are included in Appendix B.

OOCEA met or exceeded all 16 applicable performance measure objectives. Presented below are examples of some of the notable performance measures. Explanations are provided to clarify the source of the data, the methodology utilized by the Authority or to identify differences between

adopted performance measure objectives and those required in bond documents.

Electronic Toll Collection - Transactions

Electronic Toll Collection (ETC) transactions for OOCEA constituted 76.0 percent of total transactions during FY 2012, compared to 74.6 percent reported during FY 2011, thereby exceeding the goal of greater than 75 percent ETC participation by June 30, 2012. Total toll transactions in FY 2012 increased 2.3 percent over FY 2011 levels. Cash transactions decreased 3.5 percent while ETC transactions increased 4.3 percent.

Safety

The Department of Highway Safety and Motor Vehicles reports official fatalities based on a calendar year (CY). As such, the fatalities per 100 million vehicle miles traveled (VMT) measure is based on CY 2011 data. The 3 accident fatalities in CY 2010 are the lowest number of fatalities reported by OOCEA during the previous 10 year period. The number of fatalities reported in CY 2011 increased to 8, resulting in a fatality rate of 0.46 which is slightly lower than Safety objective of less than 0.49 fatalities per 100 million VMT.

All improvements to the OOCEA expressway system are made with safety in mind. Major improvements to the SR 408/SR 417 interchange recently completed by OOCEA include new longer ramps that reduce peak hour backups, resulting in shorter commute travel times while also preparing for future growth. Crashes on the OOCEA 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

Transportation Authority Monitoring and Oversight

Table 11
Orlando-Orange County Expressway Authority
Summary of Performance Measures
FY 2012

<i>Performance Measure</i>	<i>Detail</i>	<i>Objective</i>	<i>Actual Results</i>	<i>Meets Objective</i>
Operations				
SHS Roadway Maintenance Condition Rating	Condition rating of at least 90	90	93.0	✓
Pavement Condition Rating	% SHS lane miles rated "excellent or good"	> 85%	95.1%	✓
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%	✓
Electronic Toll Collection (ETC) - Transactions	Number of ETC transactions as % of total transactions	> 75% by 6/30/12	76.0%	✓
Revenue Variance	Variance from indicated revenue (without fines)	< 4%	1.8%	✓
Safety ¹	Fatalities per 100 million vehicle miles traveled	> 10% below 5 yr. avg (.49)	0.46	✓
Customer Service	% customers satisfied with level of service	> 90%	N/A	N/A
Operations and Budget				
Consultant Contract Management	Final cost % increase above original award	< 5%	-3.8%	✓
Construction Contract Adjustments - Time	% contracts completed within 20% above original contract time	≥ 80%	100.0%	✓
Construction Contract Adjustments - Cost	% projects completed within 10% above original contract amount	≥ 90%	100.0%	✓
Cost to Collect a Toll Transaction	Total toll collection cost / number of transactions (net of exclusions)	< \$0.16	\$0.11	✓
Annual Operating, Maintenance and Administrative (OM&A) Forecast Variance	Actual OM&A to annual budget	< 110%	92.7%	✓
Applicable Laws				
Minority Participation ²	M/WBE and SBE utilization as % of total expenditures (each agency establishes goal/target)	> 90%	128.0%	✓
Revenue Management and Bond Proceeds				
Debt Service Coverage - Bonded/Commercial Debt	[(Rev - interest) - (toll operating & maintenance expense)] / commercial debt service expense	> 1.5	1.52	✓
Debt Service Coverage - Comprehensive Debt	[(Rev - interest) - (toll operating & maintenance expense)] / all scheduled debt service expense	> 1.2	1.47	✓
Debt Service Coverage - Compliance with Bond Covenants	Debt service coverage meets or exceeds minimum Bond Covenant requirements	Yes	Yes	✓

¹ Safety objective based on five year average of fatalities per 100 million VMT for the four established Authorities. Actual results based on CY 2011 data.

² The Authority has a 15 percent goal for RFP's and ITN's and reported achieving 19.2 percent, or 128.0 percent of the goal.

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 Orlando-Orange County Expressway System. The University of Central Florida is currently conducting a study for OOCEA to research possible countermeasures for wrong way driving incidents. The study will determine what countermeasures are most effective in reducing wrong way crashes. Study results are expected in May 2013.

Customer Service

Because of the size of the organization and the cost of conducting a survey, OOCEA indicated that it conducts customer service surveys every two years. As a result, the OOCEA survey was not performed for 2012. The 2008 and 2011 Customer Opinion Surveys were developed and conducted by JRD & Associates, Inc. OOCEA management states that they are committed to providing a state of the art transportation system in Central Florida that customers choose for its safety, time savings and value. In the 2008 Customer Opinion Survey, new benchmarks were established for the bi-annual independently administered surveys. Management looks to these benchmarks to assist in the decision making process as it relates to customer opinions and satisfaction. In the 2011 survey, JRD & Associates, Inc. asked E-PASS customers their opinion about expressway maintenance, safety, and time savings to ascertain the level of overall customer service satisfaction. Of the customers who responded to the survey, 90.5 percent indicated that the Expressway System saves time, is well maintained and makes their travel safer. Based on the level of service received by E-PASS customers, 92 percent would recommend E-PASS to family and friends.

OOCEA's Public Affairs Department formed a Customer Service Working Group in FY 2012 to evaluate the ways that OOCEA collects customer

feedback. Comment cards are used by toll collectors, customer service centers and road rangers. Customer feedback is also collected at the call center and OOCEA's website. The working group is evaluating the ways in which OOCEA collects customer feedback so that the feedback received is fully utilized and customer responses are processed in a consistent manner.

Construction Contract Adjustments - Time and Cost

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

Minority Participation

OOCEA indicated that Invitations to Bid (ITB) and Requests for Proposal (RFP) documents reflect a 15 percent participation objective. If the Prime Contractor (Prime) indicates minority participation at 15 percent or more in the bid, it is considered in compliance with OOCEA Business Development policy objectives. If the Prime indicates participation below the 15 percent objective in the bid, the Authority will determine if the Prime applied good faith efforts, as outlined in the bid documents, to include minority participation on the project. OOCEA staff will then meet with the Prime to discuss the Authority's determination and secure a commitment for participation at a percentage agreed to by both the Prime and OOCEA. For FY 2012, OOCEA reported 19.2 percent minority participation, or 128.0 percent of the Authority's goal of 15 percent. This exceeds the FTC objective of greater than 90 percent of the Authority's goal. FY 2012 minority participation significantly exceeded FY 2011 levels.

Debt Service Coverage - (Bonded/Commercial Debt)

OOCEA debt service coverage was in compliance with bond covenants and the performance measure objectives for Debt Service Coverage. Debt service coverage ratios, as standardized in the Commission performance measure calculations, may differ from the debt service coverage calculations required in the OOCEA bond resolutions and related documents. For example, the calculation of the composite debt service ratio, as defined by OOCEA bond resolutions, is reported as 1.51 in the Other Supplementary Information section of the FY 2012 audited financial statements. This compares to 1.52 as previously reported in Table 11.

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. On July 1, 2012 (FY 2013), OOCEA implemented a toll rate increase at approximately 98 percent of the toll collection sites across its system.

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 2012 operating indicators, as reported by OOCEA, are provided in the Table 12. Also, to assist in trend analysis, FY 2010 and FY 2011 operating results are provided.

Results for the last five fiscal years are included in Appendix B.

It is important to note FY 2012 operating indicators that significantly differ from prior year trends.

Growth in Value of Transportation Assets

Land, infrastructure and construction in progress change from year to year as new capital projects (road widening, new alignments, new interchanges, bridges, etc.) are built and completed. A project starts off as “construction in progress” and is reclassified to “infrastructure,” when the project is complete. In FY 2012, infrastructure assets increased approximately \$66 million primarily due to the completion of widening projects on SR 528 and SR 408, and the opening of the Dallas Boulevard Plaza on SR 528. In FY 2012, construction in progress increased by approximately \$63 million primarily due to work that continued on the SR 414/SR 429 and SR 408/SR 417 interchanges, and the start of a 1.3 mile widening project on SR 408.

Preservation of Transportation Assets (Renewal and Replacement of Infrastructure)

Renewal and replacement costs for FY 2012 are reported at \$13.7 million. This \$12.0 million increase over FY 2011 represents planned expenditures in OOCEA's five year Work Plan.

Toll Collection Transactions (Revenue from Electronic Toll Transactions)

As previously reported in the Performance Measures section of this chapter, the percentage of ETC transactions increased from 74.6 percent in FY 2011 to 76.0 percent in FY 2012. There is a direct correlation between electronic transactions and revenue associated with these transactions.

Orlando-Orange County Expressway Authority (OOCEA)

Table 12
Orlando-Orange County Expressway Authority
Summary of Operating Indicators (in millions)
FY 2010 through FY 2012

<i>Indicator</i>	<i>Detail</i>	<i>Actual 10 Results (millions)</i>	<i>Actual 11 Results (millions)</i>	<i>Actual 12 Results (millions)</i>
Operations				
Growth in Value of Transportation Assets	Land Acquisition	\$535.5	\$537.8	\$549.1
	Infrastructure Assets	\$2,096.3	\$2,110.7	\$2,177.1
	Construction in Progress	\$228.1	\$381.1	\$444.5
	Total Value of Transportation Assets	\$2,859.9	\$3,029.7	\$3,170.7
Preservation of Transportation Assets	Renewal & Replacement of Infrastructure	\$0.5	\$1.7	\$13.7
	Routine Maintenance of Infrastructure	\$13.6	\$13.7	\$12.4
	Total Preservation Costs	\$14.1	\$15.4	\$26.1
Toll Collection Transactions	Revenue from Electronic Transactions	71.8%	73.1%	74.7%
Annual Revenue Growth	Toll and Operating Revenue	22.7%	2.7%	1.7%
Operations and Budget				
Operating Efficiency	Toll Collection Expense as % of Operating Expense	44.0%	43.6%	36.8%
	Routine Maintenance Expense as % of Operating Expense	18.3%	17.8%	13.8%
	Administrative Expense as % of Operating Expense	7.0%	6.9%	6.3%
	Operating Expense as % of Operating Revenue	29.0%	29.3%	33.5%
	Toll Operations and Maintenance Expense as % of Total Operating Revenue	18.1%	18.0%	17.0%
Property Acquisition				
Right-of-Way	Agency Appraisals	\$5.8	\$5.2	\$4.2
	Initial Offers	\$4.0	\$3.4	\$4.3
	Owners Appraisals	N/A	\$11.6	\$10.5
	Final Settlements	\$7.6	\$9.5	\$8.1
Revenue Management and Bond Proceeds				
Underlying Bond Ratings (Uninsured)	Standard & Poor's Bond Rating	A	A	A
	Moody's Bond Rating	A1	A1	A2
	Fitch Bond Rating	A	A	A

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

Annual Revenue Growth (Toll and Operating Revenue)

FY 2012 revenue grew by 1.7 percent over FY 2011 levels and toll transactions grew by 2.3 percent. FY 2011 revenue grew by 2.7 percent over FY 2010 levels and toll transactions grew by

2.6 percent. FY 2010 revenue grew by 22.7 percent over FY 2009 levels despite a decrease of 1.5 percent in toll transactions. This is a result of the April 5, 2009 toll rate increase previously noted. The toll rate increase impacted approximately 3 months of FY 2009, whereas all 12 months of FY 2010 were impacted.

Operating Efficiency

FY 2012 total operating expenses increased \$12.6 million, or 16.4 percent, over FY 2011 due to an increase in resurfacing expenses while total operating revenues increased \$4.5 million, or 1.7 percent. This resulted in an overall increase in the ratio of operating expenses to operating revenues in FY 2012. Toll collection and maintenance expenses for FY 2012 decreased 1.8 percent and 9.5 percent, respectively, over FY 2011 levels while administrative expenses increased 5.7 percent due to legal fees incurred to appeal an attorney fee award and bond rating agencies professional services and fees. As previously noted, renewal and replacement expenses increased \$12.0 million in FY 2012.

In lieu of reporting depreciation on infrastructure (roads, bridges and other highway improvements), OOCEA reports costs associated with maintaining the existing roadway system as preservation expense. However, depreciation is charged on furniture and equipment, toll equipment, toll facilities and buildings. FY 2012 depreciation expenses decreased \$1.1 million, or 6.7 percent, over FY 2011 primarily due to assets taken out of service during FY 2012.

Right-of-Way

The methodology employed by OOCEA in right-of-way acquisition does not necessarily involve all four prescribed operating indicators for each acquisition. OOCEA's agreement/settlement amounts as reported may include items other than land, such as non-business damages, attorneys' fees and costs, expert fees and costs, business damages, business relocation expenses and fixtures that may not have been included in the appraised amount. The right-of-way acquisitions completed during FY 2012 were impacted by costs not included in the appraisal, such as attorneys'

FY 2012 toll collection and maintenance expenses decreased 1.8 percent and 9.5 percent, respectively, over FY 2011 levels while administrative expenses increased 5.7 percent due to legal fees incurred to appeal an attorney fee award and bond rating agencies professional services and fees.

FY 2012 renewal and replacement expenses increased \$12.0 million as planned in OOCEA's five year Work Plan.

FY 2012 total operating revenue increased \$4.5 million, or 1.7 percent, over FY 2011 and total operating expenses increased \$12.6 million, or 16.4 percent, due to an increase in preservation needs (resurfacing).

Moody's Investor Services, Inc. downgraded OOCEA's bond rating from A1 to A2 in October 2011. Standard and Poor's and Fitch continue to assign an A rating for all OOCEA bonds with a stable outlook.

fees and costs, business damage claims and expert costs. The details of these impacts are included in a Right-of-Way (ROW) Acquisition Report, prepared by OOCEA's ROW Counsel.

As reflected in the report, final parcels for the John Land Apopka Expressway were acquired. OOCEA also settled an inverse condemnation action related to Project 414-210. Right-of-Way resources were then focused on kickoff of the design contracts for the Wekiva Parkway. Design for Sections 429-202 and 429-203 is underway and discussions have been initiated with many property owners who will be impacted. Appraisals are being prepared for parcels that will be subject to whole takes and legals and sketches are expected for the remaining parcels near the end of the first quarter. OOCEA has also been sued in inverse

condemnation by the owners of 73 acres known as Bridle Path located in Section 429-204. Negotiations with the owners are ongoing.

In December 2012, OOCEA completed the purchase of 143 acres from the Rockwood Groves parcel which is located in Section 429-205. This 243 acre parcel was initially designated as one of the environmental parcels to be acquired under the Wekiva Parkway and Protection Act (the "Act") along with Neighborhood Lakes, and New Garden Coal. When it became evident that there would not be sufficient funding for the purchase of the entire environmental piece, OOCEA negotiated the purchase of the Right-of-Way necessary for construction of the Wekiva Parkway plus an additional 100 +/- acres to satisfy OOCEA and Department obligations under the Act. The purchase price, plus fees and costs, was approximately \$7.6 million. Should the remaining 100 +/- acres end up being deeded to the State for environmental purposes, OOCEA will seek reimbursement from the Department under the Act.

Underlying Bond Ratings

For FY's 2005 through 2011, the underlying ratings assigned to OOCEA bonds from the three major bond rating agencies did not change. However, in October 2011 (FY 2012) Moody's Investor Services, Inc. downgraded the underlying ratings of OOCEA bonds from A1 to A2 with a negative outlook. The downgrade was attributable to lower than forecasted traffic and revenue growth combined with reduced operating revenue support from the Department. Standard and Poor's and Fitch continue to assign an A rating for all OOCEA bonds with a stable outlook. Key rating drivers include a proven ability to manage tolls, good physical condition of assets, and a large commuter traffic base.

Governance

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

Ethics and Conflicts of Interest

OOCEA provided a copy of its Code of Ethics policy that was adopted by the Board on June 25, 2004 and amended in March 2009, July 2010, January 2012, February 2012 and April 2012. The policy is applicable to Board members, employees and consultants retained by OOCEA. Board Members are also subject to compliance with Chapter 112, Part III, Florida Statutes. The policy appears to be comprehensive and includes areas such as statement of intent and declaration of OOCEA policy, conflicts of interest, prohibited conduct or activity, use of property and personnel, financial disclosure, political activity and ethics education and enforcement.

The Code of Ethics Policy includes a section entitled Ethics Education and Enforcement that formally designates the Authority's General Counsel as the OOCEA Ethics Officer responsible for the administration and enforcement of the ethics policy and procedures. The policy requires that all employees receive mandatory ethics training at least annually. Ethics training for all employees was completed on February 21 and 22, 2013. OOCEA's General Counsel also conducted ethics training for Board members in July 2011. The ethics policy also requires that each new Board member be provided with an orientation on

all relevant OOCEA matters, including a detailed briefing on the Code of Ethics, within three months of becoming a member of the Board.

The ethics policy also requires that Board members, employees and consultants report all interests they (or any relative, principal, client or business associate) have in real property, whenever such real property is located within, or within a one-half mile radius of any actual or prospective OOCEA roadway project. On December 14, 2010, the OOCEA Board approved the final alignment for the Wekiva Parkway Project Development and Environmental (PD&E) Study. OOCEA collected Disclosure of Property Interest forms related to the final alignment of the Wekiva Parkway from Board members, employees and consultants. According to OOCEA, there were not any reports of property interests related to the final alignment of the Wekiva Parkway from Board members or staff. The forms were requested and filed as a matter of public record and full disclosure.

In February 2012, OOCEA amended its ethics policy by requiring Board members to provide additional disclosure of business associates. When a Board member knowingly is a business associate with any person bringing a matter before the OOCEA Board or when a matter before the Board will benefit any person with whom the Board member knowingly was a business associate in the previous two-year period, the Board member must disclose the existence of the business associate prior to voting. The policy also provides that the Board member may abstain from voting. Pursuant to this policy, Vice-Chairman Batterson abstained from voting on the Wekiva Parkway MOU at the February 22, 2012 OOCEA Board meeting and a Commission on Ethics Form 8B "Memorandum of Voting Conflict for County, Municipal, and Other Local Public Officers" was submitted. Other FY

2012 revisions to the ethics policy pertained to political activity limitations and acceptance of gifts.

According to OOCEA management, no ethics or conflict of interest violations or investigations were reported during FY 2012. Commission staff reviewed the Authority's Board meeting minutes and did not find any recorded instances of ethics or conflicts of interest violations or investigations. The meeting minutes disclosed instances where Board members abstained from voting due to voting conflicts and the appropriate voting conflict documentation was provided.

Audits

OOCEA previously established an Audit Committee whose primary function is to assist the Authority Board in fulfilling its oversight responsibilities by reviewing financial information, systems of internal controls, the audit process and the process for monitoring compliance with laws and regulations and the Code of Ethics. The committee is comprised of five voting members: two members of the Board, a representative from the City of Orlando, a representative from Orange County, and a member of the community. On July 24, 2009, the Board adopted the Audit Committee Charter as a permanent rule and amended the internal audit section to require that all internal audits be placed as a separate item on the Consent Agenda for formal acceptance at a regularly scheduled Board meeting (rather than just distributed to Board members). On October 27, 2010, the Board amended the Audit Committee Charter relating to the composition of the Selection Committee for the hiring of external auditors.

An annual independent audit of OOCEA financial statements for the fiscal years ended June 30, 2012 and 2011 was performed. The Independent Auditor's Report indicated that the financial statements were prepared in conformity with GAAP

and received an unqualified opinion. The Independent Auditor's Report on Compliance and Internal Control over Financial Reporting did not identify any deficiencies in internal control that were considered material weaknesses, and the results of audit tests did not disclose instances of noncompliance required to be reported under Government Auditing Standards. The Independent Auditor's Report on Compliance with Bond Covenants indicated that, in connection with the audit, nothing came to the auditor's attention that caused them to believe that the Authority failed to comply with the terms, covenants, provisions, or conditions of Sections 5.2, 5.5 to 5.7, 5.9, 5.10, 5.12 and 5.17 of the bond resolutions as they relate to accounting matters. In the Independent Auditor's Management Letter, the auditors had no recommendations for improvement.

A contracted outside consulting firm (Protiviti, Inc.) is currently responsible for providing Internal Audit support services as requested by the OOCEA Audit Committee and Board. Protiviti monitors and reports on the status of the Internal Audit Plan and independently verifies and reports the status of all audit/review recommendations. The status of audit/review recommendations for OOCEA improvements that have not yet been completed is provided in Appendix C and is summarized in Table

13. Recommendations drop from the list as they are independently verified by Protiviti as completed by OOCEA.

The following narrative provides a brief summary of various audits/reviews issued during, and subsequent to, FY 2012.

- IT Strategic Alignment Benchmark (July 2011) - The IT Process Institute (ITPI) is an independent research organization formed by IT practitioners and academics to support IT audit, security, and operations professionals. By participating in ITPI's IT Strategic Alignment research study, OOCEA was benchmarked against 269 IT organizations in order to identify IT areas that do not align with strategic business requirements and to identify changes that need to take place in order to drive higher performance. The report identified two recommendations for improvement in the areas of strategy and communication, and business linked metrics. Both recommendations have been completed.
- 2011 Fraud Risk Assessment (September 2011) - Pursuant to the Institute of Internal Auditors standards, Internal Audit must evaluate the potential for the occurrence of fraud and how the organization manages fraud

Table 13
Orlando-Orange County Expressway Authority
Status of Audit/Review Recommendations

<i>Audit/Review</i>	<i>Implementation Status of Recommendations</i>		
	<i>Completed</i>	<i>In Process/ Not Completed⁽¹⁾</i>	<i>Total</i>
Ethics Policy Compliance Review (June 2010)	12	1	13
2010 Contracts Audit (January 2011)	8	1	9
Right of Way Audit (February 2012)	4	1	5
Toll Violations Audit (March 2012)	10	2	12
Total Number of Recommendations	34	5	39

¹ The status of recommendations in process/not completed by OOCEA as of January 7, 2013 is provided in Appendix C.

risk. In conjunction with the FY 2012 Internal Audit planning process, Internal Audit executed a fraud risk assessment. Of the 14 fraud scenarios identified by the auditors, only the risk of “Unauthorized/improper use of corporate credit cards/misuse of company funds” was selected for further testing. Seven findings were identified specific to the P-Card process. Two recommendations were high in relative priority, three were medium in relative priority and two were low in relative priority. During the assessment, OOCEA management worked with the Internal Audit team to investigate the purchases on one employee. OOCEA management filed an ethics complaint with the OOCEA Ethics Officer for personal use of OOCEA property, which resulted in disciplinary action. All seven recommendations have been completed.

- Human Resources Process Review (September 2011) - Internal Audit performed a review of Human Resources (HR), with a focus on the policies, procedures and related internal controls around key HR processes. In addition, Internal Audit gained an understanding of succession planning and compared it to leading practices to identify opportunities for improvement. The audit resulted in nine recommendations for improvement. Two recommendations were high in relative priority, four were medium in relative priority and three were low in relative priority. As described in Appendix C, all recommendations have been completed.
- Prior Audit Recommendations Summary and Follow-Up on the 2005 and 2007 Orange County Audits (February 2012) - Internal Audit compiled a summary table depicting the progress OOCEA has made on the status of all recommendations issued and tracked from prior Internal Audit reports. The summary includes 19 prior audit reports, as followed-up on by Internal Audit, which identified 247 recommendations, subjectively classified into 7 categories. Of the

247 recommendations: 229 have been completed; management does not concur, or partially concurs with 4; and 14 recommendations are in process. Many of the action plans in response to the 2005 and 2007 Orange County Audit recommendations were implemented during 2008, 2009 and 2010. In February 2012, Internal Audit requested an updated management explanation as to the current status of each action plan implemented to address the recommendations issued in the Orange County Audits. Internal Audit subsequently performed independent verification and limited testing of management's response and did not note any instances where management and Internal Audit did not come to an agreement on the status of a recommendation. This report was presented to the OOCEA Board for information only, contained no audit recommendations and no Board action was taken.

- Right of Way Audit (February 2012) - Internal Audit conducted a review of the right of way acquisition process and related internal controls, including the exercise of OOCEA's power of eminent domain. The scope of the audit included process and controls testing and a review of files for compliance with OOCEA's Right of Way Property Acquisition and Disposition Procedures Manual and Chapters 73 and 74, Florida Statutes, related to right of way acquisition and eminent domain cases. The audit identified five recommendations for improvement in the areas of recordkeeping - completeness and retention, review of Board resolutions for completeness and accuracy, conflict of interest forms, review of final purchase agreements, and maintaining evidence of Board approval before payment. As described in Appendix C, four recommendations have been completed and the remaining recommendation is in process.
- Toll Violations Audit (March 2012) - Internal Audit conducted a review of OOCEA's current process around toll violation capture, identification, processing, billing, collection, and posting of

payments and the related internal controls around the overall process and supporting technology to address the risk that OOCEA does not identify and collect on valid toll violations. The audit identified 12 findings and recommendations: improve process to follow-up on license plates identified as unreadable; implement a control to review and approve voided unpaid toll notices (UTN's); implement a control to check completeness of UTN and uniform traffic citation (UTC) files sent to AXIS for printing; enhance process to reconcile accounting records to UTC payments made directly to the courts; enhance look-up of vehicle plate registration information of toll violators; enhance collection efforts; enhance completeness of system capture of toll violations; enhance consistency of express lane ORT software and equipment; enhance consistency of cameras used in ramp lanes; streamline review and approval of weekly UTCs; enhance policies to help increase image review clerk accuracy; and streamline processes and improve consistency with other state agencies. As described in Appendix C, 10 recommendations have been completed and the remaining 2 recommendations are in process.

- 2012 Contracts Audit (May 2012) - Internal Audit was asked to audit contracts for a sample of large engineering, service, maintenance, operations, and/or construction projects. The objectives of the audit were to audit the accuracy of items billed to the Authority in accordance with contract terms and conditions, and identify and test key processes and controls around contract bidding and execution, budgeting, billing, project oversight, reporting, and supplemental agreement management. The audit of four contracts resulted in two recommendations for improvement in the areas of evidence of contractor insurance coverage and timely execution of supplemental agreements. All recommendations have been completed.
- PCI Compliance Audit (November 2012) - Internal Audit performed an audit from September 2012

to November 2012 to test OOCEA's conformity with 242 Payment Card Industry (PCI) Data Security Standard (DSS) areas of compliance. OOCEA's General Counsel determined that the report issued as a result of the audit is exempt from public records disclosure pursuant to Section 282.318, Florida Statutes. The OOCEA report of full compliance was sent on November 2, 2012.

Public Records and Open Meetings

OOCEA is operating under Chapter 119, Florida Statutes, relating to public records. To increase transparency, in February 2012, OOCEA began posting all non-payroll checks on its website. The Authority is subject to the provisions of Section 189.417, Florida Statutes and Chapter 286, Florida Statutes, for open meetings. In addition, OOCEA has adopted their own procedures for Board Meetings and Informal Proceedings. A review of OOCEA agendas and Board meeting minutes, as posted on the Authority's website www.expresswayauthority.com, showed that the agendas and minutes appear to be in compliance with statute and policy. Commission staff also reviewed a Board Meeting Schedule published in the Orlando Sentinel newspaper and public meeting notices posted on the Authority's website. OOCEA policy also requires public meeting notices to be posted at OOCEA Headquarters, the Orange County Administration Building and the City of Orlando Administration Building. Based on the review, it appears that required notice of public meetings is in compliance with OOCEA policy and Florida Statutes.

Procurement

OOCEA's Procurement Policy, updated at least annually, 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 Micro-Contracts 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 Micro-Contracts 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

OOCEA provided a list of all “General Consulting” contracts and those sub contracts that exceeded \$25 thousand in FY 2012. As indicated in Table 14, 13 sub consultants were used by the general

consulting firms for a total cost of \$2.2 million in FY 2012.

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, 2012, 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.
- OOCEA utilizes a nationally recognized General Engineering Consultant (Atkins).
- OOCEA utilizes a nationally recognized Traffic and Revenue Consultant (HNTB). HNTB prepared a FY 2010 Traffic and Earnings Consultant’s Annual Report for the Authority’s Series 2010C Revenue Bonds. In June 2011, HNTB issued a system revenue forecast for OOCEA that was revised downward due to higher fuel costs and the revenue growth trend observed over the preceding months.
- Debt service coverage ratios exceed bond requirements.

Bond Restructuring Program

In September 2012 (FY 2013), OOCEA established a goal to reduce its percentage of total variable rate debt to total bond indebtedness from 38 percent to 25 percent. OOCEA also began considering a restructuring program that would utilize savings from a fixed rate refunding of \$274.2 million of its 2003B Bonds to offset

Orlando-Orange County Expressway Authority (OOCEA)

Table 14
Orlando-Orange County Expressway Authority
Summary of General Consultant Sub Consultant Activity
FY 2012

<i>Consulting Contract</i>	<i>Description</i>	<i>Sub Consultants >\$25 K (\$000)</i>
CDM	Engineering Consultant Services - Systemwide	
Reynolds, Smith & Hill, Inc.	Engineering Services	\$33
Jorgensen Contract Services, LLC	Roadway and Bridge Maintenance	
All Florida Guardrail, Inc.	Guardrail Repair	\$27
Procopio & Associates	Staffing	\$100
Southeast Attenuators, Inc.	Attenuator, Fence and Guardrail	\$690
Fifth M, LLC	Landscaping and Maintenance	\$71
Atkins Global	General Engineering Consultant	
HNTB Corp.	Wekiva Parkway Consultant Services	
Geodata Consultants	Survey	\$97
TBE Group, Inc.	CEI Services	
Ardaman & Associates	Engineering Services	\$100
C&M Environmental	Geotechnical Services	\$48
JBS Engineering Technical	Engineering Services	\$663
Elipsis Engineering	Engineering Services	\$50
GRL Geotechnical Services	Geotechnical Services	\$104
Transcore	VES Camera Maintenance	
Professional Services Engineering	Camera Maintenance	\$59
WBQ Design & Engineering, Inc.	Miscellaneous Design Consultant Services	
DRMP	Engineering Services	\$207
Total Sub consultants > \$25 K		\$2,249

estimated costs of restructuring \$241.6 million of its Series 2003C1 and 2003C3 variable rate bonds. OOCEA explored the possibility of a direct loan to fund the swap termination payments. After acquiring several indicative rates, it was determined that the cost of a direct loan (subordinate debt) would be comparable to senior lien bonds.

OOCEA compiled a refinancing plan that included the following:

- Refinance \$274.2 million of its traditional fixed rate 2003B Bonds, for an estimated savings of \$20 million on a forward basis (2013A Bonds).

- Restructure \$241.6 million of its variable rate Series 2003C1 and 2003C3 Bonds and terminate the related swaps with fixed rate bonds at a lower interest rate (Series 2012 Bonds). Finance the termination payment for the swaps related to the 2003C1 and 2003C3 Bonds with a fixed rate direct loan to be competitively bid (Series 2012 Bonds and Loan). The new Series 2012 fixed rate bonds were expected to generate over \$46 million in savings, with a net cost of approximately \$9 million.

The transaction was executed in November 2012, but because of further reductions in absolute

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interest rates and a significant reduction in the credit spreads leading up to the pricing, OOCEA realized a present value savings on the refinancing of the 2003B Bonds of \$35.8 million, while the cost of the partial restructure of the Series 2003C1 and 2003C3 Bonds was approximately \$1.9 million, yielding a net savings of \$33.9 million on a present value basis.

Upon achieving greater than anticipated savings, OOCEA opted to refund the remaining \$166.7 million of 2003C variable rate bonds (Series 2003C2 and 2003C4) in December 2012. The net present value savings achieved on the Series 2012, 2013A and 2013B bond transactions was approximately \$30 million. OOCEA's percentage of variable rate debt to total senior lien bonded debt was reduced to 24 percent, exceeding the Authority's 25 percent goal. Table 15 provides a summary of the new refunding bonds that OOCEA issued as part of its Bond Restructuring Program in FY 2013.

Table 15
Orlando-Orange County Expressway Authority
Refunded and Refunding Senior Lien Bonds⁽¹⁾ Issued in FY 2013

<i>Bonds Refunded (in millions)</i>		<i>New Refunding Bonds (in millions)</i>	
<i>Series</i>	<i>Par Value</i>	<i>Series</i>	<i>Par Value</i>
2003B	\$274.2	2013A	\$242.3
2003C1, 2003C3	\$241.6	2012	\$201.9
2003C2, 2003C4	\$166.7	2013B	\$174.3

(1) A \$59 million subordinate bank loan was used to terminate swap agreements related to the refunded bonds.

Summary

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

OOCEA met or exceeded all 16 of the applicable management objectives established for performance measures. FY 2012 minority

participation significantly exceeded FY 2011 levels.

Operating indicator trend analysis showed that infrastructure assets increased \$66 million in FY 2012 primarily due the completion of widening projects on SR 528 and SR 408, and the opening of the Dallas Boulevard Plaza on SR 528. In FY 2012, construction in progress increased \$63 million primarily due to work that continued on the SR 414/SR 429 and SR 408/SR 417 interchanges, and the start of a 1.3 mile widening project on SR 408. FY 2012 operating revenue increased \$4.5 million, or 1.7 percent, over FY 2011 and total operating expenses increased \$12.6 million, or 16.4 percent, due to an increase in preservation needs (resurfacing and restriping). Toll collection and maintenance expenses for FY 2012 decreased 1.8 percent and 9.5 percent, respectively, over FY 2011 while administrative expenses increased 5.7 percent due to legal fees incurred to appeal an attorney fee award and bond rating agencies professional services and fees. Renewal and replacement expenses for FY 2012 are reported at \$13.7 million. This increase of \$12.0 million over FY 2011 represents planned expenditures in OOCEA's five year Work Plan. In October 2011, Moody's Investor Services, Inc. downgraded the underlying ratings of OOCEA bonds from A1 to A2 with a negative outlook. The downgrade was primarily attributed to lower than forecasted traffic and revenue growth combined with reduced operating revenue support from the Department. Standard and Poor's and Fitch continue to assign an A rating for all OOCEA bonds with a stable outlook. Key rating drivers include a proven ability to manage tolls, good physical condition of assets and a large commuter traffic base.

In the area of governance, the OOCEA Board amended its Code of Ethics policy four times in FY

2012. These amendments related to political activity, additional disclosure of business associates by Board members and acceptance of gifts. The FY 2012 independent financial statement audit reflected an unqualified opinion.

OOCEA routinely conducts a number of internal audits and reviews each year and has implemented many of the recommendations contained therein. An outside consulting firm, Protiviti Inc., provides independent internal audit support services to OOCEA's Audit Committee and Board and independently verifies and reports the status of all audit/review recommendations. The status of all recommendations for OOCEA improvements since 2005 that have not yet been implemented is provided in Appendix C. The following list identifies audits and reviews that were issued during, or subsequent to, FY 2012.

- IT Strategic Alignment Benchmark (July 2011) - Benchmarked OOCEA against other Information Technology (IT) organizations to identify IT areas that do not align with strategic business requirements and to identify changes that need to take place in order to drive higher performance.
- 2011 Fraud Risk Assessment (September 2011) - In conjunction with the FY 2012 Internal Audit planning process, Internal Audit executed a fraud risk assessment. Of the 14 fraud scenarios identified, only one area was selected for further testing (Unauthorized/improper use of corporate credit cards/misuse of company funds).
- Human Resources Process Review (September 2011) - Reviewed Human Resources with a focus on policies, procedures and related internal controls around key processes. Also, OOCEA's succession strategies were compared

to leading practices to identify opportunities for improvement.

- Prior Audit Recommendations Summary and Follow-Up on the 2005 and 2007 Orange County Audits (February 2012) - Compiled a summary of all recommendations issued and tracked from prior internal audit reports, specifically verifying that management continues to follow the audit recommendations issued in the Orange County Audits.
- Right of Way Audit (February 2012) - Reviewed the right of way acquisition process and related internal controls, including the exercise of OOCEA's power of eminent domain. Compliance with OOCEA's right of way procedures and Chapters 73 and 74, Florida Statutes, were also tested.
- Toll Violations Audit (March 2012) - Reviewed OOCEA's process for toll violation capture, identification, processing, billing, collection, posting of payments, and supporting technology to address the risk that OOCEA does not identify and collect on valid toll transactions.
- 2012 Contracts Audit (May 2012) - Audited contracts for a sample of large engineering, service, maintenance, operations, and/or construction projects. Audit objectives were to determine the accuracy of items billed to OOCEA and to test processes and controls around contract bidding and execution, budgeting, billing, project oversight, reporting and supplemental agreement management.
- PCI Compliance Audit (November 2012) - Tested OOCEA's conformity with Payment Card Industry (PCI) Data Security Standard (DSS) - report is exempt from public records disclosure.

In February 2012, OOCEA and the Department entered into a Memorandum of Understanding (MOU) that delineates the plan to fund, design, construct, own, operate and maintain the Wekiva Parkway (codified in HB 599, passed by the 2012 Legislature). OOCEA will independently finance, build, own and manage certain sections of the Wekiva Parkway, primarily in Orange County, while the Department is responsible for the remaining portions in Lake and Seminole Counties. As part of this agreement, OOCEA has agreed to 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 debt advances are eliminated.

A forward looking toll structure was approved in 2009 that indexes tolls to the Consumer Price Index with a three percent annual floor beginning in FY 2013, and every five years thereafter. On July 1, 2012 (FY 2013), OOCEA implemented a toll rate increase at approximately 98 percent of its toll collection sites.

In September 2012 (FY 2013), OOCEA entered into a MOU with the Turnpike Enterprise, Miami-Dade Expressway Authority and Tampa-Hillsborough Expressway Authority to adopt an Interlocal Agreement to manage the procurement and engagement of a third-party private sector vendor to provide a Centralized Customer Service System

that will provide statewide back office operation for administration of electronic toll collection activities.

In November and December 2012 (FY 2013), OOCEA issued \$618.6 million in fixed rate Refunding Revenue Bonds (Series 2012, 2013A and 2013B) in order to capitalize on historically low interest rates and to convert variable rate debt to fixed rate debt. OOCEA realized a net present value savings of \$30 million while reducing its percentage of variable rate debt from 38 to 24 percent of its total bond indebtedness.

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

The Commission recognizes the positive performance results and acknowledges, with appreciation, the assistance of the OOCEA Board and staff in providing the resources necessary to conduct this review and to complete this report.

Santa Rosa Bay Bridge Authority (SRBBA)

Background



The Santa Rosa Bay Bridge Authority (SRBBA) is an agency of the state of Florida, created in 1984 under Chapter 348, Part 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 of 1989) 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 16, 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. An affirmative vote of at least four Board members is needed for any action to be taken by the Authority.

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

Highlights

- SSRBBA 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.
- SRBBA bonds are considered "non-investment grade." All three rating agencies further downgraded SRBBA bonds in FY 2011 and in FY 2012 Moody's withdrew their rating.
- On January 1, 2013, the Trustee declared that the principal of all outstanding SRBBA bonds, in the amount of \$131.2 million, is immediately due and payable.
- In September 2011, the Trustee agreed to pay for Directors and Officers liability insurance for Board members. Necessary appointments were made to reform an active SRBBA Board in December 2011. Currently, three of seven Board positions are vacant.
- SRBBA met 6 of the 11 applicable performance measure objectives.
- FY 2012 toll revenue increased 7.4 percent while toll transactions increased 3.1 percent primarily due to a rebound in traffic and a full year impact of the January 2011 toll rate increase.
- An independent financial statement audit was not performed.
- SRBBA does not currently have a Traffic and Revenue Consultant as required in the bond resolution.

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Table 16
Santa Rosa Bay Bridge Authority
Current Board Members

<i>Name</i>	<i>Appointment</i>	<i>Position</i>
A. Morgan Lamb	Governor	Chairman
Gerry Goldstein	Santa Rosa County BOCC	Vice Chairman
Don Richards	Santa Rosa County BOCC	Board Member
Vacant	Santa Rosa County BOCC	Board Member
Vacant	Governor	Board Member
Vacant	Governor	Board Member
James T. Barfield, P.E.	District Three Secretary	Ex-Officio

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. The balance of these liabilities on June 30, 2012 was \$26.0 million.

Table 17
Santa Rosa Bay Bridge Authority
Long-term Debt Payable to the Department (in millions)
Year Ended June 30, 2012

<i>Transaction</i>	<i>(millions)</i>
Advances for Operating, Maintenance and R&R Expenses	\$18.1
Loan from Toll Facilities Revolving Trust Fund	\$7.9
Total Due the Department	\$26.0

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

The Authority has a Lease-Purchase Agreement with FDOT.

District 3 provides maintenance for Garcon Point Bridge.

Turnpike Enterprise provides toll operations.

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

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 2012 results, as reported by the Department for SRBBA, are provided in Table 18. Results for the last five fiscal years are included in Appendix B.

Of the 17 performance measures established by the Commission, only 11 are currently applicable to SRBBA. Of these 11 measures, SRBBA met or exceeded six of the performance measure objectives. The State Highway System (SHS) maintenance rating is only applicable to roadways and is, therefore, not pertinent to this authority. SRBBA has not undertaken any additional projects since the opening of the bridge in 1999; therefore, the consultant cost and construction time and cost measures, as well as the minority participation measure, are not applicable at this time. For the customer service measure, the Enterprise Customer Satisfaction Survey was not conducted in FY 2012, but will be conducted in FY 2013. The five performance measure objectives the Authority did not meet are described below and include trend data, explanations and any action plans that SRBBA has developed to assist in meeting the measures.

Electronic Toll Collection - Transactions

ETC transactions for SRBBA constituted 37.6 percent of total transactions during FY 2012 compared to 36.2 percent reported during FY 2011. This is significantly lower than the established objective due to the large number of tourists and seasonal residents using the bridge. Based on the current level of ETC transactions, SRBBA is not expected to meet the goal of greater than 75 percent ETC participation by June 30, 2012.

ETC users are provided a retroactive 50 percent toll discount after reaching 30 transactions per month on the Garcon Point Bridge. This discount totaled \$339 thousand in FY 2012 and provides an incentive for increased ETC participation by commuters and frequent travelers. SunPass participation peaks during the winter months due to a lower percentage of tourists.

Cost to Collect a Toll Transaction

The FY 2012 cost to collect a toll transaction of \$0.65 increased slightly from \$0.63 reported in FY 2011. Actual results far exceed the \$0.16 objective established by the Commission. Operations of Garcon Point Bridge require a significant amount of fixed costs relative to the number of motorists using the facility. Due to the low percentage of ETC customers, staffing of “manned” lanes to accommodate cash customers creates a high fixed cost.

Debt Service Coverage

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

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

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Table 18
Santa Rosa Bay Bridge Authority
Summary of Performance Measures
FY 2012

<i>Performance Measure</i>	<i>Detail</i>	<i>Objective</i>	<i>Actual Results</i>	<i>Meets Objective</i>
Operations				
SHS Roadway Maintenance Condition Rating	Condition rating of at least 90	90	N/A	N/A
Pavement Condition Rating	% SHS lane miles rated "excellent or good"	> 85%	100.0%	✓
Bridge Condition - Rating	% bridge structures rated "excellent or good"	> 95%	100.0%	✓
Bridge Condition - Weight Restrictions	% SHS bridge structures with posted limit	0%	0.0%	✓
Electronic Toll Collection (ETC) - Transactions	Number of ETC transactions as % of total transactions	> 75% by 6/30/12	37.6%	X
Revenue Variance	Variance from indicated revenue (without fines)	< 4%	1.7%	✓
Safety ¹	Fatalities per 100 million vehicle miles traveled	> 10% below 5 yr. avg (.49)	0.0	✓
Customer Service	% customers satisfied with level of service	> 90%	N/A	N/A
Operations and Budget				
Consultant Contract Management	Final cost % increase above original award	< 5%	N/A	N/A
Construction Contract Adjustments - Time	% contracts completed within 20% above original contract time	≥ 80%	N/A	N/A
Construction Contract Adjustments - Cost	% projects completed within 10% above original contract amount	≥ 90%	N/A	N/A
Cost to Collect a Toll Transaction	Total toll collection cost / number of transactions (net of exclusions)	< \$0.16	\$0.65	X
Annual Operating, Maintenance and Administrative (OM&A) Forecast Variance	Actual OM&A to annual budget	< 110%	103.2%	✓
Applicable Laws				
Minority Participation	M/WBE and SBE utilization as % of total expenditures (each agency establishes goal/target)	> 90%	N/A	N/A
Revenue Management and Bond Proceeds				
Debt Service Coverage - Bonded/Commercial Debt	[(Rev - interest) - (toll operating & maintenance expense)] / commercial debt service expense	> 1.5	0.44	X
Debt Service Coverage - Comprehensive Debt	[(Rev - interest) - (toll operating & maintenance expense)] / all scheduled debt service expense	> 1.2	0.44	X
Debt Service Coverage - Compliance with Bond Covenants	Debt service coverage meets or exceeds minimum Bond Covenant requirements	Yes	No	X

¹ Safety objective based on five year average of fatalities per 100 million VMT for the four established authorities. Actual results based on CY 2011 data.

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 will 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, is immediately due and payable. Such notice permits the Trustee to make regular distributions to all bondholders from the revenues made available.

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 a 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 February 15, 2012 meeting, the

SRBBA Board recognized that it no longer has traffic and revenue consultants as required in the bond resolutions and that no current revenue projections are available. The Board agreed to defer discussion of this issue to a future meeting.

The Trustee indicated that gross revenues will be insufficient for the foreseeable future to continue to pay debt service on the bonds and retained legal counsel and a financial advisor in November 2011 to represent the Trustee. Greenberg Traurig (Orlando Office) will provide legal counsel and FTI Consulting, Inc. (FTI) will provide financial advisory and consulting services. FTI's scope of services includes assistance with the development and negotiation of restructuring alternatives for the Bonds and monitoring and participating in meetings and discussions among interested parties. Currently, no specific proposals for refinancing/restructuring have been submitted for consideration.

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 2012 operating indicators are provided in Table 19.

Also, to assist in trend analysis, FY 2010 and FY 2011 operating results are provided. Results for the last five fiscal years are included in Appendix B.

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

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available. SRBBA dedicates all of its revenue to the payment of debt service on outstanding bonds and has no funds available to provide for administrative expenses, including the preparation of financial statements and engagement of an independent auditor. For several years, the Department's Inspector General's Office completed an annual Accountant's Compilation Report, which is limited in presentation and does

not include disclosures required by GAAP (notes to the financial statements). The FY 2010 Compilation Report was issued in April 2011. The Department's Inspector General's Office indicated that it will not prepare a Compilation Report for FY 2011 and subsequent years because compiled financial statements do not comply with the provisions of the Bond Resolution.

Table 19
Santa Rosa Bay Bridge Authority
Summary of Operating Indicators (in millions)
FY 2010 through FY 2012

<i>Indicator</i>	<i>Detail</i>	<i>Actual 10 Results (millions)</i>	<i>Actual 11 Results (millions)</i>	<i>Actual 12 Results (millions)</i>
Operations				
Growth in Value of Transportation Assets	Land Acquisition	N/A	N/A	N/A
	Infrastructure Assets	\$106.3	N/A	N/A
	Construction in Progress	N/A	N/A	N/A
	Total Value of Transportation Assets	\$106.3	N/A	N/A
Preservation of Transportation Assets	Renewal & Replacement of Infrastructure	N/A	N/A	N/A
	Routine Maintenance of Infrastructure	\$0.1	\$0.2	\$0.2
	Total Preservation Costs	\$0.1	\$0.2	\$0.2
Toll Collection Transactions	Revenue from Electronic Transactions	33.0%	33.5%	34.0%
Annual Revenue Growth	Toll and Operating Revenue	-3.8%	1.7%	7.4%
Operations and Budget				
Operating Efficiency	Toll Collection Expense as % of Operating Expense	84.4%	59.4%	78.3%
	Routine Maintenance Expense as % of Operating Expense	11.9%	9.8%	15.1%
	Administrative Expense as % of Operating Expense	0.0%	0.0%	0.0%
	Operating Expense as % of Operating Revenue	26.9%	38.2%	28.3%
	Toll Operations and Maintenance Expense as % of Operating Revenue	26.0%	26.4%	26.4%
Property Acquisition				
Right-of-Way	Agency Appraisals	N/A	N/A	N/A
	Initial Offers	N/A	N/A	N/A
	Owners Appraisals	N/A	N/A	N/A
	Final Settlements	N/A	N/A	N/A
Revenue Management and Bond Proceeds				
Underlying Bond Ratings (Uninsured)	Standard & Poor's Bond Rating	CC	D	D
	Moody's Bond Rating	Caa3	Ca	Withdrawn
	Fitch Bond Rating	C	D	D

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

It is important to note FY 2012 operating indicators that significantly differ from prior year trends.

Annual Revenue Growth (Toll and Operating Revenue)

FY 2012 toll revenue increased 7.4 percent while toll transactions increased 3.1 percent over FY 2011. The increase in traffic and revenue can be attributed to a rebound in traffic and the full impact of the January 2011 toll rate increase (i.e., the toll rate increase was in effect throughout FY 2012). FY 2011 toll revenue increased from FY 2010 by 1.7 percent while toll transactions decreased by 1.3 percent. The increase in toll revenue is due to the January 2011 toll rate increase. The decrease in transactions can be attributed to the elasticity associated with the toll rate increase, as well as the continued uncertainty of the economic recovery. FY 2010 toll revenue and toll transactions decreased from FY 2009 by 3.8 percent and 3.9 percent, respectively. The decrease in traffic and revenue can be partially attributed to the sluggish economy following the recession. Toll revenue and transactions were also negatively impacted by the BP oil spill, which began with the explosion of the Deepwater Horizon drilling platform on April 20, 2010. The oil slick began affecting the beaches at Pensacola and Santa Rosa Island in May 2010.

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

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

coastal region of the state, further increases toll collection costs. The significant decrease in the FY 2011 ratio is attributed to a \$500 thousand increase in total operating expenses related to periodic maintenance expenses for bridge repairs. In FY 2012, total operating expenses significantly decreased from FY 2011 primarily as a result of a decrease in periodic maintenance expenses. This resulted in a ratio more consistent with historical levels.



Garcon Point Bridge

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

FY 2012 routine maintenance expenses increased \$36 thousand, or 23 percent, over FY 2011 due to an increase in general maintenance on the facility and bridge inspection costs.

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

SRBBA has no current funding available to pay for administrative expenses because all revenue is used to pay debt service on outstanding bonds. The “flow of funds,” as detailed in the SRBBA

Revenue Bonds, Series 1996, provides that toll revenues first fund debt service, debt service reserve, administrative expenses, TFRTF Loans and lastly State Transportation Trust Fund (STTF) - Department funded items (operating, maintenance, renewal and replacement, SunPass and other improvements). In January 2009, the SRBBA Board adopted an amendment to the Lease-Purchase Agreement between SRBBA and 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.

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

Total operating expenses for FY 2012 decreased approximately \$334 thousand, or 20.4 percent, over FY 2011 while total operating revenues increased \$316 thousand, or 7.4 percent. The decrease in the FY 2012 ratio is primarily attributed to a \$429 thousand decrease in periodic maintenance expenses for bridge repairs incurred in FY 2011 but not incurred in FY 2012.

Underlying Bond Ratings (Uninsured)

Standard & Poors and Fitch assigned “investment grade” municipal bond ratings of BBB- and BBB, respectively, to the SRBBA Series 1996 Bonds when originally issued. Subsequently, the rating agencies assigned significantly lower bond ratings based primarily on poor traffic and revenue performance relative to original forecasts and draws on the Debt Service Reserve to make required debt service payments. SRBBA ratings are currently not investment grade (below BBB- or Baa3 for Moody’s). All three rating agencies further downgraded SRBBA bonds in FY 2011 because the required July 1, 2011 debt service payment was not made. Moody’s downgraded the bonds

from B1 to B2 in FY 2008, from B2 to B3 in FY 2009, from B3 to Caa3 in FY 2010, and from Caa3 to Ca in FY 2011. In February 2008 (FY 2008), Fitch placed the underlying BB- rating on Rating Watch Negative, downgraded the bonds from BB- to CCC in FY 2009, from CCC to C in FY 2010, and further downgraded the bonds from C to D in FY 2011. Standard & Poors downgraded the bonds from B- to CC in FY 2009 and from CC to D in FY 2011. There were no changes in SRBBA bond ratings in FY 2012, except that Moody’s withdrew their rating “due to insufficient information.”

Governance

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

General Governance and Compliance Issues

The SRBBA Board is the governing body responsible for oversight of the Authority. The Authority does not have funding for administrative expenses because all revenue is used to pay debt service on outstanding bonds. The Authority does not have an executive director, secretary or any staff. Although not required, the Department’s District Three Office provided SRBBA with limited administrative assistance for concerns of vital interest until January 2008. Assistance included funding for essential organizational needs and provision of a Department employee who performed administrative duties including posting public meeting notices, preparing Board agendas and meeting minutes, posting accounting entries and providing financial reports and updating the

SRBBA website. The Department also provided facilities to conduct Board meetings at the Department's Operations Center in Milton.

Due to economic conditions and legal considerations, the Department significantly scaled back administrative support for SRBBA in January 2008 and stopped providing administrative funding and an employee to assist with administrative duties. After pursuing legal options, and in consultation with the Authority, the Department developed an amendment to the Lease-Purchase Agreement. The SRBBA Board met in January 2009 and adopted the Amendment, whereby the Department would provide funding for administrative expenses, as approved by the Department at its sole discretion. The Authority would be required to reimburse the Department in the same manner and priority as operating and maintenance expenses (after debt service payments).

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, and April 2013, with the next SRBBA Board meeting scheduled for July 2013.

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



View of Garcon Point Bridge.

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.

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

The SRBBA Board is comprised of seven members with four members constituting a quorum. An affirmative vote of at least four members is needed for any action taken by the Authority. Currently, there are three vacant positions on the

SRBBA Board. Due to vacancies, the Board has been unable to meet on many occasions due to lack of a quorum. Within a five month period of time (November 2010 through March 2011), six members resigned from the SRBBA Board.

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

Recognizing the need to reform an active SRBBA Board so that decisions can 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 allows 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.

Ethics

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

Conflict of Interest

SRBBA has adopted the provisions of Chapter 112, Florida Statutes, related to conflicts of interest. Commission staff reviewed Board meeting minutes and it appears that the Board has been operating in compliance with the State's conflict of interest laws. We did note that in March 2011 (FY 2011), the Santa Rosa Board of County Commissioners appointed a new SRBBA Board member. However, the appointee was a SRBBA bond holder and subsequently resigned prior to attending any Board meetings in order to avoid any actual or perceived conflicts of interest.

Audit

Pursuant to Section 7.11 of the bond resolution, SRBBA covenants that it will file with the Trustee an annual independent financial statement audit as well as quarterly financial statements, signed by the Chairman and prepared in accordance with GAAP. For several years, the Authority has not had an annual audit performed because funding has not been available for administrative expenses. All revenue of the Garcon Point Bridge is used to pay debt service on outstanding bonds. As noted earlier, the Department's Inspector General's Office has completed several Annual Accountant's Compilation Reports, which are limited in

presentation but are in accordance with the requirements for “Statements for Accounting and Review Services” issued by the American Institute of Certified Public Accountants. However, these reports do not include all disclosures required by GAAP and, therefore, do not meet the requirement established by the Commission or bond resolution. The FY 2010 Compilation Report was issued in April 2011. However, the Department’s Inspector General’s Office indicated that it will not prepare a Compilation Report for FY 2011 and subsequent years. Pursuant to the Lease-Purchase Agreement amendment, the Department has also elected not to fund administrative expenses related to an independent audit of SRBBA for FY 2010, FY 2011, or FY 2012.

Quarterly financial statements are not being prepared by the Authority’s accounting firm 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 always have been obtained because of the infrequent and irregular SRBBA Board meetings.

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 2011 as required by Section 218.32(d), Florida Statutes. The Annual Financial Audit Report (financial statements) was also not filed with the Auditor General’s Office as required under Section 218.39(7), Florida Statutes. Pursuant to Section 11.45(7)(a), Florida Statutes, the Auditor General is required to notify the Joint Legislative Auditing Committee (JLAC) of any governmental entities that do not timely file the required audit report. A similar situation was noted for the required FY 2010 financial reports where the JLAC requested SRBBA to provide the status of the Authority’s financial situation to determine if further state action was warranted. Regarding the FY 2010 financial reports, the JLAC adopted a motion to

continue to delay state action and to continue to monitor SRBBA. On September 12, 2012, the Board authorized SRBBA legal counsel to request funds from the Trustee to engage a firm to conduct the currently required audit and to upgrade the Peachtree Accounting System to expedite numbers needed to perform the audit. The SRBBA Board also authorized legal counsel to draft a response letter to Department of Economic Opportunity, Special District Information Program, and the State of Florida Auditor General advising that SRBBA is moving forward to try to get funding for the required audit. Currently, the Trustee has not indicated if audit funding will be provided.

On November 3, 2011, the Department’s Inspector General’s Office issued Garcon Point Bridge Toll-by-Plate Advisory Report No. 121-2001. A cost analysis of implementing alternative forms of toll collection for the third shift at the Garcon Point Bridge facility was conducted. The auditors concluded that the costs to implement Toll-by-Plate for the third shift would be recouped in approximately 5.6 years and did not recommend this scenario. The auditors did recommend another scenario whereby the SunPass infrastructure currently in place would be utilized and the two cash lanes would be closed during the third shift resulting in labor cost savings of approximately \$116 thousand annually. The auditors recommended that the Office of General Counsel review SRBBA bond covenants to determine if the change in the method of toll collection is supportable and, if so, implement the revised collection method with Turnpike Enterprise.

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 public records requests and 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.

SRBBA did not file required quarterly financial statements.

Public records requests and various correspondence was not always responded to by the Authority in a timely manner.

Regarding open meetings, Commission staff reviewed agendas, meeting minutes and a sample of public meeting notices provided by SRBBA, and attended numerous Board meetings. From this limited review, it appears that SRBBA has been operating within procedure and statute; however, a review of the SRBBA website www.garconpointbridge.com indicated that only the upcoming Board meeting notice has been posted. Due to a lack of administrative funding, updating of the website is limited to posting of monthly revenue and transactions and other critical information. At the December 2011 Board meeting, three new County Commission appointees were sworn in and SRBBA General Counsel conducted a briefing on Sunshine Laws for all Board members.

Procurement

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

Consultant Contract Reporting

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

Compliance with Bond Covenants

The Enterprise prepares a Traffic Engineer's Annual Report for Enterprise Toll Operations that is

provided to the rating agencies. Included in the report is traffic and revenue information for the five 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.dot.state.fl.us. Beginning with the FY 2011 report, toll revenue, traffic and expense forecasts for the Garcon Point Bridge are no longer provided.

Because SRBBA does not currently have a traffic and revenue consultant, recommendations for revisions to the toll schedule, as required in the bond resolutions, cannot be considered by the Board.

Summary

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

The SRBBA Board is the governing body responsible for oversight of the Authority. The Authority does not have funding for administrative expenses because all revenue is used to pay debt service on outstanding bonds. The SRBBA Board met in January 2009 and adopted an amendment to the Lease-Purchase Agreement, whereby the Department provides funding for administrative expenses, as approved by the Department at its sole discretion. The Authority is required to reimburse the Department in the same manner and priority as operating and maintenance expenses (after debt service payments).

Subsequent to the amended Lease-Purchase Agreement, the Board met in April 2009 and did not meet again until April 2010. The Board met three times in FY 2011 (August 2010, October

2010 and December 2010) and did not meet again until December 2011 because of a lack of quorum necessary to conduct business. Subsequent to December 2011, the Board met in February 2012, April 2012, September 2012, and April 2013, with the next SRBBA Board meeting scheduled for July 2013. Within a five month period of time (November 2010 through March 2011), six members resigned from the SRBBA Board. Currently, there are three vacant positions on the Board.

SRBBA met or exceeded 6 of the 11 applicable management objectives established for performance measures. The five performance measure objectives not met include: electronic toll collection transactions; cost to collect a toll transaction; and, the three objectives established for debt service coverage. SRBBA is in default on its bonds by failing to meet toll covenants relating to debt service coverage and reserve account requirements and for failure to make required principal and interest payments on SRBBA bonds as they become due and payable. The Trustee for the SRBBA Bonds (Bank of New York Mellon) indicated that gross revenues will be insufficient for the foreseeable future to continue to pay debt service on the bonds and retained legal counsel and a financial advisor in November 2011 to represent the Trustee. The scope of services for the financial advisor includes assistance with the development and negotiation of restructuring alternatives for the Bonds and monitoring and participating in meetings and discussions among interested parties. Currently, no specific proposals for refinancing/restructuring have been submitted for consideration. 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.

Operating indicator trend analysis showed that FY 2012 toll revenue increased 7.4 percent while toll transactions increased 3.1 percent over FY 2011 levels. The increase in traffic and revenue is attributed to a rebound in traffic and the full impact of the January 2011 toll rate increase (i.e., the toll rate increase was in effect throughout FY 2012). 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. Total operating expenses for FY 2012 decreased approximately \$334 thousand, or 20.4 percent, over FY 2011 while total operating revenues increased \$316 thousand, or 7.4 percent. The decrease in operating expenses is related to periodic maintenance expenses for bridge repairs incurred in FY 2011 but not incurred in FY 2012. Finally, the underlying bond ratings for SRBBA bonds are considered “non-investment grade.” The ratings assigned to the bonds when originally issued were subsequently lowered due primarily to poor traffic and revenue performance relative to the original forecasts and draws on the debt service reserve to make required debt service payments. All three rating agencies further downgraded SRBBA bonds in FY 2011 because the required July 1, 2011 debt service payment was not made. There were no changes in SRBBA bond ratings in FY 2012, except that Moody’s withdrew their rating “due to insufficient information.”

In the area of governance, SRBBA has not had a required independent financial statement audit performed for several years as required in the bond resolution and various Florida Statutes. Quarterly financial statements are not being prepared and are not being submitted to the Trustee as required in the bond resolution. SRBBA

has been working with the Trustee to obtain funding for the required audits and to upgrade the accounting system. Currently, the Trustee has not indicated if audit funding will be provided. As a result of the SRBBA Board not meeting, the Authority did not enforce provisions of the Lease-Purchase Agreement relating to the Department's obligations in connection with the system. However, during the Commission's review, no instances of Department noncompliance were noted. SRBBA does not currently have a traffic and revenue consultant. As such, recommendations for revisions to the toll schedule, as required in Section 5.02 of the bond resolution, cannot be considered by the Board. It was also noted that public records requests and various correspondence was not always responded to by SRBBA in a timely manner.

In November 2010, the SEC requested numerous SRBBA documents and requested that the SRBBA Chairman, Vice Chairman, General Counsel and FDOT's Administrative Assistant testify before the SEC. Requested documents were provided and no further information regarding the SEC inquiry is available at this time. At the December 2010 SRBBA Board meeting, concerns were expressed by Board members about their potential liability and legal costs that might be incurred as a result of any SEC investigation because there is no funding or insurance to protect Board members. In September 2011, the Trustee agreed to pay for Directors and Officers liability insurance for Board members and to fund legal counsel for SRBBA. As such, necessary appointments were made to reform an active SRBBA Board in December 2011 so that decisions can be made about how to deal

with the continuing default. Currently there are three vacant positions on the seven member Board. An affirmative vote of at least four members is needed for any action taken by the Board.

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

Because the SRBBA Board was not meeting on a regular basis, Commission staff finds there was inadequate governance of the Authority. The Commission further recognizes that SRBBA defaulted on its bonds on July 1, 2011 and the Trustee has retained legal counsel and a financial advisor to assist in developing restructuring alternatives for the bonds. The Commission will continue to monitor SRBBA, its reformed Board, and the operations of the Garcon Point Bridge and will coordinate with the Department on any issues that arise. The Commission will continue to keep the Governor and Legislature apprised of the situation. The Commission would like to acknowledge with appreciation the assistance of the Department and SRBBA 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 of 1989) and other applicable Florida Statutes. The Authority is also authorized to issue revenue bonds to finance improvements or extension of the Expressway System. The 2009 Legislature revised Section 348.54, Florida Statutes, enabling THEA to issue their own revenue bonds without having to go through the Division of Bond Finance (DBF) of the State Board of Administration (SBA). The 2010 Legislature further amended and clarified various bond related provisions of the Tampa-Hillsborough County Expressway Authority Law. In December 2012 (FY 2013), THEA issued its own bonds in the amount of \$445 million. The primary use of bond proceeds was to defease the Series 2002 and 2005 bonds to enable termination of the Lease-Purchase Agreement between THEA and the Florida Department of Transportation (Department).

As provided in Table 20, 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

Highlights

- THEA met or exceeded all 16 applicable performance measure objectives.
- FY 2012 total operating revenue increased \$2.5 million, or 6.2 percent, over FY 2011 and total operating expenses decreased \$0.5 million, or 3.3 percent.
- In September 2012 (FY 2013), THEA entered into a Memorandum of Understanding with the Turnpike Enterprise, Miami-Dade Expressway Authority and Orlando-Orange County Expressway Authority to engage a third-party private sector vendor to provide a Centralized Customer Service System (CCSS). The CCSS will provide statewide back office operation for administration of electronic toll collection activities including customer account maintenance, transponder distribution, and violations processing.
- In November 2012, the THEA Board amended its Toll Rate Policy whereby an annual system-wide toll increase will be implemented at all THEA tolling locations beginning on July 1, 2013 (FY 2014).
- In December 2012 (FY 2013), THEA issued \$404 million in Refunding Revenue Bonds and \$40 million in Taxable Revenue Bonds. Bond proceeds were primarily used to fully defease THEA's current outstanding bonds, pay all amounts owed to the Department under the SIB and TFRTF loans, and fund THEA's portion of the I-4 Selmon Connector.
- Subsequent to the THEA 2012 Bond issue, the lease-purchase agreement with the Department terminated. THEA now owns, operates, and retains title and absolute ownership of the expressway system. THEA is required to fully repay its remaining long-term debt to the Department in 20 equal installments beginning July 1, 2025.

Transportation Authority Monitoring and Oversight

Hillsborough County, selected by such board; and, the District Seven Secretary of the Department.

Table 20
Tampa-Hillsborough Expressway Authority
Current Board Members

<i>Name</i>	<i>Affiliation</i>	<i>Position</i>
Stephen Diaco, Esq.	Adams & Diaco, P.A.	Chairman
Curtis Stokes	Fifth Third Bank	Vice Chairman
Rebecca J. Smith	A.D. Morgan Corporation	Secretary
Robert Buckhorn	City of Tampa Mayor	Board Member
Vincent Cassidy	Majesty Title Services	Board Member
Lesley Miller	Hillsborough County Commissioner	Board Member
Paul Steinman, P.E.	District Seven Secretary	Board Member

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

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

lane urban arterial system which provides access to Adamo Drive (SR 60) and Lumsden Road, a major east-west roadway south of Adamo Drive. The REL operate in the peak travel direction with tolls collected with all electronic technology (Florida’s first all electronic toll facility).

THEA reported toll revenue of approximately \$43.0 million in FY 2012 based on 33.5 million transactions. Significant projects in the Five-Year Work Program (FY 2013 through FY 2017) include widening and deck replacement on various downtown bridges, resurfacing, planning for the Gandy Connector project, construction of the 1.7 mile Selmon Greenway project, and a Bus Toll Lane Proof of Concept study. Construction of the I-4 Selmon Expressway Connector project is being completed in partnership with the Department and Florida’s Turnpike Enterprise (Enterprise).

The REL has used All Electronic Tolling (AET) since opening in 2006. With AET, the toll is collected electronically through an overhead gantry allowing for at-speed toll collection. Tolls are collected through the use of either SunPass or Video Toll Collection (VTC) that utilize cameras to record license plate images and a bill for the tolls is sent



Selmon Expressway Viaducts.

to the vehicle's owner. On September 17, 2010, the Authority converted the entire Selmon Expressway to AET.

On December 20, 2012, the Lease-Purchase Agreement between THEA and the Department was terminated. Prior to that date, the Department agreed to pay, from sources other than revenues, the costs of operations, routine maintenance and renewals and replacements on the facility. Since FY 2001, the Authority had reimbursed the Department for its annual operating and routine maintenance expenses pursuant to the adopted budget. Only renewal and replacement costs were added to long-term debt. THEA was required to repay these Department advances from net toll revenues after all other obligations had been met. In addition, THEA had received funding through Department loans [STTF, Toll Facilities Revolving Trust Fund (TFRTF) and State Infrastructure Bank (SIB)] with specified repayment schedules. Table 21 indicates that as of June 30, 2012, approximately \$227 million is owed to the Department for operating, maintenance, and renewal and replacement expense advances, and other Department loans to facilitate expansion of the Selmon Expressway.

Table 21
Tampa-Hillsborough Expressway Authority
Long-Term Debt Payable to the Department (in millions)
Year Ended June 30, 2012

<i>Transaction</i>	<i>(millions)</i>
Advances for Operating, Maintenance and R&R Expenses	\$152.4
State Transportation Trust Fund Loans	\$13.8
Loans from Toll Facilities Revolving Trust Fund ⁽¹⁾	\$7.4
Loans from State Infrastructure Bank ⁽¹⁾	\$53.0
Total Due Department	\$226.6

Source: THEA Notes to Audited Financial Statements.

(1) In December 2012 (FY 2013), the TFRTF and SIB loans were paid in full from proceeds of THEA's new bond issue.

Subsequent to approval of the State's FY 2012 and FY 2013 budgets by the Legislature, Governor Rick Scott exercised his line item veto authority to remove funds from the State Transportation Trust Fund that were intended to fund the Department's

obligation to pay THEA for certain FY 2012 and FY 2013 operating costs identified in the Lease-Purchase Agreement. (The relevant language from Chapter 2011-69 and Chapter 2012-118, Laws of Florida is detailed in Appendix A.) According to THEA, this had no impact on the Authority.

On October 26, 2010, THEA and the Department entered into a Memorandum of Agreement (MOA) revising the parties' responsibilities under the existing Lease-Purchase Agreement. The agreement was based on an exchange of values where THEA relinquished ownership of the I-4 Connector and the Department committed to pre-fund the replacement of deficient bridge decks on the Selmon Expressway. The material terms of the MOA include a set repayment schedule for the Authority's long-term debt; confirmation that THEA is responsible for operation and maintenance of the existing Expressway System; authorization of a \$60 million bond defeasance; confirmation that THEA has the authority to issue junior lien bonds for projects approved by the Department; provisions for THEA to receive a 20 percent share of the "S" movement toll on the I-4 Connector; and, provisions for the transfer of the Expressway System to THEA upon defeasance, or final payment and retirement of Bonds issued by the State Board of Administration (SBA). On March 28, 2012, THEA and the Department amended the MOA schedule for repayment of the TFRTF loans and the schedule for repayment of the long-term debt.

On October 8, 2012 (FY 2013), THEA and the Department entered into a Second Amendment to the MOA. The material terms of the amendment include Department consent for THEA to issue Refunding Bonds up to \$500 million for the purposes of financing: the full defeasance or final payment and retirement of THEA's current outstanding bonds; the early payment in full of all amounts owed to the Department under the SIB and TFRTF loans; the cost of THEA's portion of the additional programmed project related to the I-4/Selmon Expressway connector; a portion of the

costs related to THEA's AET conversion; and bond issuance costs. Upon issuance of the Refunding Bonds, the Lease-Purchase Agreement with the Department will terminate, THEA will operate and maintain the expressway system, and THEA will retain title and absolute ownership of the expressway system. The agreement also requires THEA to fully repay its long-term debt to the Department in 20 equal annual installments beginning July 1, 2025 (currently estimated at approximately \$10.8 million annually).

In December 2012 (FY 2013), 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) pursuant to the terms outlined in the previously noted October 8, 2012 MOA. As such, THEA has attained financial independence from the State of Florida, terminated their lease-purchase agreement with the Department and confirmed THEA's absolute ownership of the Lee Roy Selmon Expressway and other assets.

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 2012 results, as reported by THEA, are provided in Table 22.

Results for the last five fiscal years are included in Appendix B.

THEA met or exceeded all 16 applicable performance measure objectives established by the Commission. Presented below are examples of some of the notable performance measures where THEA met the objective. Explanations are provided to identify those objectives that were met in FY 2012 but not met in FY 2011, to clarify the source of the data or the methodology utilized by the Authority, or differences between adopted performance measure objectives and those required in bond documents.

Cost to Collect a Toll Transaction

For FY 2010 and prior years, the Enterprise performed toll collection services for THEA facilities. As such, THEA had limited ability to control toll collection costs and therefore did not meet the cost to collect a toll transaction objective of less than 16.0 cents for FY's 2007 through 2010, with actual results ranging from 16.1 cents to 18.1 cents. Recognizing the high toll collection costs, THEA successfully partnered with Miami-Dade Expressway Authority (MDX) in a joint procurement for private toll collection services.

In December 2009, the THEA Board approved an Interlocal Agreement with MDX and a Supplemental Agreement with MDX/Electronic Transactions Consultants Corp. (ETCC) for THEA to join MDX in the development and operation of a customer service center for video toll collection and violation enforcement. ETCC is the new toll service provider for THEA and MDX and operates out of the new Miami customer service center that opened in June 2010. ETCC now collects and forwards SunPass transactions to the Enterprise for settlement.

In FY 2012, THEA met the cost to collect a toll transaction objective with actual results of 11.3 cents, compared to 10.2 cents reported in FY 2011. Toll collection costs (net of exclusions) for

Tampa-Hillsborough County Expressway Authority (THEA)

Table 22
Tampa-Hillsborough Expressway Authority
Summary of Performance Measures
FY 2012

<i>Performance Measure</i>	<i>Detail</i>	<i>Objective</i>	<i>Actual Results</i>	<i>Meets Objective</i>
Operations				
SHS Roadway Maintenance Condition Rating	Condition rating of at least 90	90	94.0	✓
Pavement Condition Rating	% SHS lane miles rated "excellent or good"	> 85%	100.0%	✓
Bridge Condition - Rating	% bridge structures rated "excellent or good"	> 95%	96.9%	✓
Bridge Condition - Weight Restrictions	% SHS bridge structures with posted limit	0%	0.0%	✓
Electronic Toll Collection (ETC) - Transactions	Number of ETC transactions as % of total transactions	> 75% by 6/30/12	100.0%	✓
Revenue Variance	Variance from indicated revenue (without fines)	< 4%	2.5%	✓
Safety ¹	Fatalities per 100 million vehicle miles traveled	> 10% below 5 yr. avg (.49)	0.00	✓
Customer Service	% customers satisfied with level of service	> 90%	N/A	N/A
Operations and Budget				
Consultant Contract Management	Final cost % increase above original award	< 5%	1.3%	✓
Construction Contract Adjustments - Time	% contracts completed within 20% above original contract time	≥ 80%	100.0%	✓
Construction Contract Adjustments - Cost	% projects completed within 10% above original contract amount	≥ 90%	100.0%	✓
Cost to Collect a Toll Transaction	Total toll collection cost / number of transactions (net of exclusions)	< \$0.16	\$0.11	✓
Annual Operating, Maintenance and Administrative (OM&A) Forecast Variance	Actual OM&A to annual budget	< 110%	91.0%	✓
Applicable Laws				
Minority Participation	M/WBE and SBE utilization as % of total expenditures (each agency establishes goal/target)	> 90%	95.9%	✓
Revenue Management and Bond Proceeds				
Debt Service Coverage - Bonded/Commercial Debt	[(Rev - interest) - (toll operating & maintenance expense)] / commercial debt service expense	> 1.5	2.00	✓
Debt Service Coverage - Comprehensive Debt	[(Rev - interest) - (toll operating & maintenance expense)] / all scheduled debt service expense	> 1.2	1.41	✓
Debt Service Coverage - Compliance with Bond Covenants	Debt service coverage meets or exceeds minimum Bond Covenant requirements	Yes	Yes	✓

¹ Safety objective based on five year average of fatalities per 100 million VMT for the four established authorities. Actual results based on CY 2011 data.



Selmon Expressway toll signage.

FY 2011 significantly decreased by 37.0 percent over FY 2010, while toll transactions decreased by 0.3 percent. The toll collection cost savings beginning in FY 2011 are primarily attributed to the new toll service provider and the full conversion of all THEA facilities to AET in September 2010.

On September 12, 2012, a Memorandum of Understanding (MOU) was entered into between Florida's Turnpike Enterprise (Enterprise), THEA, MDX, and Orlando-Orange County Expressway Authority (OOCEA) for the purpose of outsourcing and implementing a Centralized Customer Service System (CCSS) for statewide back office operation for administration of electronic toll collection activities in order 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, interfacing with third parties and interoperability with non-participants. The MOU and contemplated ILA are

subject to approval by the THEA, OOCEA and MDX Board of Directors and Enterprise. Enterprise will take the lead in the development of the procurement document needed to implement the CCSS and the other participating agencies have the right to enter into separate agreements with the selected vendor on the same, or substantially the same, terms as contained in the agreement executed between Enterprise and the selected vendor.

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

On January 14, 2011, THEA used \$60 million of the REL settlement funds to defease \$54 million in bond principle. As a result, FY 2011 debt service coverage ratios significantly increased to levels exceeding the objectives established by the Commission. The debt service coverage ratio for bonded/commercial debt increased from 1.16 in FY 2010 to 2.00 in FY 2011 and the debt service coverage ratio for comprehensive debt increased from 1.11 to 1.38. FY 2012 debt service coverage ratios remained virtually the same as FY 2011, exceeding the established objectives.

Prior to THEA's bond issue and debt restructuring in December 2012, the debt service coverage ratios, as standardized in the Commission performance measure calculations, differed significantly from the debt service coverage calculations required in THEA prior bond resolutions and related documents. Termination of the Lease-Purchase Agreement and implementation of new covenants contained in the THEA Series 2012 bonds now align THEA debt service coverage requirements with the standards set by the Commission. THEA's Revenue Sufficiency Certification letter, prepared by CDM Smith (formerly Wilbur Smith Associates) and adopted by resolution of the Board on January 28, 2013, provides actual and projected debt service coverage pursuant to bond resolutions. For FY

2012, bond covenants require “gross” debt service coverage of 1.30, and actual was reported as 2.46. Correspondingly, the FY 2012 “net” debt service coverage requirement is 1.00, and actual was reported as 1.31. THEA includes all revenue generated from the system (i.e., lease and investment revenue) when calculating debt service ratios.

State Highway System Roadway Maintenance Condition Rating

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

In 2009, through a competitive procurement process, THEA contracted for asset maintenance to provide routine maintenance services and to achieve a minimum roadway maintenance condition rating of 90. For FY’s 2009 through 2012, THEA met or exceeded the established performance measure objective. The terms of the Lease-Purchase Agreement relating to maintenance responsibilities of the Selmon Expressway were modified, and the new contractor, Transfield Services North America, Inc. (formerly VMS) started providing routine maintenance services on THEA facilities on January 9, 2009. THEA estimates cost savings of approximately \$1.4 million over 4.5 years while increasing the roadway maintenance condition rating standard to 90 and above. The Department continues to conduct bridge inspections for the Authority.

Electronic Toll Collection - Transactions

ETC transactions and toll revenue for THEA constituted 100 percent of total transactions and toll revenue during FY 2012.

Safety

The Department of Highway Safety and Motor Vehicles reports official fatalities based on a calendar year (CY). As such, the fatalities per 100 million vehicle miles traveled measure is based on CY 2011 data. Accident fatalities on THEA facilities totaled zero in CY 2011. Only four other fatalities have been reported on THEA facilities during the five-year reporting period, all of which occurred in CY 2008.

The Road Ranger Program promotes highway safety and provides assistance to disabled vehicles, provides for the removal of road debris, and secures accident scenes. THEA successfully partnered with State Farm Insurance for sponsorship of the Road Ranger Program on the Selmon Expressway. Currently, the Road Ranger Service Patrol operates from 6:30 a.m. to 6:30 p.m., Monday through Friday, and helps address highway safety issues. The AET conversion has the added benefit of eliminating toll plazas which account for a significant number of accidents on toll facilities. As part of THEA’s AET construction, 1,288 feet of new median-barrier was installed to prevent median-crossover accidents.

Customer Service

Since the Enterprise maintains SunPass accounts and processes SunPass payments for THEA, results from the Enterprise Annual Customer Satisfaction Survey have been used to report THEA Customer Service performance. In an effort to reduce costs, the Enterprise now conducts the survey every two years rather than every year. As a result, the Enterprise Customer Satisfaction Survey was not performed for FY 2012. However, the FY 2013 survey is currently being conducted and is expected to be completed in the spring of 2013. As previously noted, on September 12, 2012, THEA entered into a MOU with the Enterprise, MDX and OOCEA for the purpose of implementing a CCSS for statewide back office operation for administration of electronic toll collection activities.

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 2012, 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 95.9 percent of its SBE goal, exceeding the Commission's performance measure objective of greater than 90 percent. In FY 2011, the Authority hired Blackmon Roberts Group to assist with minority participation.

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 2012 operating indicators, as reported by THEA, are provided in Table 23. Also, to assist in trend analysis, FY 2010 and FY 2011 operating results are provided. Results for the last five fiscal years are included in Appendix B.

It is important to note FY 2012 operating indicators that significantly differ from prior year trends.

Growth in Value of Transportation Assets

Land, infrastructure and construction in progress change from year to year as new capital projects (road widening, new alignments, new interchanges, bridges, etc.) are built and completed. A project starts off as "construction in progress" and is reclassified to "infrastructure," when the project is complete. In FY 2012, the increase in infrastructure assets is primarily due to \$6.7 million of infrastructure improvements related to THEA's AET system and \$15.5 million of infrastructure improvements due to final construction payments related to the REL project.

Preservation of Transportation Assets (Renewal and Replacement of Infrastructure)

FY 2012 renewal and replacement expenses increased \$0.6 million over FY 2011 primarily due to resurfacing and straddle bent maintenance.

Toll Collection Transactions (Revenue from Electronic Toll Transactions)

As previously reported in the Performance Measures section of this chapter, 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 2010 revenue decreased 0.8 percent primarily due to the economic recession and the sluggish economy following the recession. FY 2011 and FY 2012 revenue increased 1.1 percent and 6.2 percent, respectively. The significant increase in FY 2012 revenue is due to a 5.8 percent increase in toll transactions primarily attributed to the steadily improving local economy in addition to ongoing improvements in revenue collected from video

Tampa-Hillsborough County Expressway Authority (THEA)

Table 23
Tampa-Hillsborough Expressway Authority
Summary of Operating Indicators (in millions)
FY 2010 through FY 2012

<i>Indicator</i>	<i>Detail</i>	<i>Actual 10 Results (millions)</i>	<i>Actual 11 Results (millions)</i>	<i>Actual 12 Results (millions)</i>
Operations				
Growth in Value of Transportation Assets	Land Acquisition	\$91.0	\$91.0	\$91.0
	Infrastructure Assets	\$501.3	\$510.1	\$531.8
	Construction in Progress	\$16.0	\$14.9	\$38.5
	Total Value of Transportation Assets	\$608.4	\$616.0	\$661.3
Preservation of Transportation Assets	Renewal & Replacement of Infrastructure	\$0.1	\$0.0	\$0.6
	Routine Maintenance of Infrastructure	\$3.5	\$3.3	\$3.4
	Total Preservation Costs	\$3.5	\$3.3	\$4.0
Toll Collection Transactions	Revenue from Electronic Transactions	75.0%	79.1%	100.0%
Annual Revenue Growth	Toll and Operating Revenue	-0.8%	1.1%	6.2%
Operations and Budget				
Operating Efficiency	Toll Collection Expense as % of Operating Expense	36.6%	28.1%	31.5%
	Routine Maintenance Expense as % of Operating Expense	21.9%	22.9%	24.9%
	Administrative Expense as % of Operating Expense	13.6%	16.6%	19.7%
	Operating Expense as % of Operating Revenue	39.7%	35.2%	32.0%
Rating Agency Performance	Toll Operations and Maintenance Expense as % of Operating Revenue	23.2%	18.0%	18.1%
Property Acquisition				
Right-of-Way	Agency Appraisals	\$0.0	\$0.0	\$0.0
	Initial Offers	\$0.0	\$0.0	\$0.0
	Owners Appraisals	\$0.0	\$0.0	\$0.0
	Final Settlements	\$0.0	\$0.0	\$0.0
Revenue Management and Bond Proceeds				
Underlying Bond Ratings (Uninsured)	Standard & Poor's Bond Rating	A-	A-	A-
	Moody's Bond Rating	A3	A3	A3
	Fitch Bond Rating	A-	A-	A-

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

accounts following the conversion to AET. Also, in FY 2012, there was a temporary closing of a City of Tampa local street which put more traffic on the Selmon Expressway.

THEA amended its Toll Rate Policy at its November 5, 2012 Board meeting. Beginning on July 1, 2013 (FY 2014), an annual system-wide toll increase will be implemented at all THEA tolling locations. Tolls will be adjusted annually at a minimum of 2.5 percent, or the latest five-year average of the Consumer Price Index, in order to keep pace with inflation. In addition, the video toll rate differential will be adjusted annually to recover the cost above that to collect tolls with transponders. A public hearing will be required prior to the toll rate increase.

Operating Efficiency

FY 2012 total operating expenses decreased \$0.5 million, or 3.3 percent, over FY 2011 while operating revenues increased \$2.5 million, or 6.2 percent. FY 2012 total toll collection expenses increased \$0.3 million, or 8.4 percent, and routine maintenance expenses increased \$0.2 million, or 5.1 percent, over FY 2011. Administrative expenses for FY 2012 increased \$0.3 million, or 14.6 percent, over FY 2011.

FY 2012 toll collection expenses increased \$0.3 million, or 8.4 percent, over FY 2011 and routine maintenance expenses increased \$0.2 million, or 5.1 percent.

FY 2012 administrative expenses increased \$0.3 million, or 14.6 percent, while depreciation expenses decreased \$2.2 million, or 50.1 percent, due to ITS equipment being fully depreciated.

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 2012 depreciation expenses decreased \$2.2 million, or 50.1 percent, over FY 2011 primarily due to ITS equipment on the Reversible Express Lanes being fully depreciated.

Right-of-Way

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

Underlying Bond Ratings

THEA reported that there have been no changes to their basic underlying (uninsured) bond ratings during the reporting period from the three major bond rating agencies. In connection with the December 2012 (FY 2013) bond issue, THEA received new bond ratings from two of the three major bond rating agencies. The underlying bond ratings remained the same but Moody's changed the rating from A3 Stable to A3 Positive. Standard and Poor's rating was A- Positive. Due to cost constraints, THEA elected to only obtain ratings from these two agencies.

Governance

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

Ethics and Conflicts of Interest

THEA provided a copy of its Code of Ethics and Conflict of Interests Policy that was last amended

and adopted by the Board on March 26, 2007. THEA policy recognizes that the provisions of Chapter 112, Part III, Florida Statutes (Code of Ethics for Public Officers and Employees) apply to Board members as well as certain Authority employees and also makes those provisions applicable to all Authority employees. In the event of conflict between the Authority policy and the provisions of Chapter 112, Florida Statutes, the more restrictive provisions shall 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 2012). Commission staff conducted a review of the Authority's Board minutes and did not find any recorded instances of ethics or conflicts of interest violations or investigations. The meeting minutes did disclose one instance where a Board member recused himself from discussion and voting due to a conflict of interest and a Commission on Ethics Form 8B "Memorandum of Voting Conflict for County, Municipal, and Other Local Public Officers" was submitted.

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

Audits

To maintain management's accountability to the Board of Directors, THEA established a Budget and

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

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

An annual independent audit of THEA's financial statements for the fiscal years ended June 30, 2012 and 2011 was performed. The Independent Auditor's Report indicated that the financial statements were prepared in conformity with GAAP and received an unqualified opinion. The Independent Auditor's Report on Compliance and Internal Control over Financial Reporting did not identify any deficiencies in internal control that were considered material weaknesses, and the results of audit tests did not disclose instances of noncompliance required to be reported under Government Auditing Standards. The Independent Auditor's Report on Compliance and Internal Control over Compliance Applicable to each Major State Project did not identify any deficiencies in internal control over compliance that were considered material weaknesses, and the Authority complied, in all material respects, with the requirements applicable to each of its major state financial assistance projects. In the Independent Auditor's Management Letter, the auditors had no findings or recommendations regarding the

Authority's management, accounting procedures, internal controls or other matters required to be disclosed.

The FY 2012 independent financial statement audit reflected an unqualified opinion.

In FY 2012, THEA General Counsel conducted training on Sunshine, Ethics, and Public Records Laws and Policies for the THEA Board and staff.

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 189.417, Florida Statutes, Chapter 286, Florida Statutes and THEA Meeting Policy for open meetings. A review of agendas and Board meeting minutes, as posted on the Authority's website www.tampa-xway.com, showed that the agendas and minutes appear to be in compliance with statute and policy. Commission staff also reviewed various public meeting notices published in the *St. Petersburg Times*, and it appears that required notice of public meetings is in compliance with THEA policy and Florida Statutes. Pursuant to THEA policy, General Counsel continues to update Board members and employees on developments in Sunshine, Ethics and Public Records Law and Policies. In FY 2012, General Counsel held individual sessions with each Board member to ensure understanding of their obligations. In

addition, General Counsel updated staff as required by developments in the law and as necessitated by specific projects.

Procurement

As part of its ongoing review of policies and procedures, the THEA Board adopted an amended Procurement Policy on September 10, 2009. The Executive Director may approve and execute change orders for construction contracts up to \$50 thousand, or 10 percent of Board approved contract value, without Board approval. Such change orders must be consistent with the contract scope of work and within the approved budget. These change orders are presented to the Board of Directors as an informational item. 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.

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

Consultant Contract Reporting

THEA provided a list of all "General Consulting" contracts and those sub contracts that exceeded \$25 thousand in FY 2012. As indicated in Table 24, five sub consultants were used by the general consulting firms for a total cost of \$0.3 million in FY 2012.

Table 24
Tampa-Hillsborough Expressway Authority
Summary of General Consultant Sub Consultant Activity
FY 2012

<i>Consulting Contract</i>	<i>Description</i>	<i>Sub Consultants >\$25 K (\$000)</i>
American Consulting Engineers of Florida, LLC	Downtown Viaduct PD&E Study	
Stantec Consulting Services, Inc.	Landscape Architecture & Surveying	\$31
CDM Smith (Formerly Wilbur Smith Associates)	Traffic & Revenue Consultant	
HNTB Corporation	General Engineering Consultant	
Analytic Engineering	General Administrative Services	\$54
Parsons Brinckerhoff	Bus Toll Lane Study	
AECOM Technical Services	Travel Demand & Revenue Forecasts	\$79
Tyndal-Oliver & Associates	Transit Planning	\$42
PBS&J	AET Consultant	
Trenam, Kemker, Scharf, Barkin, Frye, O'Neill & Mullis	Legal Counsel	
Navigant Consulting	Consulting Services	\$94
Total Sub consultants > \$25 K		\$300

Compliance with Bond Covenants

Prior to the December 2012 (FY 2013) bond issue, THEA issued Revenue Bonds in 2002 and 2005. The Series 2002 and Series 2005 bonds were payable from and secured by a pledge of gross revenues of the Expressway System. As of June 30, 2012, bonds in the principal amount of approximately \$322.2 million remained outstanding from the 2002 and 2005 Series. In December 2012, THEA issued \$445 million in Revenue Bonds, Series 2012 A, B, C & D. The series 2012 bonds are payable from and secured by a pledge of net revenues of the Expressway System. Bond proceeds were used to defease \$322.2 million of outstanding Series 2002 and Series 2005 bonds, prepay the outstanding balances of the SIB and TRTF loans, fund THEA's portion of the I-4 Connector project (bridge deck replacements), and fund a Debt Service Reserve, OM&A Reserve, and a Renewal and Replacement Fund.

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

- Annual financial information and operating data were filed with the Securities and Exchange Commission, through the State Board of Administration (SBA), pursuant to Rule 15c2-12.
- An annual financial statement audit was performed.
- Debt service coverage ratios for FY 2012 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 2011 biennial inspection report to THEA in January 2012.
- THEA utilizes a nationally recognized Traffic Engineering firm (CDM Smith, formerly Wilbur Smith Associates) as required by bond covenants. The Traffic Engineers are required to provide an annual Traffic and Revenue Report to the Authority. CDM Smith completed

the FY 2011 Traffic and Revenue Report in June 2012. In November 2012, CDM Smith also completed a Comprehensive Traffic and Revenue Report for the Series 2012A, 2012B, 2012C, and 2012D Bonds that THEA issued in December 2012 (FY 2013).

- 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 28, 2013.

Summary

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

THEA met or exceeded all 16 of the applicable management objectives established for performance measures. Improvement was noted for the roadway maintenance condition rating in FY 2012.

Operating indicator trend analysis showed that the increase in infrastructure assets is primarily due to \$6.7 million of infrastructure improvements related to THEA's AET system and \$15.5 million of infrastructure improvements due to final construction payments related to the REL project. FY 2012 total operating expenses decreased \$0.5 million, or 3.3 percent, over FY 2011 while operating revenues increased \$2.5 million, or 6.2 percent. FY 2012 total toll collection expenses increased \$0.3 million, or 8.4 percent, and routine maintenance expenses increased \$0.2 million, or 5.1 percent, over FY 2011. Administrative expenses for FY 2012 increased \$0.3 million, or 14.6 percent, while depreciation expenses



Selmon REL Gantry.

decreased \$2.2 million, or 50.1 percent, primarily due to ITS equipment being fully depreciated.

In the area of governance, the FY 2012 independent financial statement audit reflected an unqualified opinion. No recommendations for improvement were noted in the Auditor's Management Letter.

In September 2012 (FY 2013), THEA entered into a Memorandum of Understanding with the Turnpike Enterprise, Miami-Dade Expressway Authority and Orlando-Orange County Expressway Authority to adopt an Interlocal Agreement to manage the procurement and engagement of a third-party private sector vendor to provide a Centralized Customer Service System that will provide statewide back office operation for administration of electronic toll collection activities including customer account maintenance, transponder distribution, and violations processing.

In November 2012, the THEA Board amended its Toll Rate Policy whereby an annual system-wide toll increase will be implemented at all THEA tolling locations beginning on July 1, 2013 (FY 2014). Tolls will be adjusted annually at a minimum of 2.5 percent, or the latest five-year average of the

Consumer Price Index, in order to keep pace with inflation. In addition, the video toll rate differential will be adjusted annually to recover the cost above that to collect tolls with transponders. Toll rate changes above indexing will require a public hearing.

Pursuant to an amended Memorandum of Agreement between the Department and THEA, in December 2012 (FY 2013), THEA issued \$404 million in fixed rate Refunding Revenue Bonds and \$40 million in fixed rate Taxable Revenue Bonds. Bond proceeds were used to: fully defease THEA's current outstanding bonds; pay all amounts owed to the Department under the SIB and TFRTF loans; and fund THEA's portion of the I-4/Selmon Expressway Connector and a portion of the costs related to THEA's AET conversion. Upon issuance of the Bonds, the Lease-Purchase Agreement with the Department terminated. THEA now operates and maintains the expressway system and retains title and absolute ownership of the expressway system. The agreement also

requires THEA to fully repay its long-term debt to the Department in 20 equal annual installments beginning July 1, 2025 (currently estimated at approximately \$10.8 million annually).

Based on the Commission's review of Board meeting minutes, 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 THEA's efforts in securing financial independence from the State of Florida. 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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TAMPA-HILLSBOROUGH COUNTY EXPRESSWAY AUTHORITY
1104 EAST TWIGGS STREET, SUITE 300
TAMPA, FLORIDA 33602
PHONE 813.272.6740
FAX 813.273.3730
WWW.TAMPA-EXPRESSWAY.COM

April 1, 2013

Ronald Howse, Chairman
Florida Transportation Commission
605 Suwannee Street, MS 9
Tallahassee, Florida 32399-0450

BOARD MEMBERS:

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COMMISSIONER LES MILLER
HILLSBOROUGH COUNTY

VINCENT J. CASSIDY
MEMBER

PATRICK T. MAGUIRE, ESQ.
GENERAL COUNSEL

Re: FY2012 Oversight and Monitoring Report – Tampa-Hillsborough County Expressway Authority

Dear Chairman Howse:

In 2007, the Florida Transportation Commission began monitoring the performance of Florida's Expressway Authorities. From that time forward, the Tampa-Hillsborough County Expressway Authority (THEA) has treated the Commission's measures as goals to assure our customers receive the best value for the toll they pay.

This agency has made significant progress in all areas. We have refined and deepened our partnerships with other Florida Expressway Authorities, the Florida Turnpike Enterprise, and the Florida Department of Transportation (FDOT).

In December of 2012, the Tampa-Hillsborough County Expressway Authority issued its own bonds in the amount of \$445 million. The primary use of those bond proceeds was to refinance THEA's outstanding 2002 and 2005 bonds. The end-goal was termination of the Lease Purchase Agreement between THEA and the FDOT. That common THEA-FDOT goal has been achieved. THEA is now an independent agency. This action freed significant FDOT funds for other uses, and has improved THEA's financial position to make us a stronger partner for the development of future public transportation projects.

THEA and the Turnpike are currently developing a new back office process that will result in the Turnpike processing video invoices for the all-electronically tolled Lee Roy Selmon Expressway. In addition, the toll authorities (Miami-Dade, Orlando-Orange County, Florida Turnpike Enterprise and THEA) are working to create a Centralized Customer Service System. This system is expected to improve service for electronically tolled customers and provide efficiencies for the agencies involved.

Mr. Ronald Howse

April 1, 2013

Page two

THEA continues its pursuit of options to improve efficiency and performance while enhancing our customer's experience. The standards and measures set by the Commission will continue to be the benchmarks by which we will measure our success.

Sincerely,

A handwritten signature in blue ink that reads "Joe Waggoner". The signature is fluid and cursive, with the first name "Joe" and last name "Waggoner" clearly distinguishable.

Joe Waggoner

Executive Director, CEO

cc: Thomas DiGiacomo, FTC Executive Director
Mark Reichert, FTC Deputy Executive Director
Rick Gallant, FTC Manager of Finance and Performance Monitoring

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. Of the 10 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 are covered later in the "Emerging Authorities" section of this report.

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

- Background of the authority



LYNX Articulated Bus.

-
- Performance measures results for fiscal year (FY) 2012
 - Operating indicators for FY 2010 through FY 2012
 - 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 for CFRTA and JTA is "revenue miles between safety incidents," and for SFRTA the performance



Tri-Rail - Ft. Lauderdale International Airport Station.

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, 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 B.

Performance measures and operating indicators established by the Commission for CFRTA, JTA, and SFRTA are presented in Tables 25, 26 and 27.

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

Table 25
Florida Transportation Commission
Transit Authority Performance Measures
Bus, Automated Guideway and Rail
FY 2012

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

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

² Performance measure specific to SFRTA (rail).

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

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

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

Transportation Authority Monitoring and Oversight

Table 26
Florida Transportation Commission
Transit Authority Operating Indicators
Bus, Automated Guideway and Rail
FY 2012

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

¹Operating indicator specific to SFRTA.

Table 27
Florida Transportation Commission
Transit Authority Performance Measures and Operating Indicators
JTA Highway Operations
FY 2012

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

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Central Florida Regional Transportation Authority (CFRTA/LYNX)



Background

The Central Florida Regional Transportation Authority (CFRTA) (doing business as (dba) LYNX) is an agency of the State of Florida, created in 1989 by Chapter 343.61, 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 6 of the 12 fixed route objectives established for performance measures. The six measures not met were Operating Expense per Revenue Mile, Operating Expense per Revenue Hour, Operating Expense per Passenger Trip, Operating Expense per Passenger Mile, The Ratio of Revenue Miles to Vehicle Miles, and On-Time Performance.
- FY 2012 operating expenses increased \$2.7 million, or 3.1 percent, while operating revenues decreased \$467 thousand, or 1.3 percent, over FY 2011.
- LYNX funding from Orange, Seminole and Osceola Counties for FY 2012 remained the same as FY 2011.
- LYNX will provide fixed route feeder bus service and complementary paratransit service to SunRail stations. Phase I of SunRail is expected to be operational in 2014.
- LYNX is developing a SunRail Fare Policy, Equipment, and Implementation Plan to assist with the seamless interoperability between LYNX and SunRail systems. A joint solicitation between LYNX and the Department was released for the purchase of Fare Collection System Equipment.
- The FY 2012 independent financial statement audit reflected an unqualified opinion.
- The Orange County Comptroller's Office Audit of CFRTA indicated that LYNX materially complied with Funding Agreement requirements and that internal controls were adequate.

Transportation Authority Monitoring and Oversight

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

The governing body of LYNX, consists of five voting members. The chairs of the county commissions of Orange, Osceola, and Seminole Counties, or another member of the commission designated by the county chair, each serves on the board for the full extent of his or her term. The mayor of the City of Orlando, or a member of the Orlando City Council designated by the mayor, serves on the board for the full extent of his or her term. The District Five Secretary of the Florida Department of Transportation (Department), or his or her designee, also serves on the Board as a voting member. A vacancy during a term must be filled in the same manner as the original appointment and only for the balance of the unexpired term.

Table 28
Central Florida Regional Transportation Authority
Current Board Members

<i>Name</i>	<i>Appointment</i>	<i>Position</i>
Buddy Dyer	Mayor of Orlando	Chairman
Frank Attkisson	Osceola County Commissioner	Vice-Chairman
Teresa Jacobs	Orange County Mayor	Secretary
Carlton Henley	Seminole County Commissioner	Board Member
Noranne Downs, P.E.	District Five Secretary	Board Member

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

LYNX provides transportation services to the general public in the Orlando metropolitan area and throughout Orange, Osceola, and Seminole Counties in the form of fixed route bus service, paratransit service, NeighborLink (Flex) service and carpools/vanpools. LYNX also provides morning

and afternoon express bus service to Lake and Volusia Counties. LYNX operates within a service area of 2,500 square miles that is home to more than 1.9 million residents. The FY 2012 annual operating budget totaled approximately \$115.2 million, an increase of 1.9 percent from the previous year. Approximately 28.2 million passenger trips were provided for LYNX fixed route services in FY 2012, an all-time ridership record.

LYNX receives significant financial support from its funding partners. For FY 2012, the Orange County Commission approved \$32.4 million, the Seminole County Commission approved \$4.1 million, and the Osceola County Commission approved \$4.3 million in funding for LYNX. This represents the same funding levels provided by each county in FY 2011.

LYNX, through the effective leadership of its Board, has continued to enhance public transportation in Central Florida. In FY 2012, LYNX continued implementing the computer aided dispatch/advanced vehicle location (CAD/AVL) equipment to its fleet to gain additional insight on actual operating characteristics. This additional equipment will provide data that can be utilized to increase operational efficiency and system safety. LYNX also set a ridership record in FY 2012, providing approximately 29.3 million passenger trips across all services, an increase of approximately 4.4 percent over FY 2011.

LYNX actively initiated several safety and security campaigns to promote employee, customer and facility safety, funded through grants from the Department of Homeland Security (DHS). These initiatives included the “Not on My Shift” campaign and a dedicated Tip Line to report suspicious activities. Another major initiative in FY 2012 is the US 192 Alternatives Analysis Study, which is reviewing the corridor from downtown Kissimmee to the Lake County line for premium transit. This

project also provides an opportunity for LYNX to evaluate the need for a southern operations base as current service for the south is operated out of a leased facility. LYNX was also successful in being awarded a grant to complete an Alternative Analysis Study on SR 50 from the Lake County line to the University of Central Florida. Determining efficient transportation strategies on this corridor is important to travel condition, but also impacts redevelopment plans along the corridor.

On August 9, 2012, the Board ratified the Transit Development Plan (TDP) major update, containing capital and service improvements necessary to meet projected demands for public transportation throughout Central Florida from FY 2013 through FY 2022. The FY 2013 through FY 2022 TDP is currently posted on the Authority's website www.golynx.com.

SunRail

By law, CFRTA must develop and adopt a plan for the development of the Central Florida Commuter Rail that includes CFRTA's plan for the development of public and private revenue sources, funding of capital and operating costs, the service to be provided, and the extent to which counties within the area of operation of the Authority are to be served. An Interlocal Governance Agreement establishing the creation of the Central Florida Commuter Rail Commission (CFCRC) was approved and recorded in July 2007. The CFCRC consists of a five-member governing board: Chairman Frank Attkisson, Osceola County Chairman, Vice Chairman Teresa Jacobs, Mayor of Orange County, Secretary Carlton Henley, Seminole County Commissioner, Buddy Dyer, Mayor of the City of Orlando and Jason Davis, Chairman of the Volusia County Council. 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



LYNX Downtown LYMMO Service.

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.sunrail.com.

SunRail is a 60.5 mile commuter rail system that will extend from the DeLand station in Volusia County to the Poinciana station in Osceola County (17 SunRail stations are planned). Phase 1, currently under construction, is a 32.5-mile segment from the DeBary station in Volusia County to the Sand Lake station in Orange County that will be operational in 2014. Phase two will extend further north into Volusia County (DeLand) and south to Osceola County (Poinciana) and will be completed in 2016. SunRail is anticipated to run on 30 minute intervals during the morning and evening peak hours.

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 is working 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.

On November 8, 2012 (FY 2013), 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.

Unless otherwise indicated, all statistics, performance measures, and operating indicators

in the next two sections of this document refer only to LYNX fixed route service and do not include LYNX paratransit services, 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 2012 results, as reported by LYNX, are provided in Table 29. Results for the last five fiscal years are included in Appendix B.

LYNX was an active participant in the development of performance measures and in establishing objectives to measure its performance. Every attempt was made to ensure that the objectives that were selected would be a true measure of each of the Authority's effectiveness and efficiency in each of the applicable areas. LYNX performance data used for this report represent information collected during FY 2012, which spans from October 1, 2011 through September 30, 2012 (LYNX reports on a federal fiscal year). LYNX was successful in achieving 6 of the 12 objectives for performance.

Table 29
Central Florida Regional Transportation Authority
Summary of Performance Measures
FY 2012¹

<i>Performance Measure</i>	<i>Detail</i>	<i>Objective</i>	<i>Actual Results</i>	<i>Meets Objective</i>
Average Headway	Average time for vehicle to complete its portion of total route miles one time	<30 minutes	23.3	✓
Operating Expense per Revenue Mile	Operating expenses divided by revenue miles	<\$5.30	\$5.73	X
Operating Expense per Revenue Hour	Operating expenses divided by revenue hours	<\$75	\$84.75	X
Operating Revenue per Operating Expense	Revenue generated through operation of the transit authority divided by operating expenses	>30%	41.4%	✓
Operating Expense per Passenger Trip	Operating expenses divided by annual ridership	<\$3	\$3.15	X
Operating Expense per Passenger Mile	Operating expenses divided by passenger miles	<\$0.47	\$0.58	X
Revenue Miles between Safety Incidents	Annual revenue miles divided by safety incidents	>124,513	151,837	✓
Revenue Miles between Failures	Revenue miles divided by revenue vehicle system failures ²	>10,500	15,934	✓
Revenue Miles versus Vehicle Miles	Revenue miles divided by vehicle miles ³	>.90	0.897	X
Customer Service	Average time from complaint to response	14 days	10 days	✓
Customer Service	Customer complaints divided by boardings	<1 per 5,000 boardings	0.7	✓
On-time Performance	% trips end to end on time "less than 5 minutes late"	>80%	79.7%	X

¹ Fiscal Year 2012 represents 12 months of data from October 1, 2011 through September 30, 2012.

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.

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

Average Headway

In FY 2012, LYNX achieved the performance measure objective for average headway of less than 30 minutes with actual results of 23.3

minutes. This was a decrease of 2.4 minutes, or 9.3 percent, versus FY 2011. Operating 10 to 15 minute headways on major corridors with small vehicles circulating through neighborhoods and feeding into workforce routes is a long-term goal.

As a customer convenience, in addition to fixed route service, LYNX operates Flex services

currently called NeighborLink (previously known as PickUpLine) in a number of defined areas within the LYNX service area. In January 2012, the CFRTA Board authorized the renaming of PickUpLine to NeighborLink to more properly align with the LYNX brand and its operation as a neighborhood circulator. NeighborLink provides scheduled service between fixed points not on LYNX fixed-route and designated points on LYNX fixed-route. NeighborLink also provides curb-to-curb service to any address within a defined service area. Passengers who want to use the NeighborLink service to go anywhere within the NeighborLink service area can call to make a reservation at least two hours ahead of their requested pick up time.

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 \$5.73 was higher than the objective of \$5.30 by \$0.43 (8.1 percent), but was less than the \$5.85 reported in FY 2011. FY 2012 operating expenses increased 3.1 percent while revenue miles increased 5.3 percent.

LYNX fell short of this performance objective and three other expense related objectives (operating expense per revenue hour, per passenger trip, and per passenger mile). Containment of operating expenses will be crucial for LYNX moving forward. LYNX management indicated that some specific expenses that negatively impact total expenses remain mostly outside of the control of the Authority, such as high mileage buses that generate excessive maintenance costs, and fuel costs. LYNX identified the following activities to reduce operating costs moving forward:

- Restructuring service to eliminate low productivity service

- 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

LYNX implemented steps to increase its on-time performance by eliminating inefficient services throughout the service area. This effort included reducing interlining between routes and placing additional buses along routes that were deficient in meeting their on-time performance. Additionally, LYNX took steps to improve system performance by focusing on 20 corridors to provide better service.

Other measures to assist with operating cost reductions include the fuel hedging program and the successful negotiation of union contracts. Beginning in July 2011, LYNX entered into several fuel hedging contracts with a counter-party to cover a significant portion of planned diesel fuel purchases in FY's 2011 and 2012. 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 fiscal year. As of September 30, 2012, the maturity dates of the open contracts range from October 2012 to September 2013. Because the fuel hedging contracts are considered effective hedges, the fair value of the asset and the liability related to the open contracts at September 30, 2012 fully offset each other.

The Amalgamated Transit Union (ATU), Local 1596 contract for operations expired in September 2009. Negotiations over the terms of a new contract have been ongoing between LYNX and ATU. In November 2012, the CFRTA Board approved a new three year contract. In November

2011, the CFRTA Board approved a new contract effective November 2011 through September 2014 for LYNX Transportation and Maintenance Supervisors, ATU Local 1749.

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 \$84.75 exceeded the objective of less than \$75.00 per hour by \$9.75 (13.0 percent). FY 2012 operating expenses increased 3.1 percent while revenue hours increased 1.7 percent.

Operating Revenue per Operating Expense

The relationship between operating revenue and operating expense provides a measure of the effectiveness of the use of revenue. Unlike the two previous objectives, where the goal was to achieve a lower cost per revenue mile or revenue hour, the goal for this objective is to be higher than the objective because the higher the revenue per unit of expense, the more efficient the operation is. With operating revenue being 41.4 percent of operating expense, LYNX surpassed the objective (greater than 30 percent) by 38.0 percent.



LYNX Articulated Bus.

Compared to FY 2011, FY 2012 operating revenues decreased 1.3 percent while operating expenses increased 3.1 percent.

Operating Expense per Passenger Trip

The relationship between operating expenses and passenger trips provides a measure of the cost efficiency to transport passengers. The lower the cost per passenger trip, the more cost efficient the operation is. The LYNX operating cost per passenger trip of \$3.15 was higher than the objective of less than \$3.00 by \$0.15 (5.0 percent). This is an improvement compared to the \$3.19 reported for FY 2011 and is primarily due to a 4.4 percent increase in ridership (passenger trips). LYNX ridership for FY 2012 represents a record high.

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 \$0.58 exceeded the objective of less than \$0.47 by \$0.11, but was slightly better than the \$0.61 reported for FY 2011.

LYNX nearly met this performance objective in FY 2006 (\$0.49), however, due to several operating complexities the Authority failed to achieve this objective over the last six years. 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 also pursuing a similar opportunity in the northern portion of its service area in Seminole County.

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. As a result of a change in the definition of safety incidents reported to the National Transit Database, the Commission, with the assistance of the authorities, formally adopted a new safety performance objective for LYNX for FY 2010. The new objective for revenue miles between safety incidents was established at greater than 124,513 miles. LYNX achieved the new objective in FY 2012 with 151,837 revenue miles between safety incidents (21.9 percent above the target). In FY 2012, revenue miles increased 5.3 percent, while safety incidents decreased 24.4 percent (from 135 in FY 2011 to 102 in FY 2012).

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. On May 24, 2012, the CFRTA

Board authorized the implementation of Revised Substance Abuse Program Policies For Non-Safety Sensitive Positions as well as For Safety Sensitive Positions.

Revenue Miles between Revenue Vehicle System Failures

The span of revenue miles between revenue vehicle system failures (defined as the breakdown of either a major or minor element of the revenue vehicle's mechanical system) is a measure of maintenance effectiveness in keeping the fleet in good condition. A significant number of revenue miles between revenue vehicle system failures can serve to reinforce customer confidence in on-time bus performance. LYNX achieved the performance measure objective of greater than 10,500 revenue miles between revenue vehicle system failures with 15,934 revenue miles between failures reported in FY 2012. This compares favorably to the 14,041 revenue miles between failures reported in FY 2011.

LYNX management indicated that failure to achieve this performance objective in FY 2010 was due to failures resulting from new engine emissions technology. LYNX worked closely with the engine manufacturer to address problems associated with the new low emissions equipment and received warranty parts and service from Cummins. As a result, revenue vehicle system failures decreased from 1,519 in FY 2010 to 1,048 in FY 2011 and 972 in FY 2012. LYNX continues to review failures in service to discover missed opportunities for preventing failures through preventative maintenance.

Revenue Miles versus Vehicle Miles

The relationship between revenue miles and vehicle miles provides a measure of the effectiveness of fleet assignment given that vehicle miles include non-revenue miles, such as

deadhead miles (from operations facility to start of a route and vehicle miles from the end of the route to the operations facility). LYNX fell slightly below the performance measure objective of greater than 0.900 with 0.897 for FY 2012.

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

Customer Service – Average Time from Complaint to Response

LYNX achieved the performance measure objective of timely response to customer complaints within 14 days of receipt of the complaint with actual response time of 10 days.

Customer Service – Number of Complaints per Boarding

LYNX also achieved the performance objective of less than one complaint per 5,000 boardings with 0.7 complaints.

On-time Performance

LYNX reported 79.7 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 arriving at a fixed route schedule time point. Although LYNX achieved this objective for the last five fiscal years, LYNX indicated that in FY 2012 efficiencies within the current LYNX fixed-

route system were implemented to address running time concerns for over 20 routes.

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 2012 operating indicators, as reported by LYNX are provided in Table 30. In order to observe current trends, operating indicators for FY 2010 and FY 2011 are also provided. Results for the last five fiscal years are included in Appendix B.

FY 2012 operating expenses increased \$2.7 million, or 3.1 percent, while operating revenues decreased \$467 thousand, or 1.3 percent, over FY 2011. LYNX logged 1.2 million, or 4.4 percent, more passenger trips and the average trip length increased by 0.2 miles to 5.4 miles in FY 2012. As a result, passenger miles increased by 11.8 million to 152.2 million (an increase of 8.4 percent). FY 2012 revenue miles increased 773 thousand, or 5.3 percent, while revenue hours increased 1.7

Passenger trips increased 4.4 percent (to a record high of 28.2 million) and passenger miles increased 8.4 percent in FY 2012.

FY 2012 revenue miles increased 5.3 percent, while revenue hours increased 1.7 percent.

The farebox recovery ratio increased from 28.7 percent in FY 2011 to 29.3 percent in FY 2012 (a record high), while the average fare increased from \$0.91 to \$0.92.

Transportation Authority Monitoring and Oversight

Table 30
Central Florida Regional Transportation Authority
Summary of Operating Indicators
FY 2010 through FY 2012

<i>Operating Indicator</i>	<i>Detail</i>	<i>Actual 10 Results</i>	<i>Actual 11 Results</i>	<i>Actual 12 Results</i>
Operating Expense per Capita (Potential Customer)	Annual operating budget divided by service area population	\$46.78	\$46.84	\$47.23
Farebox Recovery Ratio	Ratio of passenger fares ¹ to total operating expenses	24.9%	28.7%	29.3%
Service Area Population	Approximation of overall market size	1,805,921	1,837,359	1,878,762
Service Area Population Density	Persons per square mile based on service area population and size	711.5	723.9	740.0
Operating Expense	Spending on operations, including administration, maintenance, and operation of service vehicles	\$84,482,228	\$86,069,842	\$88,727,930
Operating Revenue ²	Revenue generated through operations of transit authority	\$33,730,496	\$37,238,587	\$36,771,242
Total Annual Revenue Miles	Miles vehicles operated in active service ³	14,612,279	14,714,555	15,487,372
Total Annual Revenue Hours	Hours vehicles operated in active service	1,030,195	1,029,656	1,046,880
Total Revenue Vehicles ⁴	Vehicles available to meet annual maximum service requirement	267	270	273
Peak Vehicles	Vehicles operated to meet annual maximum (peak) service requirements	223	225	225
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	16.5%	16.7%	17.6%
Annual Passenger Trips ⁶	Passenger boardings on transit vehicles	24,780,704	26,996,158	28,184,740
Average Trip Length	Average length of passenger trip, generally derived through sampling	5.4	5.2	5.4
Annual Passenger Miles	Passenger trips multiplied by average trip length (in miles)	133,815,802	140,380,022	152,197,596
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	\$0.85	\$0.91	\$0.92
Passenger Trips per Revenue Mile	Passenger trips divided by revenue miles	1.70	1.83	1.82
Passenger Trips per Revenue Hour	Passenger trips divided by revenue hours	24.1	26.2	26.9
Passenger Trips per Capita	Passenger trips divided by service area population	13.7	14.7	15.0
Average Age of Fleet	Age of fleet (in years) average	4.1	4.4	5.7
Unrestricted Cash Balance	End of year cash balance from financial statement	\$23,476,890	\$25,402,118	\$29,110,185
Weekday Ridership	Average ridership on weekdays	79,035	85,473	92,319
Capital Commitment to System Preservation	% of capital spent on system preservation	100.0%	73.2%	46.0%
Capital Commitment to System Expansion	% of capital spent on system expansion	0.0%	26.8%	54.0%
Intermodal Connectivity	Intermodal transfer points available	5	5	5

¹ Passenger fares are revenues generated annually from carrying passengers in regularly scheduled service, including payment from jurisdictions for feeder bus service.

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

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

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

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

⁶ A passenger trip is counted each time a passenger boards a transit vehicle.

percent from FY 2011. The farebox recovery ratio increased from 28.7 percent in FY 2011 to 29.3 percent in FY 2012 (a record high) and the average fare increased from \$0.91 in FY 2011 to \$0.92 in FY 2012.

The average age of the fleet increased from 4.4 to 5.7 years and the operating spare ratio increased from 16.7 percent to 17.6 percent (below 20 percent) allowing the Authority flexibility in terms of providing expanded service in the future. LYNX increased its unrestricted cash balance \$3.7 million (from \$25.4 to \$29.1 million) and committed 46 percent of capital investment to system preservation and 54 percent to system expansion. Investments in system expansion include funding for rolling stock, bus rapid transit, passenger amenities, technology, security, facilities, support equipment and ARRA projects.

Intermodal Connections

LYNX currently provides five intermodal connections that include connections to two airports, a circulator, and three park & ride lots.

Airport Connections

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

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

Destination Parkway Superstop serves International Drive (including the Prime Outlets, Wet and Wild, Sea World and the Orlando Premium

Outlets), the Orange County Convention Center, Central Orlando, Central Orange County, and the Orlando International Airport.

Circulator Connections

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

Park & Ride Connections

- Clermont Park & Ride (Highway US 27)
- Saxson Boulevard Park & Ride (I-4 & Saxson Boulevard)
- Colonial Park & Ride (SR 50 and CR 419)

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 II, Chapter 343, Florida Statutes. The Authority elected to apply certain provisions of the State Code of Ethics, Part III of Chapter 112, Florida Statutes. "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. During the

Commission staff review of the minutes of LYNX Board meetings, one instance of an alleged ethics violation was noted for a LYNX employee at the March 22, 2012 Board meeting. LYNX indicated that this allegation was made by the President of the Bus Drivers Union in the midst of heated negotiations over the Union Contract. His comments were made during the public portion of the LYNX Board meeting with the apparent intent to influence the Board as it related to those negotiations. Specifically, the Union President asserted that the LYNX CEO violated the Florida Code of Ethics by virtue of allegedly withdrawing a proposal to the Union for a new Contract. This was not the case. After LYNX made its proposal on March 20, 2012 (which expressly stated a deadline date for 5:00 p.m. that afternoon as well any rejection could cause LYNX's offer to revert to the original offer), the Union counteroffered on March 21, 2012 with a statement that its proposal would be considered a complete proposal for the purposes of settlement. The Union President asserted at the Board meeting that the Union proposal was simply a "clarification," but based upon the documents, it was a rejection of the LYNX offer and a counterproposal. The LYNX Chairman, Carlton Henley at the time, was advised from time to time as to the status of the Union negotiations and was comfortable that the CEO was following the Board direction in all the negotiations. Subsequently, an agreement was reached with the Union. Chairman Henley determined, in light of the comments made by the Union President and his knowledge of the negotiations, that there was no ethics violation, and no investigation was called for. LYNX's General Counsel reviewed a transcript of the meeting, various contract proposals and interviewed the CEO and Chairman and has determined that no ethics violation occurred.

The meeting minutes did not disclose any instances where a Board member abstained from voting due to a voting conflict.

Audit

LYNX has established an Audit Committee that mirrors the current composition and leadership of the Board. The Audit Committee meets approximately one hour prior to each regular bi-monthly Board meeting, if necessary. Primary functions of the Audit Committee include the review of financial information, systems of internal control and risk assessment, audit process, compliance with laws, regulations, and the Code of Conduct, and to make recommendations to the Board on other pertinent matters. Typical items reviewed by the committee include proposed amendments to administrative rules, updates on the status of ongoing contracts, consent and agenda items for the next Board meeting, and proposals regarding fare adjustments and service changes. Detailed minutes of the Audit 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, 2012 was performed. The Independent Auditor's Report (dated April 3, 2013) indicated that the financial statements were prepared in conformity with GAAP and received an unqualified opinion. The Independent Auditor's Report on Compliance and Internal Control over Financial Reporting did not identify any deficiencies in internal control that were considered material weaknesses, and the results of audit tests did not disclose instances of noncompliance required to be reported under Government Auditing Standards. The Independent Auditor's Report on Compliance and Internal Control over Compliance Applicable to Each Major Federal Program and State Project indicated no issues related to compliance, internal control, findings or questioned costs required to be reported under

applicable standards. In the Independent Auditor's Management Letter, the auditors identified one finding or recommendation regarding the accuracy of data reported in the National Transit Database (NTD) Report. LYNX concurs with the auditor's recommendations and is in the process of enhancing the review and approval process and training staff to ensure better internal controls for the NTD Annual Report submittal.

The Orange County Comptroller's Office conducted an audit of the Central Florida Regional Transportation Authority. The audit was limited to a review of internal controls relating to cash fare revenue collections for fixed route bus service, internal controls relating to the collection, recording, and reporting of ridership, service miles, and service hour data, and compliance with the executed Funding Agreements with Orange County. The auditors reported that LYNX materially complied with the requirements and terms of the Funding Agreements and that internal controls were adequate. However, the Comptroller's Audit Report No. 420, dated February 2012, provided recommendations for improvement in the following areas:

- LYNX should submit all reports as required to the county



LYNX Central Station at Night.

Transportation Authority Monitoring and Oversight

- Controls over bus cash fares need improvement
- Simplification of cash fare structure to coincide with rider types should be explored
- Controls over black box cash collections need improvement
- Controls over ticket and multi-day pass sales need improvement
- Annual physical ticket inventories should be timely reconciled to inventory records
- LYNX Regional Funding Model methodology should be further reviewed and enhanced
- LYNX should review the methodology used in computing ridership counts
- Performance measure computational procedures need review and refinement

LYNX management concurred or partially concurred with all the recommendations for improvement. Currently, all nine of the recommendations have been completed by LYNX.

Public Records and Open Meetings

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

On January 19, 2006, LYNX established Administrative Rule 2, Board Governance (Bylaws).



LYNX Operations Center.

On July 28, 2010, the Board amended and restated the Bylaws. The Bylaws delineate the rules that govern the affairs and conduct of the business of LYNX including the authority and composition of the Board, meetings of the Board, as well as the roles and responsibilities of Board officers and members. Meetings of the Board are administered in accordance with Robert's Rules of Order. Notice of and public access to all meetings must be given in the manner required by applicable law as well as by LYNX Bylaws. Public notices are posted at the LYNX main administration building and are published on the LYNX website. An agenda must be prepared prior to each meeting. LYNX is also subject to the provisions of Section 189.417, Florida Statutes and Chapter 286, Florida Statutes, for open meetings.

LYNX implemented a Public Participation Program Policy, effective September 2008, which applies to all officers, employees, and agents of LYNX. "It shall be the policy of LYNX to proactively inform and involve the Central Florida public in the planning and implementation of new services, routing adjustments, passenger fare adjustments, new facility construction, and planning activities in accordance with Federal and State Regulations."

The Commission reviewed agendas, minutes of meetings 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.

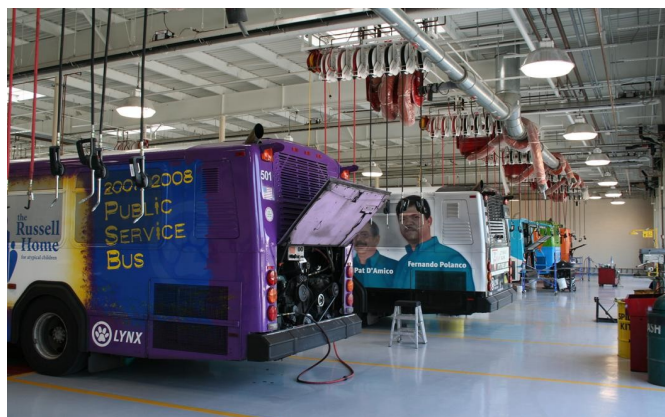
Procurement

On March 22, 2012, 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



LYNX Operations Maintenance Center.

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. In addition, the Authority delineated limitations on advertising content as specified in Section 4.4.6 C.

Contracts involving emergency purchases must be reported to the 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. The CEO may delegate approval authority for financially exigent agreements and must report the agreement to the governing board at its next scheduled meeting. Administrative Rule 4 also mandates that the procurement of certain consultant or professional services shall be conducted in accordance with provisions of law, including Florida Statutes 287.055, or any successor provision thereof (the "Consultants Competitive Negotiations Act") or to 40 U.S.C. 541, where applicable. In addition, 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

Central Florida Regional Transportation Authority (CFRTA/LYNX)

recipient of federal financial assistance from USDOT and as a condition of receiving this assistance, LYNX has signed an assurance that it will comply with 49 CFR Part 26. It is the policy of LYNX to ensure DBEs, as defined in Part 26, have an equal opportunity to receive and participate in USDOT-assisted contracts.

Consultant Contract Reporting

LYNX provided a list of all "General Consulting" contracts and those sub contracts that exceeded \$25 thousand in FY 2012. As indicated in Table 31, one sub consultant was used by the general consulting firms for a total cost of \$103 thousand in FY 2012.

Compliance with Bond Covenants

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

Loans Payable

On June 9, 2004, the Authority entered into a State Infrastructure Bank Loan Agreement (SIB #1), allowing draws of up to \$7,600,000 for the construction of the new Operating Base Facility. This loan matures in 2016, was non-interest bearing until October 1, 2007, and bears an interest rate of 2 percent, thereafter. On August 14, 2006, the Authority entered into another SIB Loan (SIB #2), allowing draws of up to \$7,140,000 for the acquisition of rolling stock, including

paratransit vehicles. The allowable amount of \$7,140,000 for SIB #2 was executed in FY 2006. This loan matures in 2013, was non-interest bearing until October 1, 2008, and bears an interest rate of 1 percent, thereafter. Loans payable activity for fiscal years ended September 30, 2012 and 2011 is as follows:

Table 32
Central Florida Regional Transportation Authority
Loans Payable
September 30, 2012

<i>Loan</i>	<i>Beginning Balance</i>	<i>Payments</i>	<i>Ending Balance</i>	<i>Amounts Due Within One Year</i>
SIB #1	\$ 4,646,340	\$ 736,565	\$ 3,909,775	\$ 751,296
SIB #2	\$ 4,255,022	\$ -	\$ 4,255,022	\$ -
Total	\$ 8,901,362	\$ 736,565	\$ 8,164,797	\$ 751,296

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

Summary

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

Table 31
Central Florida Regional Transportation Authority
Summary of General Consultant Sub Consultant Activity
FY 2012

<i>Consulting Contract</i>	<i>Description</i>	<i>Sub Consultants >\$25k</i>
AECOM	Construction Management, Engineering and Inspection	
Data Transfer Solutions, LLC	Transportation & Financial Planning	
Tindale-Oliver & Associates	Transit and Financial Planning	\$103
Total Sub Consultants >\$25k		\$103

Transportation Authority Monitoring and Oversight

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 6 of the 12 fixed route objectives established for performance measures. The six fixed route measures that were not met include: operating expense per revenue mile, operating expense per revenue hour, operating expense per passenger trip, operating expense per passenger mile, the ratio of revenue miles to vehicle miles, and on-time performance. Four of the six objectives not met include operating expense components. The Commission encourages LYNX to focus on containing those costs moving forward.

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 2012 operating expenses increased \$2.7 million, or 3.1 percent, while operating revenues decreased \$467 thousand, or 1.3 percent, over FY 2011. LYNX logged 1.2 million, or 4.4 percent, more passenger trips (a record high) and the average trip length increased by 0.2 miles in FY 2012. As a result, passenger miles increased 11.8 million, or 8.4 percent. Revenue miles increased 5.3 percent, while revenue hours increased 1.7 percent from FY 2011. The farebox recovery ratio increased from 28.7 percent in FY 2011 to 29.3 percent in FY 2012 (a record high) and the average fare increased from \$0.91 in FY 2011 to \$0.92 in FY 2012.

In the area of governance, the FY 2012 independent financial statement audit expressed an unqualified 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 one finding related to the accuracy of data reported in the National Transit Database Report.

The Orange County Comptroller's Office conducted an audit of CFRTA that included a review of internal controls relating to cash fare revenue collections, performance measure reporting, and compliance with the executed Funding Agreements with Orange County. The February 2012 Audit Report indicated that LYNX materially complied with the requirements and terms of the Funding Agreements and that internal controls were adequate. However, nine recommendations for improvement were provided by the auditors. LYNX management concurred or partially concurred with all the recommendations for improvement. Currently, all nine of the recommendations have been completed by LYNX.

Phase I of SunRail is currently under construction and is expected to be operational in 2014. LYNX will provide 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 is developing a SunRail Fare Policy, Equipment, and Implementation Plan to assist with the seamless interoperability between LYNX and SunRail systems. A joint solicitation between LYNX and the Department was released for the purchase of Fare Collection System Equipment.

Based on the Commission's review of Board meeting minutes, LYNX policies and procedures, Florida Statutes, financial statements, and other documentation provided by LYNX, there were no instances noted of noncompliance with applicable laws or regulations in the areas of ethics, conflicts of interest, public records, open meetings, bond

compliance and other governance criteria established by the Commission.

The Commission encourages LYNX to develop and establish a course of action focused on improving

performance to achieve objectives. In addition, the Commission acknowledges with appreciation the cooperation and assistance on the part of LYNX in providing the resources necessary to complete this review.

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Jacksonville Transportation Authority (JTA)

Background



The Jacksonville Transportation Authority (JTA) 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 1972, JTA became a multimodal transportation agency, with the authority to plan, design, construct, maintain and operate transportation facilities in Duval County, including highways and bridges on the State Highway System (SHS), mass transit facilities, and appurtenances to both highway and transit functions. 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, paratransit service, an automated people mover, trolleys, and stadium shuttle service. JTA also implements roadway projects under its own authority and work plans, and pursuant to its role in the Better Jacksonville Plan, which includes 32 roadway projects totaling more than \$800 million. The projects include 12 interchange improvements, roadway widening projects, construction of one major bridge and the design of another.

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

Highlights

- JTA met or exceeded 5 of the 12 objectives established for performance measures for bus. The seven measures not met were Operating Expense per Revenue Mile, Operating Expense per Revenue Hour, Operating Expense per Passenger Trip, Revenue Miles between Safety Incidents, Customer Service (Number of Complaints and Response Time), and On-Time Performance.
- JTA's Skyway met or exceeded 7 of the 12 performance measures. The five measures not met were Operating Expense per Revenue Mile, Operating Expense per Revenue Hour, the Ratio of Operating Revenue to Operating Expense, Revenue Miles Between Safety Incidents, and Revenue Miles Between Failures.
- JTA met or exceeded all four of the applicable performance measures for Highways.
- JTA Chairs and provides staff support and other assistance to the Northeast Florida Regional Transportation Study Commission (NFRTSC). As statutorily required, the NFRTSC submitted a regional transportation report to the Legislature prior to December 31, 2012.
- JTA implemented a new fare structure on January 30, 2012. Among other fare increases, the base bus fare increased from \$1.00 to \$1.50, the 31 day bus pass increased from \$40 to \$50, and the weekly bus pass increased from \$12 to \$16.
- A new electronic payment system was implemented in January 2012 to replace the old fare-box system. The new STAR (Simply Tap And Ride) card is a contactless smart media that allows JTA riders to pay fares without the need for cash.
- JTA suspended fares on the Skyway system beginning January 30, 2012 until at least September 30, 2013.
- On December 3, 2012 (FY 2013), Nathaniel Ford assumed the position of Executive Director/Chief Executive Officer of JTA. Subsequently, a major reorganization of the Authority was implemented.

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.” Effective July 1, 2011, the 2011 Legislature passed, and the Governor approved, Senate Bill 2152 that amended Chapter 349, Florida Statutes. This legislation repealed the authority for JTA to enter into Lease-Purchase Agreements with the Florida Department of Transportation. (The relevant language from SB 2152 is detailed in Appendix A.)

The governing body of JTA consists of seven voting members, three members appointed by the Governor and confirmed by the Senate, three members appointed by the Mayor of the City of Jacksonville subject to confirmation by the Council of the City of Jacksonville, and the district secretary of the Department of Transportation serving in the district that contains the City of Jacksonville (see Table 33). 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 33
Jacksonville Transportation Authority
Current Board Members

<i>Name</i>	<i>Appointment</i>	<i>Position</i>
Edward E. Burr	Governor's Appointee	Chairman
Steve Diebenow	Mayor's Appointee	Vice-Chairman
Scott McCaleb	Governor's Appointee	Treasurer
Donna L. Harper	Governor's Appointee	Secretary
Ava L. Parker	Mayor's Appointee	Board Member
Isaiah Rumlin	Mayor's Appointee	Board Member
Greg Evans, P.E.	District Two Secretary	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 voting members of the authority constitute a quorum, and no resolution adopted by the authority becomes effective unless with the affirmative vote of at least four members.

The authority employs an executive director, who may hire staff, permanent or temporary and may organize the staff of the authority into departments and units. The executive director may appoint department directors, deputy directors, division chiefs, and staff assistants to the executive director. The authority establishes the compensation of the executive director, who serves at the pleasure of the authority. All employees of the authority are exempt from the provisions of Part II, Chapter 110, Florida Statutes. 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.

In March 2012, the JTA Board amended the employment contract with its Executive Director, Michael Blaylock, in order to transition to new leadership. Mr. Blaylock agreed to remain at JTA until a new Executive Director was in place. The Board contracted with a firm to conduct a national search for a new Executive Director and selected Nathaniel P. Ford to assume the position on December 3, 2012. In late January 2013, JTA unveiled a major reorganization plan that includes a chief of staff and five vice presidents which all report directly to the Executive Director (Chief Executive Officer). The new organizational structure will allow for quicker decision-making and has clearer lines of responsibility and accountability. JTA advertised locally and nationally for the new positions and currently has filled all six of the positions. On August 30, 2012, the JTA Board authorized a contract with TransTech Management, the highest ranked firm, to conduct an Agency Management Organization Assessment. TransTech Management has not yet completed the report that evaluates JTA's management structure, business practices, and staffing levels; however, discussions with the TransTech team including "update" presentations as presented to the Board and JTA staff were considered when deciding to undertake restructuring of the JTA.

Subsidiary Public Benefit Corporation

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

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. In 2011, JTA successfully negotiated a new three-year labor agreement with the Amalgamated Transit Union, effective on October 26, 2011. This was followed quickly by an agreement with the International Association of Machinist and Aerospace Workers Local Union No. 759, representing maintenance employees, for a three-year term effective on November 6, 2011.



Beach Boulevard Bridge Arches.

Better Jacksonville Plan

JTA entered into Interlocal Agreements (ILA) with the City of Jacksonville (the City) in 2000 for the purpose of constructing the roadway and infrastructure projects of the Better Jacksonville Plan (BJP), as defined in the ILAs. Pursuant to these agreements, JTA pledged its Charter County Transportation Sales Surtax revenues, and the City pledged its Duval County constitutional gas taxes and its Infrastructure Sales Surtax revenues to pay the debt service on transportation and infrastructure revenue bonds issued by the City to fund transportation projects under the BJP. All bonds are revenue obligations, and there is no guarantee by JTA or the City, nor any other JTA revenues or assets pledged for the bonds. Because transportation projects identified in the

BJP are being completed and funding for the BJP is being depleted, JTA construction activities are winding down.

The ILAs continue in effect until all of the bonds have been paid in full or defeased in accordance with their terms. In March 2012, the City of Jacksonville issued \$209.4 million in Transportation Refunding Revenue Bonds, Series 2012 (\$151.7 million in Series 2012A and \$57.7 million in Series 2012B) in order to achieve interest cost savings on debt service. The Series 2012A Bonds refunded the City of Jacksonville, Transportation Revenue Bonds, Series 2001 and the Series 2012B Bonds refunded the State of Florida, Full Faith and Credit, Jacksonville Transportation Authority, Senior Lien Refunding Bonds, Series 1997. JTA worked closely with the City and the Division of Bond Finance of the State Board of Administration to execute the transaction. As previously noted, JTA has pledged its Charter County Transportation Sales Surtax revenues to pay the debt service on transportation and infrastructure revenue bonds issued by the City of Jacksonville to fund transportation projects under the BJP. However, as a result of the new Series 2012 Bond issue, there is no longer a full faith and credit pledge of the State of Florida.

The terms of the ILAs also require that the City make available its Local Option Gas Tax (LOGT) to JTA for JTA's operation of its mass transit division. Any excess funds calculated pursuant to the terms of the ILA (as amended) will be allocated entirely to JTA. JTA may use these funds for any lawful purpose. The City's LOGT, used to subsidize JTA's transit operations, is set to sunset in 2016 and if not renewed would negatively impact Authority operations.

Recent Initiative

At the direction of the 2009 Florida Legislature, through the Florida Department of Transportation, JTA facilitated a study effort regarding the

framework for the creation of a regional transportation agency (RTA). The RTA Study boundaries included Baker, Clay, Duval, Flagler, Nassau, Putnam and St. Johns counties. A Study Advisory Panel, which was formed to assist JTA and the Department during the study, and members of the public met six times 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 Senate Bill 2470 into law creating the Northeast Florida Regional Transportation Study Commission (NFRSTC). The Chairman of the Board of JTA, serves as the Chair of the NFRSTC. Other members include representatives from each of the seven counties in northeast Florida. Additionally, the Chair of the North Florida Transportation Planning Organization, Chair of the Northeast Florida Regional Council and the District II Secretary of the Department serve as ex-officio, non-voting members. JTA provides staff support and other assistance as deemed necessary for the NFRSTC to carry out its duties. As required, the NFRSTC 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. Additional information may be obtained from the NFRSTC website www.northfloridartsc.com.

Bus Rapid Transit

JTA's Bus Rapid Transit (BRT) program is a premium transit service using existing arterial roadways. The BRT will include: enhanced service with increased frequency and limited stops; BRT

superstops that include a real-time passenger information system, a security system, and off-board fare collection at the major hubs; low-floor branded (dedicated BRT) buses; segments of dedicated (bus only) lanes; transit signal priority and possibly queue jumps at selected intersections.

The proposed service would operate with 10-minute headways during weekday peak periods; 15-minute headways during weekday off-peak periods; and 30-minute headways on weekends. With fewer stops and more frequent service, BRT will provide a premium service on more heavily traveled corridors permitting customers to move more efficiently to other parts of the City. The BRT system funded share is 80 percent Federal, 10 percent State, and 10 percent Local.

The BRT system is being developed in five phases: Downtown Transit Service Enhancements, North Corridor, Southeast Corridor, East Corridor and Southwest Corridor. The Downtown Transit Service Enhancements is being advanced as a Federal Transit Administration (FTA) New Starts Exempt project. The North and Southeast corridors are being advanced as FTA New Starts, Very Small Starts projects. With the changes in the New Starts program in the federal legislation Moving Ahead for Progress in the 21st Century (MAP-21), the East and Southwest Corridors will be advancing as New Starts-Small Starts projects. The five phases of the BRT system are in various stages of the environmental assessment, preliminary engineering, and design phases.

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.

JTA was an active participant in the development of performance measures and in establishing objectives to measure its performance. Every attempt was made to ensure that the objectives that were selected would be a true measure of each of the Authority's effectiveness and efficiency in various areas. JTA performance data used for this report represent information collected during FY 2012, which spans from October 1, 2011 through September 30, 2012 (JTA reports on a federal fiscal year).

Performance Measures—Bus

JTA was successful in achieving 5 of the 12 objectives for performance. FY 2012 results, as reported by JTA, are provided in Table 34. Results for the last five fiscal years are included in Appendix B.

JTA has embarked on a comprehensive system redesign to improve service for its customers as well as to make the service more efficient. As part of this effort, since 2009, JTA has introduced new "community shuttle" routes. These routes provide flexible, route-deviation neighborhood circulators using smaller buses. Currently, JTA contracts with a private provider to operate the service. As in prior reporting years, Community Shuttle performance data is reported in the National Transit Database (NTD) as Purchased Transportation (PT) services

Transportation Authority Monitoring and Oversight

and is excluded from 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.

Average Headway

In FY 2012, JTA achieved the performance measure objective for average headway of less than 30 minutes with actual results of 18.8 minutes. This was 2.5 minutes less than FY 2011 results and was 0.9 minutes less than the average headway of 19.7 minutes reported from FY 2008

Table 34
Jacksonville Transportation Authority
Summary of Performance Measures - Bus
FY 2012¹

<i>Performance Measure</i>	<i>Detail</i>	<i>Objective</i>	<i>Actual Results</i>	<i>Meets Objective</i>
Average Headway	Average time for vehicle to complete its portion of total route miles one time	<30 minutes	18.8	✓
Operating Expense per Revenue Mile	Operating expenses divided by revenue miles	<\$6.50	\$7.66	X
Operating Expense per Revenue Hour	Operating expenses divided by revenue hours	<\$91	\$111.39	X
Operating Revenue per Operating Expense	Revenue generated through operation of the transit authority divided by operating expenses	>20%	21.2%	✓
Operating Expense per Passenger Trip	Operating expenses divided by annual ridership	<\$5.30	\$5.36	X
Operating Expense per Passenger Mile	Operating expenses divided by passenger miles	<\$1.00	\$0.87	✓
Revenue Miles between Safety Incidents	Annual revenue miles divided by safety incidents	>227,975	129,296	X
Revenue Miles between Failures	Revenue miles divided by revenue vehicle system failures ²	>10,500	26,488	✓
Revenue Miles versus Vehicle Miles	Revenue miles divided by vehicle miles ³	>.90	0.96	✓
Customer Service	Average time from complaint to response	14 days	18	X
Customer Service	Customer complaints divided by boardings	<1 per 5,000 boardings	2.1	X
On-time Performance	% trips end to end on time "less than 5 minutes late"	>80.0%	66.0%	X

¹ Fiscal Year 2012 represents 12 months of data from October 1, 2011 through September 30, 2012.

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.

through FY 2011. The management objective for JTA's average headway was established at less than 30 minutes to allow JTA flexibility in scheduling that could potentially reduce operating costs.

Operating Expenses

FY 2012 operating expenses increased by \$4.2 million, or 7.7 percent, over FY 2011. JTA failed to achieve three operating expense-related objectives (per revenue mile, per revenue hour and per passenger trip) in FY 2012. The increase in FY 2012 operating expenses is primarily attributed to fuel costs, union contract costs and funding of the self-insurance reserve. Fuel expenses increased \$650 thousand, or 7.4 percent, over FY 2011. The bus operator union contract increased \$712 thousand (includes a \$262 thousand signing bonus) and an additional \$800 thousand was required to fund the self-insurance claims reserve liability based on the actuarial report. Ongoing containment of operating expenses will be crucial for JTA moving forward.

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. JTA's operating cost per revenue mile of \$7.66 did not meet the objective of less than \$6.50 by \$1.16 (17.8 percent). FY 2012 operating costs increased by 7.7 percent while annual revenue miles decreased by 140 thousand (1.8 percent).

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. JTA's operating cost per revenue hour of \$111.39 missed the objective of less than

\$91.00 by \$20.39 (22.4 percent). The increase in FY 2012 operating costs (7.7 percent) coupled with a decrease in annual revenue hours (9.4 percent) resulted in a decrease in efficiency over FY 2011.

Revenue miles and revenue hours are a record low over the reporting period as a result of JTA taking measures to reduce its operating expenses by redesigning routes. JTA streamlined its transit service by reducing 1.7 million miles of unproductive and/or duplicative bus service using input from its internal and external customers, technology and introduction of 14 Community Shuttle routes.

Operating Revenue per Operating Expense

The relationship between operating revenue and operating expense provides a measure of the required subsidy to operate the transit system. Unlike the previous two objectives, where the goal was to achieve a lower cost per revenue mile or revenue hour, one goal of transit systems is generally to increase the percentage of revenue derived from fares and other revenue sources. JTA's operating revenue per operating expense ratio of 21.2 percent exceeded the objective of greater than 20 percent and shows improvement from the 18.4 percent reported in FY 2011. The increase in FY 2012 is attributed to a 24.0 percent increase in operating revenue, partially offset by a 7.7 percent increase in operating expenses. Implementation of the new fare structure in FY 2012, as described below, was the primary reason for the increase in operating revenue.

Fare Structure and Electronic Payment System

Since 1999, JTA has only implemented one fare increase. In 2007, JTA increased its base bus fare from \$0.75 to \$1.00 and the weekly bus pass from

\$10 to \$12. On December 8, 2011, the JTA Board approved a new fare structure to be effective January 30, 2012 (FY 2012). The base bus fare increased from \$1.00 to \$1.50 (a 50 percent increase), 31 day passes increased from \$40 to \$50 (a 25 percent increase), and the weekly bus pass increased from \$12 to \$16 (a 33 percent increase). Numerous other fares and passes, including reduced fares, also increased. More information can be found at <http://www.jtafla.com/RidingJTA/showPage.aspx?Sel=21>. The additional revenue from the fares will help offset operating cost increases while enabling JTA to maintain and enhance current levels of service.

JTA also rolled out a new electronic payment system in January 2012 to replace the old fare box system which was 20 years old. The new STAR (Simply Tap And Ride) card and ticket is a contactless smart media that allows JTA riders to pay their bus, trolley and shuttle fare without the need for cash by simply tapping the card on the new fare boxes. Passes changed from a calendar base to a consecutive day period (as such, 31 consecutive days instead of one month). STAR cards and tickets are available from JTA's ticket



JTA Bus.

vending machines for purchase and reloading. Benefits of STAR include faster boarding, enhanced riding experience and a reduction in abuse.

Operating Expense per Passenger Trip

An evaluation of the relationship between operating expenses and passenger trips provides a measure of the general cost efficiency of the service provided. JTA's operating cost per passenger trip of \$5.36 almost met the objective of less than \$5.30, but fell short by \$0.06 (1.1 percent).

Operating Expense per Passenger Mile

An evaluation of the relationship between operating expenses and passenger miles provides a particularly relevant measure of the general cost efficiency of the service provided. JTA achieved the operating expense per passenger mile objective of less than \$1.00 with actual results of \$0.87 reported in FY 2012. This compares to \$0.84 reported in FY 2011. In FY 2012, operating costs increased 7.7 percent while annual passenger miles increased 4.4 percent.

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. As a result of a change in the definition of safety incidents reported to the National Transit Database (NTD), the Commission, with the assistance of the authorities, formally adopted a new safety performance objective for JTA beginning in FY 2010. The new objective for revenue miles between safety incidents was established at greater than 227,975 miles.

In FY 2012, JTA's revenue miles between safety incidents of 129,296 miles missed the objective of

greater than 227,975 miles (43.3 percent below the target). This compares to 204,422 miles reported in FY 2011. The number of safety incidents reported by JTA increased from 38 in FY 2011 to 59 in FY 2012. In December 2012, JTA's staff researched the vast difference in reportable numbers from FY 2011 to FY 2012 and found the reporting of incidents at the Rosa Parks Station, the system's major hub, was not being reported. A further analysis of the reported incidents shows an increase in the number of patrons requesting to be transported for medical attention. Two bus accidents resulting in claimed injuries for 27 passengers, accounted for 27 separate incidents.

JTA's policies require a criminal record and driving record background check for any prospective employee. In addition, JTA policy requires driving record checks be conducted for current employees who are required to have CDL licenses, or who operate any JTA vehicles. Operators, mechanics and other "safety sensitive" positions are subject to periodic random drug testing as required under Federal law. JTA Supervisors (JTA employees) conduct the blood-alcohol testing (BAT); a third-party provider conducts the drug testing process. Jax Transit Management employees are not directly involved in the process.

In February 2012 (FY 2012), as a result of an external investigation, it was determined that JTA's policy of conducting annual driver license checks for its transit operators was not being fully followed. JTA management indicated that, contrary to media reports, its review of all operators' license records showed that 53 of a total of 61 operator license suspension events (over a 35-year period for over 300 operators) were due to personal auto insurance coverage lapses for nonpayment, and not related to operator driving record, driving ability or safety. In response to the review findings, JTA implemented revised policies and procedures to

ensure that driver license checks are completed at least semi-annually. In addition, criminal background checks will also be conducted on current employees on a regular basis. JTA will continue the pre-employment checks. JTA has updated its drug testing and Driver Medical Exam Certification policy. New policies were approved by the JTA Board of Directors in March 2012.

Revenue Miles between Revenue Vehicle System Failures

The span of revenue miles between revenue vehicle system failures (defined as the breakdown of either a major or minor element of the revenue vehicle's mechanical system) is a measure of maintenance effectiveness in keeping the fleet in good condition. A significant number of revenue miles between revenue vehicle system failures can serve to reinforce customer confidence in on-time bus performance. JTA achieved the performance measure objective of greater than 10,500 revenue miles between revenue vehicle system failures with 26,488 revenue miles between failures reported in FY 2012 (152.3 percent above the target). This compares to 14,124 reported in FY 2011. The marked improvement in FY 2012 (a record year) is attributed to a 47.6 percent reduction in failures (288 versus 550) which more than offset a 1.8 percent decrease in revenue miles.

In an effort to reduce vehicle system failures, JTA improved their Preventative Maintenance (PM) Inspection Program, made improvements to the mechanical failure log, developed an 11 point safety inspection program, and realigned staffing to provide more coverage for the PM inspections.

Revenue Miles versus Vehicle Miles

The relationship between revenue miles and vehicle miles provides a measure of the effectiveness of fleet assignment given that

vehicle miles include non-revenue miles, such as deadhead miles (from yard to start of a route and vehicle miles from the end of the route to the yard). JTA exceeded the performance measure objective of greater than 0.90 for FY 2012 with 0.96, indicating highly effective use of the fleet.

Customer Service – Average Time from Complaint to Response

JTA's average response time to customer complaints of 18 days from receipt of the complaint exceeded the performance measure objective of 14 days in FY 2012. This is significantly higher than the eight day average of the past four years.

Customer Service – Number of Complaints per Boarding

JTA did not achieve the performance objective of less than one complaint per 5,000 boardings with a ratio of 2.1 complaints. The number of customer complaints increased from 2,210 in FY 2011 to 4,588 in FY 2012 (107.6 percent). Customer complaints increased primarily as a result of issues related to the STAR Card electronic fare payment system implementation in January 2012.

On-time Performance

JTA did not achieve the on-time performance objective of greater than 80.0 percent of trips end-to-end on-time with 66.0 percent on-time performance. This compares to 82.2 percent on-time performance reported in FY 2011. On-time is defined as less than five minutes late. JTA reported on-time performance using different methods and is currently in the process of standardizing reporting for more accuracy and consistency.

JTA has historically used its Automated Vehicle Locator (AVL) system to measure on-time performance. In December 2012, JTA analyzed the

information provided by its AVL system and found a number of variances which were reporting various on-time performance results. As a result, JTA began to have supervisors conduct field audits of its on-time performance using a statistically valid sample. This sampling included 75 checks per week, per supervisor (nearly 900 samples per month). JTA currently has a procurement advertised to replace its CAD/AVL system. Once the system is in place, JTA will be able to use this technology to assist with more accurately recording and measuring on-time performance.

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 2012 operating indicators for bus, as reported by JTA, are provided in Table 35. In order to observe current trends, operating indicators for FY 2010 and FY 2011 are also provided. Results for the last five fiscal years are included in Appendix B.

Based on the operating indicators presented, JTA weekday ridership and revenue service hours decreased 1.6 percent and 9.4 percent, respectively. JTA logged 1.8 percent fewer revenue miles than in FY 2011. Operating expenses increased 7.7 percent and operating revenue increased 24.0 percent. The significant revenue increase is a result of the fare increase implemented on January 30, 2012. Because JTA logged 2.1 percent fewer passenger trips, and the average trip length increased by 0.4 miles, passenger miles increased by 4.4 percent. The farebox recovery ratio increased from 16.8 percent

Jacksonville Transportation Authority (JTA)

Table 35
Jacksonville Transportation Authority
Summary of Operating Indicators - Bus
FY 2010 through FY 2012

<i>Operating Indicator</i>	<i>Detail</i>	<i>Actual 10 Results</i>	<i>Actual 11 Results</i>	<i>Actual 12 Results</i>
Operating Expense per Capita (Potential Customer)	Annual operating budget divided by service area population	\$64.43	\$50.93	\$69.67
Farebox Recovery Ratio	Ratio of passenger fares ¹ to total operating expenses	15.6%	16.8%	19.4%
Service Area Population	Approximation of overall market size	853,300	1,065,219	838,815
Service Area Population Density	Persons per square mile based on service area population and size	3,081	1,160	1,894
Operating Expense	Spending on operations, including administration, maintenance, and operation of service vehicles	\$54,979,921	\$54,251,641	\$58,440,315
Operating Revenue ²	Revenue generated through operations of transit authority	\$9,435,655	\$9,986,689	\$12,386,243
Total Annual Revenue Miles	Miles vehicles operated in active service ³	8,346,395	7,768,038	7,628,436
Total Annual Revenue Hours	Hours vehicles operated in active service	559,406	578,955	524,666
Total Revenue Vehicles ⁴	Vehicles available to meet annual maximum service requirement	154	153	147
Peak Vehicles	Vehicles operated to meet annual maximum (peak) service requirements	135	125	118
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	12.3%	18.3%	19.7%
Annual Passenger Trips ⁶	Passenger boardings on transit vehicles	10,443,111	11,138,076	10,906,226
Average Trip Length	Average length of passenger trip, generally derived through sampling	5.8	5.8	6.2
Annual Passenger Miles	Passenger trips multiplied by average trip length (in miles)	60,297,003	64,600,841	67,442,423
Weekday Span of Service (hours)	Hours of transit service on a representative weekday from first service to last service for all modes	21.9	21.3	21.0
Average Fare	Passenger fare revenues divided by passenger trips	\$0.82	\$0.82	\$1.04
Passenger Trips per Revenue Mile	Passenger trips divided by revenue miles	1.25	1.43	1.43
Passenger Trips per Revenue Hour	Passenger trips divided by revenue hours	18.7	19.2	20.8
Passenger Trips per Capita	Passenger trips divided by service area population	12.2	10.5	13.0
Average Age of Fleet	Age of fleet (in years) average	6.6	7.4	6.8
Unrestricted Cash Balance	End of year cash balance from financial statement	\$1,890,958	\$4,966,717	\$7,555,815
Weekday Ridership	Average ridership on weekdays	35,484	37,457	36,839
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 Passenger fares are revenues generated annually from carrying passengers in regularly scheduled service.

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

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

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

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

⁶ A passenger trip is counted each time a passenger boards the bus.

to 19.4 percent, while the average fare increased from \$0.82 to \$1.04.

FY 2012 operating expenses increased 7.7 percent and operating revenues increased 24.0 percent over FY 2011.

FY 2012 revenue increases are attributed to the fare increases implemented on January 30, 2012.

Average weekday ridership and revenue service hours decreased 1.6 percent and 9.4 percent, respectively.

Passenger trips decreased 2.1 percent in FY 2012, while average trip length increased 0.4 miles, resulting in a 4.4 percent increase in passenger miles.

The average age of the fleet decreased to 6.8 years. JTA's spare ratio as of year-end FY 2012 was 19.7 percent. JTA's unrestricted cash balance increased to \$7.6 million in FY 2012. JTA committed all of its capital investment to system preservation (100 percent). JTA provides three intermodal connections. In FY 2012, JTA applied a stricter National Transit Database definition of service area. This resulted in a reduction in the overall service area by eliminating "infill" areas that are surrounded by areas within the three-quarter mile buffer of a route, but are not actually within a three-quarter mile buffer of a bus route.

Performance Measures—Skyway

JTA was successful in achieving 7 of the 12 objectives for performance. FY 2012 results, as reported by JTA, are provided in Table 36. Results for the last five fiscal years are included in Appendix B.

Average Headway

In FY 2012, JTA achieved the performance measure objective for average headway of less than 6 minutes with actual results of 5.6 minutes. This reflects an increase over the 3.5 minute average headway reported for FY 2008 through FY 2011. The management objective for JTA's average headway was established at less than 6 minutes to allow JTA flexibility in scheduling that could potentially reduce operating costs.

Operating Expenses

FY 2012 operating expenses increased by \$436 thousand, or 7.5 percent, over FY 2011 primarily as a result of increases to materials and supplies expense and the services category. A large maintenance effort connected with the beginning of mid-life repairs/rebuilds on the trains contributed to materials and supplies expense increasing. As a result of the free fare policy, law enforcement presence was increased to ensure the safety and security of JTA customers. JTA did not achieve three operating expense-related objectives (per revenue mile, per revenue hour, and operating revenue ratio) in FY 2012. Further cost containment efforts will focus on enhancing maintenance planning, upgrading infrastructure, and strengthening inventory management to improve productivity and reduce costs.

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. JTA's operating cost per revenue mile of \$34.88 exceeded the objective of less than \$23.00 by \$11.88 (51.7 percent). A 7.5 percent increase in operating costs, more than offset a 6.8 percent increase in annual revenue miles, resulting in an increase in operating cost per revenue mile of \$0.23 in FY 2012.

Table 36
Jacksonville Transportation Authority
Summary of Performance Measures - Skyway
FY 2012¹

<i>Performance Measure</i>	<i>Detail</i>	<i>Objective</i>	<i>Actual Results</i>	<i>Meets Objective</i>
Average Headway	Average time for train to complete its portion of total route miles one time	<6 minutes	5.6	✓
Operating Expense per Revenue Mile	Operating expenses divided by revenue miles	<\$23.00	\$34.88	X
Operating Expense per Revenue Hour	Operating expenses divided by revenue hours	<\$310.00	\$403.07	X
Operating Revenue per Operating Expense	Revenue generated through operation of the transit authority divided by operating expenses	>15%	3.5%	X
Operating Expense per Passenger Trip	Operating expenses divided by annual ridership	<\$11.00	\$7.61	✓
Operating Expense per Passenger Mile	Operating expenses divided by passenger miles	<\$27.50	\$16.59	✓
Revenue Miles between Safety Incidents	Annual revenue miles divided by safety incidents	>41,348	29,733	X
Revenue Miles between Failures	Revenue miles divided by revenue vehicle system failures ²	>10,500	8,495	X
Revenue Miles versus Vehicle Miles	Revenue miles divided by vehicle miles ³	>.90	0.99	✓
Customer Service	Average time from complaint to response	14 days	10	✓
Customer Service	Customer complaints divided by boardings	<1 per 5,000 boardings	0.1	✓
On-time Performance	Successful cycles divided by scheduled cycles	>80%	99%	✓

¹ Fiscal Year 2012 represents 12 months of data from October 1, 2011 through September 30, 2012.

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

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

Operating Expense per 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. JTA's operating cost per revenue hour of \$403.07 exceeded the objective of less than \$310.00 by \$93.07 (30.0 percent). A 7.5 percent increase in operating costs, coupled with a

23.5 percent increase in annual revenue hours, resulted in a decrease in operating cost per revenue hour of \$59.75 in FY 2012.

Operating Revenue per Operating Expense

The relationship between operating revenue and operating expense provides a measure of the

subsidy required to provide the transit service. Unlike the previous two objectives, where the goal was to achieve lower cost per revenue mile or revenue hour, one goal of transit systems is to generally increase the percentage of revenue derived from fares and other revenue sources. JTA's management objective for operating revenue per operating expense was established at greater than 15 percent. JTA did not achieve this performance measure objective with a 3.5 percent ratio of revenue to operating expenses. Operating expenses increased 7.5 percent in FY 2012, while operating revenues declined 25.4 percent, resulting in less operating revenue per operating expense. JTA has shown a continued decline in performance in this area since FY 2007.

JTA has been developing an adaptive re-use of the Skyway, based upon one of its salient characteristics: grade separation. An advantage of the elevated Skyway system is separation from ambient traffic, which significantly improves travel speeds in the downtown core. JTA's fixed route system redesign includes more routes terminating at the Skyway stations where bus passengers use the Skyway to complete their trips within the downtown core, including the Rosa Parks transfer hub. This results in significant reductions in fixed route costs for the truncated bus routes and improved speeds. In FY 2012, two trolley services were discontinued to encourage full utilization of the free Skyway system.

On January 30, 2012, JTA suspended fares for ninety days on the Skyway service. This was necessary because the new STAR Card electronic fare payment system on JTA buses was not compatible with the existing Skyway fare collection system. This ninety-day period allowed JTA to evaluate a resolution to the system incompatibility issues and to evaluate a permanent "free fare" for Skyway. In April 2012, the Board approved an

extension of the free fare to September 2012 and at the August 30, 2012 Board meeting, the Board approved an additional extension to September 30, 2013. Significant ridership increases have occurred since the free fare was approved. Downtown visitors to Jacksonville especially like the free service. To reinstitute a fare collection system at the Skyway that is compatible with the smart card technology of the fixed route system, JTA would need to begin allocating grant funds to the estimated \$1.3 million project over the next several years.

FY 2012 operating revenues declined 25.4 percent over FY 2011 primarily due to the partial year's impact of the Skyway "free fares" policy implemented in January 2012. Parking revenues have remained low but stable in FY 2012 due to the impact of the economy on downtown employment, as well as significant increases in core downtown parking spaces, especially with the completion of the new courthouse. JTA increased parking rates by 30 percent in February 2012 to help compensate for the free Skyway ride.

Operating Expense per Passenger Trip

An evaluation of the relationship between operating expenses and passenger trips provides a measure of the general cost efficiency of the service provided. JTA achieved the performance measure objective for operating cost per passenger trip of less than \$11.00 with actual results of \$7.61 reported in FY 2012. Significant improvement was noted over the \$11.50 operating cost per passenger trip reported in FY 2011. A 7.5 percent increase in operating costs, coupled with a 62.5 percent increase in passenger trips, resulted in a decrease in operating costs per passenger trip of \$3.89 in FY 2012. The significant increase in passenger trips in FY 2012 is primarily a result of the free fares on the Skyway system that began on January 30, 2012.



JTA Skyway.

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 \$16.59 achieved the objective of less than \$27.50 by \$10.91 (39.7 percent). Significant improvement was made from the cost per passenger mile of \$27.20 reported in FY 2011. In FY 2012, operating costs increased 7.5 percent, while passenger miles increased 76.2 percent, thereby decreasing the operating cost per passenger mile by \$10.61. The significant increase in passenger miles in FY 2012 is primarily a result of the free fares on the Skyway system that began on January 30, 2012.

Revenue Miles between Safety Incidents

The span of revenue miles between incidents is a measure of safe customer service. As a result of a change in the definition of safety incidents reported to the National Transit Database, the Commission, with the assistance of the authorities, formally adopted a new safety performance objective for JTA for FY 2010. The new objective for

revenue miles between safety incidents was established at greater than 41,348 miles.

In FY 2012, JTA's revenue miles between safety incidents of 29,733 miles missed the objective of greater than 41,348 miles (28.1 percent below the target). This compares to 55,659 miles reported in FY 2011. The number of safety incidents reported by JTA increased from three in FY 2011 to six in FY 2012. JTA indicated that the increase in safety incidents is likely attributed to the significant increase in ridership due to the free fare policy.

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.

JTA did not achieve the performance measure objective of greater than 10,500 revenue miles between revenue vehicle system failures with 8,495 revenue miles between failures (19.1 percent below the target). In FY 2012, revenue miles increased 6.8 percent from FY 2011 while revenue vehicle system failures increased 250.0 percent (from 6 in FY 2011 to 21 in FY 2012). JTA indicated that the majority of system failures were a result of track problems such as the ground signal, or train problems such as voltage or motor problems. In September 2012, the JTA Board approved a sole source procurement for the required five-year overhaul maintenance and upgrade to the Skyway trains' propulsion motors. This should help reduce vehicle system failures moving forward.

Revenue Miles versus Vehicle Miles

The relationship between revenue miles and vehicle miles provides a measure of the effectiveness of fleet assignment given that vehicle miles include non-revenue miles, such as deadhead miles (from yard to start of a route and vehicle miles from the end of the route to the yard). JTA exceeded the performance measure objective of greater than 0.90 for FY 2012 with 0.99, indicating highly effective use of the fleet.

Customer Service – Average Time from Complaint to Response

JTA achieved the performance measure objective of timely response to customer complaints within two weeks of receipt of the complaint. In FY 2012, the average response time to customer complaints was 10 days.

Customer Service – Number of Complaints per Boarding

JTA achieved the performance objective of less than one complaint per 5,000 boardings with an average of 0.1 complaints per 5,000 boardings. JTA reported 11 customer complaints in FY 2012.

On-time Performance

JTA achieved the on-time performance objective of greater than 80 percent of trips end-to-end on-time with 99 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 2012 operating indicators for Skyway are provided in Table 37. In order to observe current trends, operating indicators for FY 2010 and FY 2011 are also provided. Results for the last five fiscal years are included in Appendix B.

As previously noted, JTA's fixed route bus system redesign includes more routes terminating at Skyway stations where bus passengers use the Skyway to complete their trips within the downtown core. For customer service reasons, these transfer patrons do not pay additional fares to use the Skyway. Concurrent with implementation of the STAR Card electronic fare payment system, JTA suspended fares on the Skyway service beginning January 30, 2012 until at least the end of FY 2013 (September 30, 2013). As a result, significant increases in Skyway utilization and significant decreases in revenue related indicators were noted in FY 2012.

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

FY 2012 operating expenses increased 7.5 percent, while operating revenues decreased 25.4 percent over FY 2011.

The farebox recovery ratio fell to 1.1 percent and the average fare decreased to \$0.08, record lows.

FY 2012 passenger trips increased 62.5 percent, and average trip length increased 0.1 miles, resulting in a 76.2 percent increase in passenger miles.

FY 2012 revenue miles and revenue hours increased 6.8 percent and 23.5 percent, respectively, from FY 2011 while average weekday ridership increased 61.2 percent.

Jacksonville Transportation Authority (JTA)

Table 37
Jacksonville Transportation Authority
Summary of Operating Indicators - Skyway
FY 2010 through FY 2012

<i>Operating Indicator</i>	<i>Detail</i>	<i>Actual 10 Results</i>	<i>Actual 11 Results</i>	<i>Actual 12 Results</i>
Operating Expense per Capita (Potential Customer)	Annual operating budget divided by service area population	\$6.34	\$6.61	\$7.42
Farebox Recovery Ratio	Ratio of passenger fares ¹ to total operating expenses	4.2%	3.2%	1.1%
Service Area Population	Approximation of overall market size	853,300	874,673	838,815
Service Area Population Density	Persons per square mile based on service area population and size	3,081	1,796	1,894
Operating Expense	Spending on operations, including administration, maintenance, and operation of service vehicles	\$5,413,928	\$5,785,721	\$6,221,789
Operating Revenue ²	Revenue generated through operations of transit authority	\$345,453	\$289,978	\$216,360
Total Annual Revenue Miles	Miles vehicles operated in active service ³	165,338	166,977	178,399
Total Annual Revenue Hours	Hours vehicles operated in active service	12,317	12,501	15,436
Total Revenue Vehicles ⁴	Vehicles available to meet annual maximum service requirement	10	10	10
Peak Vehicles	Vehicles operated to meet annual maximum (peak) service requirements	7	7	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	30.0%	30.0%	50.0%
Annual Passenger Trips ⁶	Passenger boardings on transit vehicles	470,389	502,941	817,153
Average Trip Length	Average length of passenger trip, generally derived through sampling	0.4	0.4	0.5
Annual Passenger Miles	Passenger trips multiplied by average trip length (in miles)	191,209	212,744	374,940
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	\$0.48	\$0.37	\$0.08
Passenger Trips per Revenue Mile	Passenger trips divided by revenue miles	2.85	3.01	4.58
Passenger Trips per Revenue Hour	Passenger trips divided by revenue hours	38.2	40.2	52.9
Passenger Trips per Capita	Passenger trips divided by service area population	0.6	0.6	1.0
Average Age of Fleet	Age of fleet (in years) average	11.6	12.6	13.6
Unrestricted Cash Balance	End of year cash balance from financial statement	\$0	\$133,402	\$0
Weekday Ridership	Average ridership on weekdays	1,674	1,965	3,167
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 Passenger fares are revenues generated annually from carrying passengers in regularly scheduled service.

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

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

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

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

⁶ A passenger trip is counted each time a passenger boards the Skyway.

JTA's operating indicators show that operating revenue has declined annually since FY 2007. The farebox recovery ratio fell to 1.1 percent and the average fare decreased to \$0.08 in FY 2012, record lows. Operating expenses increased 7.5 percent over FY 2011. JTA logged 314 thousand, or 62.5 percent, more passenger trips and the average trip length increased by 0.1 miles to 0.5 miles in FY 2012. As a result, passenger miles increased by 162 thousand to 375 thousand (an increase of 76.2 percent). FY 2012 revenue miles and revenue hours increased 6.8 percent and 23.5 percent, respectively, from FY 2011. Average weekday ridership increased 61.2 percent over FY 2011.

The average age of the fleet is 13.6 years. Skyway's current operating spare ratio of 50 percent positions the authority for future service expansion. JTA committed all of its capital investment to system preservation and continued to provide 3 intermodal connections.

Performance Measures— Highways

JTA does not currently operate toll roads, but builds roads, bridges, interchanges, etc. and then turns the assets over to the Florida Department of Transportation (State Highway System projects), or the City of Jacksonville (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 JTA highways.

JTA managed a variety of road projects during FY 2012. Projects funded by the Better Jacksonville Plan and federal funds included Heckscher Drive, Phase 2, New Kings Road Transit and Pedestrian Improvements, Phases 1 and 2, Arlington

Expressway Access Road Transit and Pedestrian Improvements, Soutel Drive Transit Enhancements, Clay County Multi-Modal Center, Phases 1 and 2, Normandy/Cassat Transit Enhancements, Phases 1 and 2, and Southside/Old Baymeadows Road Transit Improvements.

JTA was successful in achieving all four objectives established for performance. FY 2012 results, as reported by JTA, are provided in Table 38. Results for the last five fiscal years are included in Appendix B.

Consultant Contract Management

JTA achieved the performance measure objective for consultant contract management. The final cost of design and CEI consultant contracts completed during FY 2012 was approximately 0.4 percent below the amount awarded in the original contracts.

Construction Contract Adjustments - Time

JTA achieved the performance measure objective for construction contract adjustments for time. All four of the construction contracts were completed within 20 percent of the original contract time.

Construction Contract Adjustments - Cost

JTA achieved the performance measure objective for construction contract adjustments for cost. All four of the construction contracts were completed within 10 percent of the original contract amount meeting the objective of greater than or equal to 90 percent.

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

Table 38
Jacksonville Transportation Authority
Summary of Performance Measures - Highways
FY 2012

<i>Performance Measure</i>	<i>Detail</i>	<i>Objective</i>	<i>Actual Results</i>	<i>Meets Objective</i>
Operations and Budget				
Consultant Contract Management	Final cost % increase above original award	< 5%	-0.4%	✓
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%	121.7%	✓

¹ JTA has established an agency-wide goal of 12 percent; actual results represent agency-wide performance.

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 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.

- For projects funded by the Federal Transit Administration (FTA), JTA is required to use its own DBE program, which is considered a Race Conscious program. This term does not refer to a race-based preference of any type; rather, it allows 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 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. JTA does not report DBE expenditures on these contracts to FTA; rather, the Department maintains responsibility for making those reports to FHWA. DBE participation on these projects has historically been low because there is no DBE requirement (Race Neutral) for prime contractors.

Effective FY 2011, JTA established its new triennial DBE goal of 12 percent on an agency-wide basis, which is the Authority’s aspirational goal for participation by certified DBE firms in its qualified highway and transit operating expenditures. JTA

reported achieving 14.6 percent (or \$708 thousand) DBE participation in FY 2012 based on qualified highway and transit operating expenditures. Actual DBE participation of 14.6 percent represents 121.7 percent of the Authority's DBE goal of 12 percent, enabling JTA to meet 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 and ADA."

Operating Indicators—Highways

FY 2012 operating indicators, as reported by JTA, are provided in Table 39. Also, to assist in trend analysis, FY 2010 and FY 2011 operating results are provided. Results for the last five fiscal years are included in Appendix B.

Right-of-Way

In FY 2012, JTA acquired parcels totaling approximately \$88 thousand through the Right-of-Way Program. Final settlements were equal to agency appraisals. As the Better Jacksonville Plan road program winds down, a significant decrease in the dollar value of right-of-way parcel acquisitions is apparent.

Governance—Bus, Skyway and Highways

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

Ethics and Conflict of Interest

On October 28, 2010, the JTA Board approved and adopted the JTA Ethical Business Conduct Guidelines (Ethics Guidelines) that apply to all JTA employees. The Ethics Guidelines replaced JTA's Standard Procedure Number 002-00-00 relating to business standards of conduct, which had been in effect since August 31, 1995. On June 30, 2011, the JTA Board further revised its ethics policy by adopting a Code of Conduct applicable to all full-time, part-time and temporary employees of JTA and Jax Transit Management (JTM) and to members of the JTA Board. 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

Table 39
Jacksonville Transportation Authority
Summary of Operating Indicators - Highways
FY 2010 through FY 2012

<i>Indicator</i>	<i>Detail</i>	<i>Actual 10 Results</i>	<i>Actual 11 Results</i>	<i>Actual 12 Results</i>
Property Acquisition				
Right-of-Way	Agency Appraisals	\$4,863,525	\$54,900	\$88,100
	Initial Offers	\$4,863,525	\$54,900	\$88,100
	Owners Appraisals	\$19,975,000	N/A	N/A
	Final Settlements	\$7,888,325	\$65,900	\$88,100

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). Excerpts from Section 112.313, Florida Statutes (Standards of conduct for public officers, employees of agencies, and local government attorneys) are attached as an exhibit to the Code of Conduct.

During orientation, all new JTA/JTM employees are required to sign an acknowledgement indicating each employee has reviewed the Code of Conduct, and all 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.

JTA indicated that online ethics training was provided to all JTA/JTM employees in FY 2011. In-house ethics training was also provided to all JTA/JTM employees during the period of July 2011 through May 2012. JTA's independent auditor requires each JTA Board Member to sign a formal conflict of interest statement, which is maintained on file by the independent auditor. JTA reported no substantiated ethics violations or conflicts of interest for Board Members during FY 2012, and none were noted during the Commission staff review of the minutes of JTA Board meetings. JTA investigated 15 circumstances of alleged or potential ethics related violations in FY 2012. Out of the 15 investigations, nine were substantiated resulting in two terminations and one resignation.

Pursuant to Section 348.0003(4)(c), Florida Statutes, effective July 1, 2009, members of each expressway authority, transportation authority,

bridge authority, or toll authority, created pursuant to Chapters 343, 348, or 349, Florida Statutes, must "comply with the applicable financial disclosure requirements of s. 8, Art. II of the State Constitution." However, House Bill (HB) 599, passed by the 2012 legislature with an effective date of July 1, 2012, amended Chapter 349 (Jacksonville Transportation Authority) allowing JTA to file financial disclosures pursuant to the less stringent financial disclosure requirements provided for in Section 112.3145, Florida Statutes. (Selected text from HB 599 is presented in Appendix A.)

Ethics training was provided to all JTA/JTM employees in FY 2012.

The FY 2011 independent financial statement audit reflected an unqualified opinion.

JTA pledges its Charter County Transportation Sales Surtax revenues to pay debt service on transportation revenue bonds issued by the City of Jacksonville to fund transportation projects under the Better Jacksonville Plan.

Audit

An annual independent audit of JTA's financial statements for the fiscal year ended September 30, 2012 was performed, but the audit reports were not issued in time for inclusion in this report. Therefore, audit results for the fiscal year ended September 30, 2011 is included herein. The Independent Auditor's Report, dated March 29, 2012, indicated that the financial statements were prepared in conformity with GAAP and received an unqualified opinion. The Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards did not identify any deficiencies in internal control

that were considered material weaknesses and the results of audit tests did not disclose instances of noncompliance required to be reported under Government Auditing Standards. The Independent Auditor's Report on Compliance and Internal Control over Compliance Applicable to Each Major Federal Program and State Project, dated June 28, 2012, indicated no issues related to compliance, internal control, findings or questioned costs required to be reported under applicable standards. In the Auditor's Management Letter, dated June 28, 2012, the auditors identified four management recommendations: ML 2011-01, Davis-Bacon Certified Payrolls; ML 2011-02, Documentation of Controls; ML 2011-03, Census Data Provided to Actuaries; and, ML 2011-04, Information Technology Security Policies. The auditors also noted that four of the five management recommendations from the prior year were addressed or no longer relevant. However, recommendation ML 2010-01 relating to Capital Asset Inventory is still relevant.

Management Recommendation ML 2011-01 relates to the Davis-Bacon Act requirement that applicable contractors and subcontractors must submit to JTA a copy of their payroll and a statement of compliance (certified payrolls). The condition was considered isolated in nature by the auditors. JTA management will update contract invoice routing forms to indicate that the Project Manager will be responsible for verifying that certifications are provided with pay requests for all future federally funded construction projects.

Management Recommendation ML 2011-02 relates to the review of overtime reports as part of the payroll process. JTA management concurred with the recommendation to limit reliance on mitigating controls. In conjunction with the planned implementation of an ERP system, management

will evaluate the assignment of responsibilities to further strengthen internal controls over payroll.

Management Recommendation ML 2011-03 indicates that census data provided to the actuaries used for pension calculations contained inaccuracies and recommended that procedures and internal controls be developed to safeguard the integrity of the census data. JTA management will evaluate appropriateness of the selection criteria used to provide the annual census data.

Management Recommendation ML 2011-04 relates to Information Technology Security Policies in the areas of Information Security Policy and Guidelines, Audit Logs, and Change Management. JTA management indicated that the Information Technology Department has internal procedures in place to support the organizations security concerns and an internal process that creates audit logs on a daily, weekly and monthly basis. In addition, a standard form is used for Change Management.

Management Recommendation ML 2010-01 relates to the annual inventory of capital assets. JTA management indicated that a physical inventory of all capital assets was undertaken but not completed in FY 2011 due to staffing limitations. However, the finding has been corrected in FY 2012 with a complete inventory of all fixed assets being finalized.

Public Records and Open Meetings

JTA is operating under Chapter 119, Florida Statutes, relating to public records. All public records of JTA may be inspected and copied during normal business hours at the headquarters of JTA. JTA has adopted procedures (amended April 20, 2011), to ensure compliance with the Public Records Law and to establish consistency in

responding to public documents requests. The policy directs that all employees comply with Florida's Public Records Law, designates the Director of Business Development and Corporate Sales as the Public Records Custodian, incorporates the definition of public records contained in Chapter 119, Florida Statutes, and provides detailed guidance for timely responding to public records requests, charges for copies of documents, and record keeping.

JTA Bylaws (as amended June 24, 2010) require that regular public meetings of the Board and its standing Committees be held concurrently at 2:00 p.m. on the last Thursday of each month at its headquarters, or other location designated by the Chairman. 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 Secretary of JTA or his designee is required to keep the official minutes of the Board meetings, transcribe them into writing and have them approved at a Board meeting within two subsequent meetings. The minutes of each meeting of 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.

JTA is also subject to the provisions of Section 349.043, and Chapter 286, Florida Statutes, for open meetings. JTA no longer falls under the purview of Chapter 120, Florida Statutes (Administrative Procedures Act). Commission staff reviewed agendas and minutes of JTA Board meetings. Although Board meeting agendas are posted on JTA's website, JTA does not currently post Board meeting minutes on its website. In addition, a limited review of public meeting notices

posted on JTA's website was conducted. JTA indicated that it advertises its regularly scheduled Board meetings in the local newspaper of general circulation (Florida Times Union), and likewise publishes notice of special Board meetings. Commission staff reviewed various Florida Times Union advertisements provided by JTA. From this limited review, it appears JTA has been operating within procedure and statute. However, the Commission recommends that JTA consider expanding the public Board meeting information posted on its website www.jtafla.com.

Procurement

On August 27, 2009, JTA adopted Procurement Rule (Rule No. 002) to provide standards, procedures and methods for procurement by JTA of goods and services of all types to support JTA's statutory responsibilities and powers. Open competition is required, and the Procurement Rule applies to all procurements of goods and services (including construction) and to solicitation and award of agreements under which JTA receives revenues or other compensation for use of its assets or services, except as otherwise specified.



JTA Community Shuttle.



Dames Point Bridge.

Approved procurement methods include: competitive sealed bids, competitive sealed proposals, two-step procurement, sole source negotiation, small purchases, and emergency procurement. Ancillary services may be procured by JTA's general counsel, general engineering consultant, certified public accountant, financial advisor, and other professionals specified in Rule 002. Procurement thresholds, which determine the level of necessary authority for contract award under the applicable payment method, are delineated in Rule 002. Solicitations for formal procurements over \$100,000, which must be made by an approved procurement method, shall be made by Board action or as delegated by the Board. Formal procurements not in excess of \$100,000 may be awarded by the concurrence of the director of the applicable department (if other than the Chief Financial Officer), the Chief Financial Officer (CFO), the Executive Director, and in appropriate cases, the Grants Manager. The written approval of all such JTA officers and employees must be maintained in the

procurement file for the applicable procurement, along with the contract and solicitation documents.

Small purchases of goods and services, which are capital and/or operating funded items included in an approved budget, as well as contract change orders require approval only by the JTA officers and employees (or designees) as presented in Table 40.

Table 40
Jacksonville Transportation Authority
Small Purchase Approval Requirements

<i>Small Purchases</i>	<i>Required Approval(s)</i>
Capital Funded Items	
\$0 - \$25,000	Division Manager, Department Director & Grants Manager
Operating Funded Items	
\$0 - \$6,000	Division Manager
\$6,001 - \$25,000	Division Manager & applicable Department Director
\$0 - \$25,000	Purchasing Manager for inventory parts

Approval of change orders for capital funded items that are the greater of up to \$100 thousand or 10 percent of the total original contract and in the aggregate with all other change orders under that contract require approval of the Division Manager, Department Director and Grants Manager. Change orders for operating funded items that are up to the greater of the small purchase limits or 10 percent of the total original contract and in the aggregate with all other change orders under that contract require approval of the manager.

Consultant Contract Reporting

JTA utilizes a pool of five 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 41, five sub consultant contracts greater than \$25 thousand were used by the General Engineering Consulting firms for a total cost of \$225 thousand in FY 2012.

Table 41
Jacksonville Transportation Authority
Summary of General Consultant Sub Consultant Activity
FY 2012

<i>Consulting Contract</i>	<i>Description</i>	<i>Sub Consultants >\$25k</i>
England-Thims & Miller, Inc.	Engineering Management Services	
HSA Consulting, Inc.	Survey	\$36
PB Americas	ITS	\$32
TranSystems	Transportation Planning	\$32
Sharon Green & Associates	Financial Modeling	\$30
ARCADIS US, Inc.	Engineering Management Services	
Eisman & Russo, Inc.	Engineering Management Services	
Ghyabi & Associates, Inc.	Engineering Management Services	
Reynolds, Smith & Hills, Inc.	Engineering Management Services	
C. Robinson Associates, Inc.	Survey & System Study	\$95
Total Sub Consultants >\$25k		\$225

Compliance with Bond Covenants

JTA has no outstanding revenue bonds. JTA pledges its Charter County Transportation Sales Surtax revenues to pay the debt service on transportation and infrastructure revenue bonds issued by the City of Jacksonville to fund transportation projects under the BJP.

Summary

JTA is a multi-modal public transportation authority operating within Duval County and portions of three adjacent counties. 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.

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

JTA met or exceeded 5 of the 12 objectives established for performance measures for bus. The seven measures that require improvement include: operating expense per revenue mile, operating expense per revenue hour, operating

expense per passenger trip, revenue miles between safety incidents, customer service (number of complaints and complaint response time), and on-time performance. JTA met or exceeded 7 of the 12 performance measures for Skyway. The five measures that require improvement include: operating expense per revenue mile, operating expense per revenue hour, the ratio of operating revenue to operating expense, revenue miles between safety incidents, and revenue miles between failures. JTA met or exceeded all four of the applicable performance measures for Highways.

JTA continues to provide fixed route bus service to the community it serves and does so with a great deal of consistency over a variety of operating parameters. FY 2012 operating expenses increased 7.7 percent and operating revenues increased 24.0 percent over FY 2011. The significant revenue increase is a result of the fare increase implemented on January 30, 2012. Weekday ridership and revenue service hours decreased 1.6 percent and 9.4 percent, respectively. JTA logged 1.8 percent fewer revenue miles in FY 2012. Because JTA logged 2.1 percent fewer passenger trips, and the average trip length increased by 0.4 miles, passenger miles increased by 4.4 percent. The farebox recovery ratio increased from 16.8 percent to 19.4 percent, while the average fare increased from \$0.82 to \$1.04. The Commission encourages JTA to continue to focus on reducing expenditures.

Concurrent with implementation of the STAR Card electronic fare payment system, JTA suspended fares on the Skyway system beginning January 30, 2012 until at least September 30, 2013. In addition, JTA's fixed route bus system redesign includes more routes terminating at Skyway stations. As a result, significant increases in Skyway utilization and significant decreases in

Transportation Authority Monitoring and Oversight

revenue related operating indicators were noted for the Skyway in FY 2012. Operating revenue has declined annually since FY 2007. The farebox recovery ratio fell to 1.1 percent and the average fare decreased to \$0.08 in FY 2012, record lows. Operating expenses increased 7.5 percent over FY 2011. JTA logged 62.5 percent more passenger trips and the average trip length increased 0.1 miles in FY 2012. As a result, passenger miles increased by 162 thousand to 375 thousand (an increase of 76.2 percent). FY 2012 revenue miles and revenue hours increased 6.8 percent and 23.5 percent, respectively, from FY 2011 while average weekday ridership increased 61.2 percent. The average age of the Skyway fleet is 13.6 years.

In the area of Governance, the FY 2011 Independent Financial Statement Audit reflected an unqualified 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 identified four management recommendations regarding: Davis-Bacon certified payrolls, documentation of controls, census data provided to actuaries and information technology security policies. The auditors also noted that four of the five management recommendations from the prior year were addressed with the recommendation related to capital asset inventory still relevant.

Although Board meeting notices are posted on JTA's website, minutes of Board meetings are not

posted. The Commission recommends that JTA consider expanding the public Board meeting information posted on its website www.jtafla.com.

On December 3, 2012 (FY 2013), Nathaniel Ford assumed the position of Executive Director/Chief Executive Officer of JTA. In late January 2013, JTA unveiled a major reorganization plan that included a chief of staff and five vice presidents which all report directly to the Executive Director. The new organizational structure will allow for quicker decision-making and has clearer lines of responsibility and accountability. JTA advertised locally and nationally for the new positions and currently has filled all six of the senior management positions.

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

The Commission encourages JTA to continue its efforts to achieve all of its performance 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



SOUTH FLORIDA
REGIONAL
TRANSPORTATION
AUTHORITY

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 service through funding provided by county, state, and federal sources. The Florida Department of Transportation (Department), owns the South Florida Rail Corridor (SFRC), on which Tri-Rail operates.

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 not less than \$2.670 million before October 31 of each fiscal year (FY). These funds may be used for capital, operations, and maintenance. In addition, they must provide \$1.565 million in operating funds to SFRTA annually before October 31 of each fiscal year. SFRTA must develop and adopt a plan for the operation, maintenance, and expansion of the transit system that is reviewed and updated

Highlights

- Tri-Rail met or exceeded 8 of the 11 objectives established for performance measures. The three measures not met were Ratio of Operating Revenue to Operating Expense, Operating Expense per Passenger Mile and Customer Service Number of Complaints.
- FY 2012 operating expenses increased 5.6 percent while operating revenues increased 9.3 percent over FY 2011.
- SFRTA implemented a new automated fare collection system for Tri-Rail in February 2011. The EASY Card utilizes an embedded computer chip that automatically deducts the fare from the pre-paid account. SFRTA continues to work with partners to implement a "seamless" regional farecard system.
- SFRTA ordered 10 new locomotives and 24 new rail cars. 16 rail cars have been delivered and the remaining 8 rail cars will be delivered by May 2013. The 10 locomotives are expected to be delivered over the next year. This will provide extra passenger capacity for the existing Tri-Rail system and allow for future corridor expansion.
- House Bill (HB) 599 significantly amends SFRTA's enabling legislation, effective July 1, 2012 (FY 2013). The legislation expands the SFRTA Board from 9 to 10 members, enhances Department oversight of the SFRTA budget, and limits expansion of the system to Monroe County without Department approval.
- HB 599 also requires SFRTA and the Department 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 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.

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annually. A copy of the plan, “South Florida Regional Transportation Authority Transit Development Plan, FY 2013-2022, Annual Update,” was completed in 2012 and represents the fourth update to the Transit Development Plan (TDP) Major Update that covered the period from FY 2009 through FY 2018. The plan is available at the following website www.sfrta.fl.gov/docs/planning/TDP/TDP_Annual_Update_FY_2013.pdf. SFRTA is authorized to borrow money as provided by the State Bond Act, and bonds must be authorized by SFRTA resolution after approval of the issuance of bonds at a public hearing. 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 citizen appointees from the Governor. The three citizen appointees must all reside in different counties within the SFRTA service area. Members are appointed to serve four-year staggered terms, except that the terms of the appointees of the Governor must be concurrent. A vacancy during a term is filled by the respective appointing authority in the same manner as the original appointment and only for the balance of the unexpired term.

The Governing Board generally meets on a monthly basis to conduct authority business. An Executive Director is selected by the Board to oversee the daily operations of SFRTA and a General Counsel is selected by the Board to oversee SFRTA legal issues.

Table 42
South Florida Regional Transportation Authority
Current Board Members

<i>Name</i>	<i>Appointment</i>	<i>Position</i>
Steven Abrams	Commissioner, Palm Beach County	Chair
Bruno Barreiro	Commissioner, Miami-Dade County	Vice Chair
James A. Cummings	Representative, Broward County	Board Member
Frank Frione	Governor's Appointee	Board Member
Marie Horenburger	Representative, Palm Beach County	Board Member
Kristin Jacobs	Commissioner, Broward County	Board Member
Nick A. Inamdar	Representative, Miami-Dade County	Board Member
George Morgan, Jr.	Governor's Appointee	Board Member
James Wolfe, P.E.	District Four Secretary	Board Member
Vacant	Governor's Appointee	Board Member

SFRTA is authorized by Chapter 343, Florida Statutes, to coordinate, develop, and implement 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 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 11:05 p.m. Ten train sets operate service that includes 50 one-way trips each weekday, and 16 one-way trips on Saturday and Sunday. Beginning in March 2013, SFRTA plans to begin offering hourly service on the weekends, up from the current schedule of two-hour headways. SFRTA typically operates three-car trains, but does operate some two-car sets during various parts of the service day. The Tri-Rail Miami Airport Station has been temporarily closed during construction of the new Central Station at the Miami Intermodal Center (MIC) at the Miami International Airport. SFRTA coordinated the

relocation of the Miami Airport Station to the Hialeah Market Station with CSX and the Department in order to obtain cost savings and to expedite the MIC construction schedule as a result of the contractor not having to work around active train operations. In the interim, Tri-Rail provides free shuttle service to the airport from the Hialeah Market Station.



Tri-Rail Locomotive Train.

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 2009-5271, 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. 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.

HB 1B also amended Section 20.23, Florida Statutes, and created the Florida Statewide

Passenger Rail Commission (Rail Commission) that is responsible for monitoring and oversight of all publicly funded passenger rail systems in the state, including authorities created under Chapters 343, 349 or 163, if the authority receives public funds for the provision of rail service. SFRTA falls under the purview of the Rail Commission. However, the legislation does not preclude the Florida Transportation Commission from conducting its performance and work program monitoring responsibilities.

HB 599, passed by the 2012 Florida Legislature and signed into law by Governor 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): revises membership of the SFRTA governing Board; provides that the Department will cease funding SFRTA operations if an alternate dedicated local funding source is implemented before July 1, 2019; enhances Department oversight of the SFRTA budget; and limits 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 in the South Florida Rail Corridor and all of the Department's right, title, and interest in rolling stock, equipment, tracks, and other personal property owned and used by the Department for the operation and maintenance of the commuter rail operations in the South Florida Rail Corridor. If a new local funding source is not found by July 1, 2019, Tri-Rail's level of operations may be reduced. (The relevant language from HB 599 is detailed in Appendix A.)

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An annual update of the TDP was completed in 2012. The FY 2013 through 2022 TDP contains updated goals and objectives, outlines accomplishments and challenges, describes capital improvements, and details the financial plan moving forward.

SFRTA implemented the Easy Card automated fare collection system for Tri-Rail in February 2011. EASY Card vending machines are located at all stations to prepay and the card is compatible with Miami-Dade Transit's fare collection system. With the implementation of Smart Card Technology, riders authenticate eligibility for discount fares at any Tri-Rail ticket kiosk. SFRTA and Miami-Dade Transit began selling a Regional Monthly Pass in September 2011. This pass allows for a seamless transfer between Tri-Rail and Miami-Dade Transit's Metrorail and Metrobus, with no additional fees. Also, in October 2011, a new Transfer to Bus ticket is offered which allows passengers the ability to transfer from Tri-Rail to Broward County Transit and Palm Tran buses for \$0.50.

SFRTA completed Phase 1 of the installation of four new storage tracks in 2011, which total about 3,300 linear feet, and a 340-foot inspection pit to store new locomotives and rail cars while they are prepared for operation at Hialeah Yard. On August 31, 2012, SFRTA entered into an agreement with the Department and CSXT which gave SFRTA the exclusive right to construct, maintain and inspect tracks in the Hialeah Yard that are used exclusively by Tri-Rail. This agreement allowed SFRTA to contract out the Phase 2 work which connects the new storage tracks construed under Phase 1 to the existing tracks used exclusively by Tri-Rail. Phase 2a of the Hialeah Yard Storage Tracks, which consisted of connecting the northern end of the new storage tracks, was completed on November 3, 2012. Phase 2b, which consists of connecting the southern end of the new storage

tracks is expected to be completed by May 2013. To-date, SFRTA has taken delivery of all 10 cab cars and 6 of the 14 coaches. The 8 remaining coaches are scheduled to be delivered by May 2013, and the delivery of 12 new locomotives is anticipated to begin in the second quarter of 2013 continuing over the next year. These new rail cars and locomotives will provide extra passenger capacity for the existing Tri-Rail system, while also making it possible for long-sought expansion onto the Florida East Coast (FEC) Railway to occur.

In November 2011, SFRTA received \$5.7 million through the Federal Transit Administration's (FTA) Transit Investment in Greenhouse Gas and Energy Reduction (Tigger III) Grant Program to construct Tri-Rail's first green, LEED certified, sustainable train station at Pompano Beach. The Pompano Beach Green Demonstration Project will generate more than 100 percent of the station's energy demand through solar panels and will send the excess energy to the power grid. The station will feature electric vehicle charging stations, solar panels on platform and parking lot canopies, upgraded LED lighting and a new pedestrian bridge over tracks consistent with other Tri-Rail stations along the corridor. The upgrades are expected to reduce station operating and maintenance costs, improve station area circulation and access and exhibit landscaping methods that will potentially conserve water and reduce pollution. Tri-Rail's Pompano Beach Station will be the first transit station in the State of Florida, and may be one of the first nationally, to be 100 percent supported by solar energy and will become SFRTA's green station prototype for future station improvements.

SFRTA has worked with local agencies to coordinate and participate on a number of projects and has become more directly involved in 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. The total cost to complete the project is estimated at approximately \$143 million. 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 is currently under review by the FTA. An Alternatives Analysis/Environmental Assessment (AA/EA) was completed earlier this year and FTA issued a Finding of No Significant Impact (FONSI) for the AA/EA in September 2012.

SFRTA has continued to perform heavy maintenance at all of its Tri-Rail stations. These activities include regular repairs, painting, and upkeep of the parking lots and station platforms. In addition, the Opa-Locka Tri-Rail station is currently receiving a parking lot expansion, which will create an additional 74 spaces. Construction is anticipated to begin in 2013.



DMU (Diesel Multiple Unit) Crossing New River Bridge.

On January 25, 2013, SFRTA approved the terms and condition of the Amended South Florida Operations and Management Agreement

(SFOMA2) between the Department and CSXT, and delegated to the SFRTA Board Chairman to finalize and execute the Operating Agreement between the Department and SFRTA. These two agreements transfer the responsibility for dispatch, maintenance, and inspection of the South Florida Rail Corridor (SFRC) to the Department, who in turn, has assigned this responsibility to SFRTA. From the purchase of the SFRC by the Department in May 1988, CSXT was assigned responsibility for the dispatch, maintenance, and inspection of the corridor. Control of the dispatching has been a long sought goal of SFRTA in order to maintain a more reliable commuter rail service. This SFRTA milestone is targeted to occur by June 30, 2014, after capital improvements to the dispatch center are made, and a contractor for performing inspections and maintenance of the SFRC has been procured by SFRTA.

In October 2011, SFRTA developed a plan for implementation of new passenger rail service on the FEC Railway in the near term. This approach, the *Fast Start Plan for Tri-Rail Coastal Service* (Fast Start Plan) is a proposed partnership of SFRTA, the Department, local municipalities, and the FEC Railway. The return of passenger rail service on the FEC has been discussed for decades and analyzed extensively over the past eight years as part of the Department's South Florida East Coast Corridor (SFECC) Study. The current SFECC approach calls for years of additional study and the pursuit of Federal New Starts funding to cover a significant portion of the project's capital costs.

According to SFRTA management, the Fast Start Plan is a new approach for FEC passenger rail service that matches with today's fiscal reality and is responsive to the desire by elected officials, the development community, and general public for immediate action. The Fast Start Plan proposes an accelerated schedule that will create jobs in the

near term and bring about sustained economic development opportunities and mobility options that are needed in the state and region.

According to SFRTA, the following are key aspects of the Fast Start Plan:

- Bypasses the cumbersome and competitive Federal New Starts process
- Open for service in a three to five year time frame
- Modest capital costs
- Low operating costs
- Does not seek new county or state operating funds
- Provides integrated service that builds upon decades of federal, state, and county investment in Tri-Rail
- Utilizes SFRTA's favorable contracts for transit operations
- Adds no new SFRTA administrative costs
- Utilizes the new sleek modern locomotives and railcars that are now being delivered to SFRTA, providing substantial project capital cost savings
- Adds service in all three south Florida counties, providing both local and regional mobility
- Creates construction jobs and sustained economic activity surrounding new stations
- Will promote redevelopment and increase the local tax base
- Includes double tracking of FEC in Broward and Miami-Dade Counties, providing additional freight rail capacity

Performance Measures

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

SFRTA was an active participant not only in the development of performance measures but also in establishing objectives to measure its performance. SFRTA was successful in achieving 8 of the 11 objectives for performance. FY 2012 results, as reported by SFRTA, are provided in Table 43. Results for the last five fiscal years are included in Appendix B.

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

Average Headway

In FY 2012, SFRTA achieved the performance measure objective for average headway of less than 30 minutes with actual results of 27.6 minutes. This was 1.1 minutes less than average headway of 28.7 minutes reported in FY 2011.

Operating Expense per Revenue Mile

An evaluation of the relationship between operating expenses and revenue miles provides a

Table 43
South Florida Regional Transportation Authority
Summary of Performance Measures
FY 2012

<i>Performance Measure</i>	<i>Detail</i>	<i>Objective</i>	<i>Actual Results</i>	<i>Meets Objective</i>
Average Headway	Average time for train to complete its portion of total route miles one time	<30 minutes	27.6	✓
Operating Expense ¹ per Revenue Mile	Operating expenses divided by revenue miles	<\$18.00	\$17.51	✓
Operating Revenue per Operating Expense	Revenue generated through operation of the transit authority divided by operating expenses	>25%	23.8%	X
Operating Expense per Passenger Trip	Operating expenses divided by annual ridership	<\$15	\$12.87	✓
Operating Expense per Passenger Mile	Operating expenses divided by passenger miles	<\$0.45	\$0.46	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	117,762	✓
Revenue Miles versus Vehicle Miles	Revenue miles divided by vehicle miles ³	>.93	0.96	✓
Customer Service	Average time from complaint to response	14 days	12.3 days	✓
Customer Service	Customer complaints divided by boardings	<1 per 5,000 boardings	2.6	X
On-time Performance	% trips end to end on time "less than 6 minutes late"	>80%	86.5%	✓

¹ Operating expenses do not include the cost of feeder bus service or capital planning.

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

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

measure of the general cost efficiency of the service provided over distance. SFRTA operating cost per revenue mile of \$17.51 fell below the objective of less than \$18.00 by \$0.49 (2.7 percent), thereby achieving the objective. A 5.6 percent increase in operating costs coupled with a 2.2 percent increase in annual revenue miles resulted in an increased operating cost per revenue mile of \$0.55 in FY 2012.

Operating Revenue per Operating Expense

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

from fares and other revenue sources. SFRTA fell slightly short of achieving this performance measure objective with a 23.8 percent ratio of revenue to operating expenses (the performance objective is greater than 25 percent). This compares to 23.0 percent reported in FY 2011. While operating revenues increased 9.3 percent in FY 2012, operating expenses increased 5.6 percent. Significant improvement has been noted in this performance measure subsequent to SFRTA's 25 percent fare increase on June 1, 2009. FY 2012 operating revenue of \$12.3 million is a record high.

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 \$12.87 fell below the objective of less than \$15.00 by \$2.13 (14.2 percent), thereby achieving the objective. A 5.6 percent increase in operating costs in FY 2012 more than offset a 5.1 percent increase in passenger trips resulting in an increased cost per passenger trip of \$0.05 in FY 2012.

Operating Expense per Passenger Mile

An evaluation of the relationship between operating expenses and passenger miles also

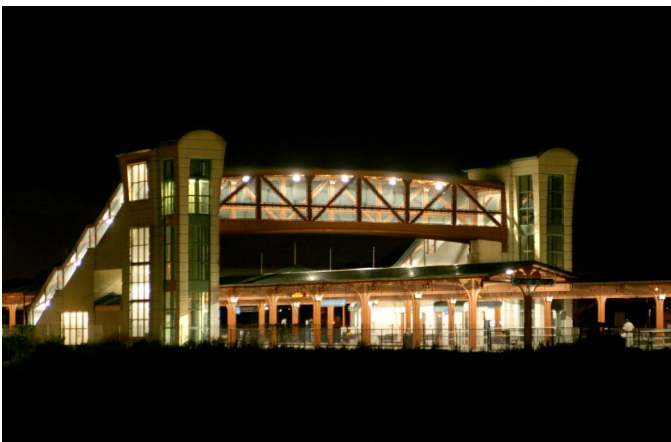
provides a measure of the general cost efficiency of the service provided. SFRTA fell slightly short of achieving the objective of operating costs per passenger mile of less than \$0.45 with \$0.46 reported in FY 2012. This compares to \$0.43 reported in FY 2011. The 0.3 percent increase in FY 2012 passenger miles was not sufficient to offset the 5.6 percent increase in operating expenses.

Major Incidents

The span of revenue miles between major incidents is a measure of safe customer service. Significant revenue miles between major incidents results in infrequent exposure of customers to safety hazards. SFRTA achieved the objective of zero Federal Railroad Administration (FRA) reportable incidents.

Revenue Miles between Revenue Vehicle System Failures

The span of revenue miles between revenue vehicle system failures (defined as the breakdown of either a major or minor element of the revenue vehicle's mechanical system) is a measure of maintenance effectiveness in keeping the fleet in good condition. A significant number of revenue miles between revenue vehicle system failures can serve to reinforce customer confidence in on-time train performance. SFRTA achieved the revenue miles between failures performance objective for FY 2012 with 117,762 revenue miles between failures, exceeding the objective of greater than 41,863. A 2.2 percent increase in revenue miles coupled with a 40.5 percent decrease in vehicle system failures (42 failures in FY 2011 versus 25 failures in FY 2012) resulted in an increase of 49,192 revenue miles between failures in FY 2012 which constitutes a record high. SFRTA attributed the decrease in FY 2012 revenue vehicle system failures to an ongoing preventative maintenance plan that identifies specific tasks and component



Delray Beach Station at Night.

change outs (by unit number and by year) required to improve fleet performance and appearance. In addition, enhanced and new training programs for maintenance employees was conducted and new cab cars and coaches were placed in service.

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 2012 with 0.96, indicating highly effective use of the fleet.

Customer Service – Average Time from Complaint to Response

SFRTA achieved the performance measure objective of timely response to customer complaints within 14 days of receipt of the complaint with actual response time of 12.3 days reported in FY 2012. This compares to a 13.8 day response time reported in FY 2011.

In 2010, SFRTA significantly enhanced its Passenger Feedback Database that supports customer communication and quality assurance and provides measurable data. Improvements were made to tracking mechanisms and processes, as well as more thorough and effective responses. SFRTA also relocated its Call Center from the Hialeah Rail Yard to the SFRTA headquarters in Pompano Beach, in part to enhance communications with other departments in the Authority who are responsible for gathering information for passenger responses. Focus was also placed on working with SFRTA's third party vendors who are responsible for investigating complaints of a security and operational nature to provide their feedback more expeditiously. As a

result, improvement in customer complaint response times was noted in FY 2011 and FY 2012.

Customer Service – Number of Complaints per Boarding

SFRTA did not achieve the performance objective of less than one complaint per 5,000 boardings with 2.6 complaints reported in FY 2012. The number of customer complaints increased from 1,499 in FY 2011 to 2,053 in FY 2012 (37 percent). With stronger quality assurance measures in place, and more thorough responses distributed, passengers began to utilize the Passenger Feedback System with greater frequency. This newfound and enhanced reliance on the “system” resulted in a considerable increase of passenger feedback beginning in 2010. SFRTA appreciates the willingness of its customers to communicate freely with staff and views customer input as an opportunity for establishing open lines of communication. The increase in the number of complaints is attributed to the implementation of the new Automated Fare Collection System (AFCS) in February 2011. While SFRTA worked extensively on distributing educational material to passengers that would help them transition to the new AFCS, passengers faced many challenges as they learned how to use the new Ticket Vending Machines, validators and EASY Cards. SFRTA worked diligently to resolve these complaints, and in the process, gathered information from those complaints to identify areas where additional educational material was needed for passengers. This has led to a consistent decrease in complaints attributable to the AFCS.

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 86.5 percent reported in FY 2012. On-time is defined as less

than six minutes late. Significant improvement in this measure has been noted beginning in FY 2010 as a result of a new schedule implemented by SFRTA to better serve passengers. Previously, shorter turnaround times at the ends of the corridor increased the chance for cascading delays throughout the service day. The new schedule allows for greater operational flexibility and has greatly improved on-time performance.

SFRTA voted to accept the terms of the South Florida Operations and Management Agreement (SFOMA) at its January 25, 2013 Board meeting. The agreement transfers the responsibility for the South Florida Rail Corridor (SFRC) from CSXT to the State. The Board also approved an operating agreement between SFRTA and the Department which confirms that SFRTA will provide the dispatch and maintain the SFRC in place of CSXT. The implementation date is set for June 30, 2014, with a contingency for delays until December 31, 2014. SFRTA will receive an additional \$11.5 million annually of dedicated funding for assuming dispatch and maintenance of the SFRC. Costs in excess of the \$11.5 million will be shared with the Department. Because SFRTA will control dispatch for all trains that operate on the SFRC (Tri-Rail, CSXT, and Amtrak), a more reliable commute for Tri-Rail customers is expected. In addition, SFRTA has secured federal stimulus monies and other capital resources to replace rolling stock, including a total of 10 new locomotives and 24 trailer and cab cars. This will significantly reduce delays due to mechanical problems.

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 2012 operating indicators, as reported by SFRTA, are provided in Table 44. In order to observe current trends, operating indicators for FY 2010 and FY 2011 are also provided. Results for the last five fiscal years are included in Appendix B.

FY 2012 average weekday ridership on Tri-Rail increased 5.3 percent over FY 2011. SFRTA logged 5.1 percent more passenger trips in FY 2012, while the average trip length decreased 4.7 percent, resulting in a 0.3 percent increase in passenger miles. FY 2012 revenue hours increased 0.2 percent, while revenue miles increased 2.2 percent. The weekday span of revenue service remained the same while the fleet size increased 11.1 percent. Operating expenses increased (by 5.6 percent), while operating revenue increased (by 9.3 percent). The farebox recovery ratio increased to 23.2 percent (a 4.0 percent increase) while the average fare grew from \$2.86 to \$2.98 (a 4.2 percent increase). The service area population increased 0.1 percent, while passenger trips per capita increased (by 5.8 percent) at a higher cost (from \$8.88 to \$9.37 per capita) than was previously the case.

FY 2012 average weekday ridership increased 5.3 percent over FY 2011.

Passenger trips increased 5.1 percent in FY 2012 while the average trip length decreased 4.7 percent, resulting in a 0.3 percent increase in passenger miles.

The farebox recovery ratio increased to 23.2 percent in FY 2012 while the average fare grew to \$2.98.

South Florida Regional Transportation Authority (SFRTA/Tri-Rail)

Table 44
South Florida Regional Transportation Authority
Summary of Operating Indicators
FY 2010 through FY 2012

<i>Operating Indicator</i>	<i>Detail</i>	<i>Actual 10 Results</i>	<i>Actual 11 Results</i>	<i>Actual 12 Results</i>
Operating Expense per Capita (Potential Customer)	Annual operating budget divided by service area population	\$8.19	\$8.88	\$9.37
Farebox Recovery Ratio	Ratio of passenger fares ¹ to total operating expenses	22.9%	22.3%	23.2%
Service Area Population	Approximation of overall market size	5,497,997	5,497,997	5,502,379
Service Area Population Density	Persons per square mile based on service area population and size	1,072	1,072	1,084
Operating Expense	Spending on operations, including administration, maintenance, and operation of service vehicles	\$45,007,680	\$48,842,085	\$51,557,460
Operating Revenue ²	Revenue generated through operations of transit authority	\$10,507,019	\$11,231,078	\$12,272,397
Total Annual Revenue Miles	Miles vehicles operated in active service ³	2,892,398	2,879,940	2,944,042
Total Annual Revenue Hours	Hours vehicles operated in active service	96,240	96,960	97,198
Total Revenue Vehicles ⁴	Vehicles available to meet annual maximum service requirement	47	45	50
Operating Expense per Revenue Hour	Cost of operating an hour of revenue service	\$467.66	\$503.73	\$530.44
Peak Vehicles	Vehicles operated to meet annual maximum (peak) service requirements	34	38	40
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	27.7%	15.6%	20.0%
Annual Passenger Trips ⁶	Passenger boardings on transit vehicles	3,606,055	3,810,823	4,005,967
Average Trip Length	Average length of passenger trip, generally derived through sampling	29.0	29.5	28.1
Annual Passenger Miles	Passenger trips multiplied by average trip length (in miles)	104,575,595	112,381,170	112,727,911
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	\$2.85	\$2.86	\$2.98
Passenger Trips per Revenue Mile	Passenger trips divided by revenue miles	1.25	1.32	1.36
Passenger Trips per Revenue Hour	Passenger trips divided by revenue hours	37.5	39.3	41.2
Passenger Trips per Capita	Passenger trips divided by service area population	0.66	0.69	0.73
Average Age Since Last Rebuild	Average years since last rebuild for locomotives (9 years)	8.2	9.2	10.2
Average Age Since Last Rebuild	Average years since last rebuild for coaches (12 years)	9.2	10.2	11.2
Unrestricted Cash Balance	End of year cash balance from financial statement	\$16,534,534	\$19,444,152	\$20,152,899
Weekday Ridership	Average ridership on weekdays	12,139	12,900	13,587
Capital Commitment to System Preservation	% of capital spent on system preservation	0%	0%	0%
Capital Commitment to System Expansion	% of capital spent on system expansion	100%	100%	100%
Intermodal Connectivity	Intermodal transfer points available	18	18	18

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

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

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

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

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

⁶ A passenger trip is counted each time a passenger boards the train.

The average number of years since the last rebuild was 10.2 years for locomotives and 11.2 years for coaches. SFRTA's current operating spare ratio is 20.0 percent. Delivery of new locomotives and rolling stock are anticipated to occur over the next year that will position the authority for future service expansion. SFRTA continued to grow its unrestricted cash balance and committed all of its capital investment 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 amended on July 27, 2012 to include a definition for lobbying. The purpose of the policy is to incorporate the provisions of Chapter 112, Part III, Florida Statutes (Code of Ethics for Public Officers and Employees) and any additional requirements adopted by the SFRTA Board and apply them to the officers and employees of SFRTA. The policy is intended to be comprehensive and includes areas such as voting conflicts, employment of relatives, financial disclosure, gifts and lobbying. SFRTA also included a Standards of Conduct section within the policy that includes areas such as solicitation or acceptance of gifts, doing business with SFRTA, unauthorized compensation, misuse of public position, conflicting employment or contractual

relationship, disclosure of certain information, employees holding office and regulating former officers or employees.

According to SFRTA, no ethics or conflict of interest violations or investigations were reported during FY 2012. Commission staff reviewed the Authority's Board minutes and did not find any recorded instances of ethics or conflicts of interest violations or investigations. The meeting minutes did not disclose any instances where a Board Member abstained from voting due to a voting conflict. At the January 28, 2011 Board meeting, ethics training was provided to Board Members and senior staff in the areas of ethics, conflicts of interest, financial disclosure, Sunshine Law and public records. In 2012, SFRTA Board members received Sunshine Law and public records refresher information. Ethics training is scheduled for early in 2013.

Audit

An annual independent audit of SFRTA financial statements for fiscal year ended June 30, 2012 was performed. The Independent Auditor's Report indicated that the financial statements were prepared in conformity with GAAP and received an unqualified opinion. The Independent Auditor's Report on Compliance and Internal Control over Financial Reporting did not identify any deficiencies in internal control that were considered material weaknesses, and the results of audit tests did not disclose instances of noncompliance required to be reported under Government Auditing Standards. The Independent Auditor's Report on Compliance and Internal Control over Compliance Applicable to Each Major Federal Program and State Project indicated no issues related to compliance, internal control, findings or questioned costs required to be reported under applicable standards.

In the Independent Auditor's Management Letter, the auditors noted that four of the five management recommendations for improvement noted in the prior year audit had been addressed. Part of one of the recommendations related to Information Technology remains outstanding. The auditors noted that SFRTA utilizes a third party service provider, Miami-Dade Transit (MDT), for processing a portion of its revenue. The auditors recommend that SFRTA obtain a SSAE 16 Audit Report from MDT. SFRTA indicated that it will coordinate with MDT in obtaining the report.

The FY 2012 independent financial statement audit reflected an unqualified opinion.

The Federal Transit Administration's FY 2012 Triennial Review of SFRTA contained no findings or deficiencies noted in any of the 24 areas reviewed.

The United States Code, Chapter 53 of Title 49, requires the Federal Transit Administration of the United States Department of Transportation to perform reviews and evaluations of Urbanized Area Formula Grant activities at least every three years. The FTA review, known as the Triennial Review, assesses the transit agency's grant compliance with federal requirements through the examination of grant management practices and program implementation in 24 different areas. In September 2012, FTA issued the FY 2012 Triennial Review of SFRTA with no findings or deficiencies noted in any of the 24 specific areas reviewed. This marks the second consecutive Triennial Review where the FTA had no findings.

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 189.417 and Chapter 286, Florida Statutes, for open meetings. The Authority no longer falls under the purview of Chapter 120, Florida Statutes (Administrative Procedures Act).

Article VII of the SFRTA Bylaws requires that under the supervision of the Secretary, SFRTA maintain such books and records as required under applicable law and comply with all applicable law governing access to public records. Public records requests can be made by submitting a completed Public Records Request Form to the Public Records Department via mail, e-mail, telephone, facsimile or hand delivery. Individuals seeking public records will be contacted once the request has been received. The requested information will be provided in a reasonable period of time under normal conditions and in accordance with applicable law, unless such information is considered under the law to be confidential or exempt from public records disclosure. If the requested documents are exempt from public records disclosure, the requestor will be notified promptly. If time constraints prevent the replication and distribution of the requested material within the specified time frame, the requestor will be contacted and informed of the progress of the request.



Sheridan Street Station.

The Commission reviewed agendas, minutes of meetings 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, the Commission determined that SFRTA is operating within procedure and statute. Chapter 189, Florida Statutes (Uniform Special District Accountability Act of 1989), contains various requirements for special districts including Section 189.417 relating to notice requirements for public meetings. SFRTA is classified as an Independent Special District on the official list of special districts compiled by the Department of Economic Opportunity. Although no compliance issues were noted during the review, SFRTA respectfully disagrees with the Commission that it is subject to the requirements of Chapter 189, Florida Statutes ("as the law requires the enabling legislation of the agency to specifically acknowledge that the agency is being created under Chapter 189, Florida Statutes").

Procurement

The SFRTA Board adopted an amended Procurement Policy on March 25, 2011. The

Procurement Policy provides a unified purchasing system with centralized responsibility that allows for processing of some work by delegation. Principles of law and equity supplement the provisions of the policy, which requires all parties involved in the negotiation, development, performance, or administration of SFRTA contracts to act in good faith. Open competition is required, and the Procurement Policy applies to every procurement, irrespective of funding source, except as otherwise specified. JPAs with the Department and previously reported standards of conduct and conflict of interest policies are delineated. All rights, powers, duties and authorities relating to the procurement of supplies, services, and capital projects are vested in or exercised by the Board. Approval authority for procurement actions and contracts are outlined in Table 45.

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 contracts to nine firms on September 24, 2010. Each contract was for a three year term with two one-year option periods 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

South Florida Regional Transportation Authority (SFRTA/Tri-Rail)

Table 45
South Florida Regional Transportation Authority
Procurement Actions and Contracts Approval Authority

<i>Contracts and Work Orders</i>	<i>Contract Modifications</i>
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.

for each individual work order. Due to the multitude of engineering disciplines required in the Scope of Services, firms were encouraged to establish teams. The nine teams each are comprised of a prime consultant and numerous sub consultants to cover all of the disciplines required in the solicitation.

Three firms were also awarded General Systems Engineering Service contracts on October 22, 2010. Due to the expected level of consulting services required in the specialty disciplines of Rolling Stock and Associated Equipment Engineering/Inspection Services, Fare Collection, and Signal and Train Control/Communications,

Transportation Authority Monitoring and Oversight

SFRTA procured General Systems Engineering services separately from the GEC contracts. Each contract was for a three year term with two one-year option periods in the maximum not-to-exceed amount of \$5 million. 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. The three teams each are comprised of a prime consultant and a small group of sub consultants. Sub consultant contracts greater than \$25 thousand are presented in Table 46.

Compliance with Bond Covenants

SFRTA has no outstanding revenue bonds.

Summary

SFRTA is a full-service public transportation authority operating within a 5,128-square-mile service area throughout Broward, Miami-Dade, and Palm Beach counties. SFRTA continues to expand its service parameters and relies on fare revenues, federal and state grants, and significant financial

Table 46
South Florida Regional Transportation Authority
Summary of General Consultant Sub Consultant Activity
FY 2012

<i>Consulting Contract</i>	<i>Description</i>	<i>Sub Consultants >\$25 K</i>
Gannett Fleming, Inc.	General Engineering Consultant	
STV Inc.	Engineering and technical support for rolling stock acquisition	\$117,990
STV Inc.	Inspection and commissioning services for rolling stock acquisition	\$157,033
Parsons Brinckerhoff, Inc.	General Engineering Consultant	
T.Y. LIN International	General Engineering Consultant	
Parsons Transportation Group, Inc.	General Engineering Consultant	
EAC Consulting, Inc.	General Engineering Consultant	
AECOM	Commuter rail track and signal field support services for the New River Bridge Corridor	\$38,937
Jacobs Engineering Group	General Engineering Consultant	
Hillers Electrical Engineers	Hialeah Yard Shop electrical upgrades	\$89,384
HDR Engineering, Inc.	General Engineering Consultant	
LTK Engineering Services	Engineering and technical support for rolling stock acquisition	\$119,782
Kimley-Horn & Associates, Inc.	General Engineering Consultant	
Zyscovich Architects	Design, permitting and bidding assistance for improvements at the Pompano Beach Tri-Rail Station	\$46,275
Ross & Baruzzini, Inc.	Analysis of hydraulic line failures at various elevators	\$63,345
Ross & Baruzzini, Inc.		\$52,925
Bergmann Associates, Inc.	General Engineering Consultant	
Parsons Brinckerhoff, Inc.	General Systems Engineering	
Parsons Transportation Group, Inc.	General Systems Engineering	
CH2M Hill, Inc.	General Systems Engineering	
Virginkar & Associates	Oversight of new locomotive design	\$363,373
Jones Worley Design	Easy Card customer education campaign	\$46,050
Total Sub Consultants >\$25k		\$1,095,094

support from its local partners to fund commuter rail operations.

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

SFRTA met or exceeded 8 of the 11 objectives established for performance measures. The three measures that require improvement include operating revenue per operating expense, operating expense per passenger mile and the number of customer complaints per boardings.

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 2012 operating expenses increased 5.6 percent, while operating revenue increased 9.3 percent over FY 2011. The farebox recovery ratio increased to 23.2 percent (a 4.0 percent increase) while the average fare grew from \$2.86 to \$2.98 (a 4.2 percent increase). FY 2012 average weekday ridership increased 5.3 percent over FY 2011. SFRTA logged 5.1 percent more passenger trips in FY 2012, while the average trip length decreased 4.7 percent, resulting in a 0.3 percent increase in passenger miles. Revenue hours increased 0.2 percent and revenue miles increased 2.2 percent. The average number of years since the last rebuild was 10.2 years for locomotives and 11.2 years for coaches. Delivery of new locomotives and rolling stock are anticipated to occur over the next year that will position SFRTA for future service expansion.

In the area of Governance, the FY 2012 annual Independent Financial Statement Audit reflected an unqualified opinion. In the Independent Auditor's Management Letter, the auditors noted that one of the five management

recommendations for improvement noted in the prior year audit remained outstanding. SFRTA is coordinating with Miami-Dade Transit (third party service provider) in obtaining a SSAE 16 Audit. In September 2012, the Federal Transit Administration (FTA) issued the FY 2012 Triennial Review of SFRTA with no findings or deficiencies noted in any of the 24 specific areas reviewed. This marks the second consecutive Triennial Review with no findings.

A major milestone of the Department's South Florida East Coast Corridor (SFECC) Study was the development of a draft Locally Preferred Alternative (LPA)/Master Plan in 2010. The plan included full integration with the existing Tri-Rail system and the provision of local and express services on the southern portion of the FEC corridor. However, significant capital costs and annual operating costs were projected. In October 2011, SFRTA proposed a more cost-feasible plan (Fast Start Plan for Tri-Rail Coastal Service) that would utilize SFRTA's existing fleet, rail yards, facilities, equipment and contracts to merge routes on both corridors as an extension of its existing Tri-Rail service. The Fast Start Plan would accelerate the integration of services in a three to five year timeframe and calls for adding a continuous second track on the FEC corridor, which would accommodate SFRTA's proposed 56 passenger trains per weekday on the FEC. The SFECC Study is now evaluating a scaled back LPA/Master Plan and is nearing consensus on an approach to implement integrated segments in the near term. "Tri-Rail Coastal Link" is now the name agreed upon for new regional commuter rail service on the FEC corridor and a Memorandum of Understanding (MOU) is under development that identifies SFRTA as the lead agency for development of the financial plan, design and construction, and the FTA project sponsor and designated recipient of any federal funds for any new FEC commuter rail service.

Transportation Authority Monitoring and Oversight

House Bill 599 (Chapter 2012-174, Laws of Florida), passed by the 2012 Florida Legislature, significantly amended SFRTA's enabling legislation, effective July 1, 2012 (FY 2013). The SFRTA Board was expanded from 9 to 10 members as a result of an additional Board member to be appointed by the Governor. The legislation also enhanced Department oversight of the SFRTA budget and limits expansion of the system to Monroe County without Department approval. In addition, 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 in the South Florida Rail Corridor and all of the Department's right, title, and interest in rolling stock, equipment, tracks, and other personal property owned and used by the Department for the operation and maintenance of the commuter rail operations in the South Florida Rail Corridor. If a new local funding source is not found by July 1, 2019, Tri-

Rail's level of operations may be reduced. (The relevant language from HB 599 is detailed in Appendix A.)

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

The Commission recognizes SFRTA efforts in achieving its second consecutive Triennial Review with no findings or recommendations. The Commission encourages SFRTA to develop and establish a course of action focused on improving performance to achieve objectives. In addition, the Commission acknowledges with appreciation the cooperation and assistance on the part of the SFRTA Board and staff in providing the resources necessary to complete this review.

EMERGING AUTHORITIES

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EMERGING AUTHORITIES

Northwest Florida Transportation Corridor Authority (NFTCA)



Background

The Northwest Florida Transportation Corridor Authority (NFTCA) is an agency of the state of Florida, created in 2005 pursuant to Chapter 343, Part III, Florida Statutes. "The primary purpose of NFTCA is to improve mobility on the US 98 corridor in Northwest Florida, to enhance traveler safety, identify and develop hurricane evacuation routes, promote economic development along the corridor, and implement transportation projects to alleviate current or anticipated traffic congestion."

The governing body of NFTCA consists of eight voting members: one each from Escambia, Santa Rosa, Walton, Okaloosa, Bay, Gulf, Franklin and Wakulla counties, appointed by the Governor to serve four-year terms. The District Secretary of the Florida Department of Transportation (Department) for Northwest Florida (District Three) serves as an ex-officio, non-voting member.

Table 47
Northwest Florida Transportation Corridor Authority
Current Board Members

<i>Name</i>	<i>Representing</i>	<i>Position</i>
Mr. Robert B. Montgomery	Escambia County	Chairman
Mr. Stephen K. Norris	Gulf County	Vice Chairman
Mr. James F. Anders, II	Walton County	Secretary Treasurer
Honorable Cheryl K. Sanders	Franklin County	Board Member
Mr. J. Carey Scott, III	Bay County	Board Member
Mr. Gordon Sprague	Santa Rosa County	Board Member
Mr. Scott Gaby	Wakulla County	Board Member
Vacant	Okaloosa County	Board Member
Mr. Tommy Barfield	District Three	Ex-Officio

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

Highlights

- NFTCA adopted a 2011 updated Corridor Master Plan in April 2011. The Board considered updates to the 2011 Master Plan on March 27, 2012, and determined that no changes were needed.
- The 2012 Master Plan (unchanged from 2011), was presented to governing bodies and legislative delegation members on April 2, 2012 (within the 90-day statutory requirement).
- In July 2010, NFTCA executed a two year agreement with the Department that will provide \$1.1 million in Federal funding for Authority administration, professional services and regional transportation planning. The agreement was amended in June 2011 to include an additional \$1.1 million and also extended the agreement by one year. The agreement was amended for a second time in February 2012 to include a new NFTCA Work Plan.
- 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.
- NFTCA is currently using a business case analysis to help select and plan projects by assessing economic benefits, investment plans, and proposing viable funding strategies. It is anticipated that the updated 2013 Master Plan will be adopted by NFTCA at its Board meeting scheduled for April 25, 2013.
- The FY 2011 independent financial statement audit reflected an unqualified opinion and identified two significant deficiencies in internal control over financial reporting that were considered material weaknesses.

Transportation Authority Monitoring and Oversight

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 48 lists those requirements, as provided in Florida Statutes, and indicates whether those requirements have been met.

In addition to the above requirements, NFTCA may also enter into Public-Private Partnerships for the construction of transportation facilities, sell bonds to finance the construction of transportation facilities and enter into lease-purchase agreements with the Department for the operation of the US 98 Corridor System. Effective July 1,

Table 48
Northwest Florida Transportation Corridor Authority
Statutory Requirements

<i>Subject Area</i>	<i>Requirement</i>	<i>Status</i>
Public Meetings	Meet at least quarterly and alternate locations. (Section 343.81 (3)(c), Florida Statutes)	Board has met at least quarterly, and more frequently as needed, since September 2005 and has met at least once in each county represented.
Corridor Master Plan	Develop and adopt a Corridor Master Plan no later than July 1, 2007. (Section 343.82 (3)(a), Florida Statutes)	Completed the Corridor Master Plan and adopted the plan in April 2007.
	Update the Master Plan annually before July 1 of each year. (Section 343.82 (3)(b), Florida Statutes)	Board considered updates to the 2011 Master Plan on March 22, 2012 and determined that none were needed. Therefore, the 2012 Master Plan remained unchanged from 2011.
	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 2012 Master Plan (unchanged from 2011) was presented by June 20, 2012 (90 days after adoption) as required by statute. The 2012 Master Plan was presented on April 2, 2012.

2011, the 2011 Legislature passed, and the Governor approved, Senate Bill 2152 that amended Chapter 343, Florida Statutes. This legislation repealed the authority for NFTCA to enter into Lease-Purchase Agreements with the Florida Department of Transportation. (The relevant language from SB 2152 is detailed in Appendix A.) 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

As previously noted, NFTCA adopted the Corridor Master Plan in April 2007 and further adopted revisions to the original Master Plan in 2008, 2009, 2010 and 2011. The NFTCA Board considered updates to the 2011 Corridor Master Plan at its March 22, 2012, public meeting and determined that none were needed at that time. Therefore, the 2012 Corridor Master Plan remained unchanged from 2011. NFTCA provided the Master Plan to the governing bodies and legislative delegation members, as required by Section 343.82 (3)(c), Florida Statutes, on April 2, 2012 (within the 90-day statutory requirement).

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 is in the process of making major updates to the plan which will be reflected in the 2013 Master Plan. As part of the Master Plan update, NFTCA's general consultant (HDR) is conducting a business case



US 98.

analysis to help the Authority in selecting and planning transportation projects by assessing their respective economic benefits, developing an investment plan and proposing viable funding strategies. The business case analysis includes an extensive public outreach program involving regional planning councils in the eight-county geographic area covered by NFTCA and a series of workshops involving other key stakeholders in the region. HDR issued a Needs Assessment Memorandum in April 2012, and a Business Case Analysis Memorandum in September 2012, which will help form a basis for the updated 2013 Master Plan. There are currently 36 candidate projects identified in the Business Case Analysis Memorandum, and NFTCA is coordinating efforts with the local District Three office headquartered in Chipley to avoid project duplication. There are numerous construction projects in the Department's Five-Year Work Program for the northwest Florida area that require close coordination in order to eliminate duplication, cost inefficiencies, and conflicting priorities. It is anticipated that the updated 2013 Master Plan will be adopted by NFTCA at its Board meeting scheduled for April 25, 2013.

Until recently, funding for NFTCA was 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 has 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 includes preparation of a Business Case Analysis.

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. Grimaldi Crawford, Inc. functions as a sub consultant under the HDR General Planning Consultant contract and provides administrative services including bookkeeping, accounting, public records retention, and assistance with administrative tasks related to public meetings.

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 2012 and none are noted in minutes of meetings. The meeting minutes for FY 2012 did not disclose any instances where 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 2011 (and prior years since inception of NFTCA) have been completed. The FY 2012 audit is currently underway.



Ochlockonee Bridge-US 98 River Crossing in Franklin County.

The Independent Auditor's Report, for the fiscal year ended September 30, 2011 (dated November 7, 2012), indicated that the financial statements were prepared in conformity with GAAP and received an unqualified opinion. The Independent Auditor's Report on Compliance and Internal Control over Financial Reporting identified two significant deficiencies in internal control over financial reporting that were considered material weaknesses (Findings 11-01 and 11-02).

- Finding 11-01 (prior year 10-01 and 09-01) indicated that significant adjustments to the financial records were made in order for the financial statements to conform to generally accepted accounting principles. NFTCA responded by stating that they do not feel that in the near future the benefits derived from investing in the resources necessary to implement an effective internal control system would outweigh the cost of those resources.
- Finding 11-02 (prior year 10-02 and 09-02) indicated that there was inadequate design of internal control over the preparation of the financial statements being audited that gives rise to a significant deficiency in internal controls. NFTCA responded by stating that they do not feel that in the near future the benefits derived from investing in the resources necessary to prepare their own financial statements would outweigh the cost of those resources.

In the Independent Auditor's Management Letter, the auditors had no findings or recommendations regarding NFTCA's management, accounting, procedures or other matters required to be disclosed, except for internal control findings 11-01 and 11-02 that were similarly noted in the FY 2009 and FY 2010 audits.

Under the NFTCA administrative services contract, annual financial statements are prepared and the Board is now provided financial reports 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 indicates that notices of meetings are posted in advance of the meeting, and that the

agendas and minutes of meetings are posted in a timely fashion. Commission staff also conducted a limited review of public meeting notices advertised in local newspapers. It appears that NFTCA complied with open meeting laws as provided in various Florida Statutes.

NFTCA General Counsel conducted training related to Sunshine Laws, public records, ethics, and conflicts of interest to the Board at its July, 2008 Board meeting. In 2011, NFTCA purchased and provided a *Government-in-the-Sunshine Manual* to all Board members. In FY 2012, General Counsel met individually with all Board members to review public records, sunshine and ethics laws. General Counsel indicated that training is currently scheduled for the two new Board members that were appointed in August 2012.

In 2009, in order to provide more information to the public, NFTCA started redesigning its website www.nwftca.com. As previously noted, notices, agendas and minutes of Board meetings are posted. In addition, the website includes Master Plans and related documents as well as Board member information. Improvements to the website continue and now include public involvement opportunities and quarterly newsletters.

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 2012, NFTCA utilized procured services for a General Engineering Consultant, Legal Support, and Audit Services. The General Engineering Consultant (HDR) utilized one sub consultant (Grimail Crawford, Inc.) to provide administrative services for the Authority in the amount of \$72 thousand in FY 2012.

Compliance with Bond Covenants

NFTCA has not issued bonds; therefore, this governance item is not yet applicable.

Other

Section 189.418(3), Florida Statutes, requires Special Districts to adopt annual budgets. The NFTCA Board formally adopted the FY 2012 budget on October 27, 2011.

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 and minutes of Board meetings, funding agreements, policies and procedures that have been adopted by NFTCA, and a review of the audited financial statements. Limited tests of compliance with applicable statutes were performed and, based on those results, it was determined that NFTCA is meeting its statutory responsibilities and the

governance criteria established by the Commission.

NFTCA adopted a 2011 updated Corridor Master Plan in April 2011. The Board considered updates to the 2011 Master Plan on March 22, 2012 and determined that no changes were needed. The 2012 Master Plan (unchanged from 2011), was presented to governing bodies and legislative delegation members by June 20, 2012, as required.

An independent audit of NFTCA financial statements for FY 2011 has been completed and the FY 2012 audit is currently underway. The FY 2011 audit reflected an unqualified opinion. The Independent Auditor's Report on Compliance and Internal Control over Financial Reporting identified two significant deficiencies in internal control over financial reporting that were considered material weaknesses. These deficiencies relate to the preparation of financial statements and adjustments to the financial records.

In July 2010, NFTCA executed a two year agreement with the Department that will provide \$1.1 million in Federal funding for Authority administration, professional services and regional transportation planning. As such, in January 2011,

NFTCA contracted with a General Planning Consultant to perform activities required to manage and update the Regional Master Plan and provide administrative services. This agreement was amended in June 2011 to include an additional \$1.1 million in federal funds and also extended the agreement by an additional year. The agreement was amended for a second time in February 2012 to include a new NFTCA Work Plan that also includes preparation of a business case analysis. As part of the 2013 Master Plan update, NFTCA is conducting a business case analysis to help select and plan transportation projects by assessing their respective economic benefits, developing an investment plan and proposing viable funding strategies. This business case analysis includes an extensive public outreach program involving regional planning councils and workshops involving other key stakeholders in the region. It is anticipated that the updated 2013 Master Plan will be adopted by NFTCA at its Board meeting scheduled for April 25, 2013.

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.

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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). Effective July 1, 2011, the 2011 Legislature passed, and the Governor approved, Senate Bill 2152 that amended Chapter 348, Florida Statutes. This legislation repealed the authority for OCX to enter into Lease-Purchase Agreements with the Florida Department of Transportation. (The relevant language from SB 2152 is detailed in Appendix A.)

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 of 1989). Compliance with governance of OCX is being assessed primarily in accordance with Chapters 348 and 189, Florida Statutes, although it will include other applicable statutes.

The governing Board of OCX is comprised of six members. Five members, at least one of whom must be a member of a racial or ethnic minority

Highlights

- OCX was created on July 1, 2010, and the Board met for the first time on June 21, 2011.
- In FY 2012, OCX did not expend any funds and did not employ any staff. Osceola County has provided staff assistance and other support to OCX including a website, meeting facilities, legal services, and a planning consultant to assist in developing a Master Plan.
- OCX finalized grant agreements with the Department in May 2012, whereby the Department provided \$2.5 million to OCX. The funds will primarily be used for two Project Development & Environment (PD&E) Studies that will be conducted by Florida's Turnpike Enterprise.
- On May 8, 2012, the OCX Board adopted the OCX 2040 Master Plan that includes construction of four proposed tolled expressways: the Poinciana Parkway, Southport Connector Expressway, Northeast Connector Expressway and Osceola Parkway Extension.
- 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. OCX must repay the County within 15 years of receiving the funds.
- In September 2012 (FY 2013), 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 will issue Bonds to pay for Poinciana Parkway project costs incurred by OCX. OCX will enter into a Lease-Purchase Agreement with Osceola County, whereby OCX will design and construct the Poinciana Parkway.

group, must be residents of Osceola County. Three of the five members are appointed by the Osceola County Board of County Commissioners and two members are appointed by the Governor. The sixth Board member is the Florida Department of Transportation (Department) District Five Secretary who serves as an ex officio, non-voting member. The term of each appointed member is four years, except that the first term of the initial members appointed by the Governor are two years each.

Table 49
Osceola County Expressway Authority
Current Board Members

<i>Name</i>	<i>Representing</i>	<i>Position</i>
Atlee Mercer	Osceola County BOCC Appointee	Chair
William L. Folsom	Osceola County BOCC Appointee	Vice-Chair
Bob Healy, Jr.	Osceola County BOCC Appointee	Secretary
Arturo Otero	Governor Appointee	Board Member
Thomas White	Governor Appointee	Board Member
Noranne B. Downs, P.E.	District Five Secretary	Non-Voting Member

The new OCX Board met for the very first time on June 21, 2011 at which time the current officers were elected. Since inception, there have been two vacant positions on the Board as the result of the Governor not making the original appointments. However, the Governor recently appointed Arturo Otero and Thomas White to the OCX Board for a term beginning April 1, 2013 and ending June 30, 2013. Three members of the Board constitute a quorum, and the vote of three members is necessary for any action taken by the authority.

Statutory Requirements

Enabling legislation does not require OCX to conduct any specific activities with prescribed deadlines. However, the legislation does provide for automatic dissolution of OCX if it has not encumbered any funds by January 1, 2020 to further its purposes and powers to establish the system, as authorized in Section 348.9953, 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.

Authority Activities

On July 1, 2010, pursuant to House Bill 1271, 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.

Osceola County has elected to provide staff assistance and other support to OCX during the startup period. Osceola County established a website for OCX: www.osceolaxway.com and utilized the website to solicit applications for Board appointments. Jeffery Jones, the Strategic Initiatives Director for Osceola County, is the registered agent for OCX under the Special District Program of the Department of Economic Opportunity (Chapter 189, Florida Statutes) and is the primary liaison with Osceola County.

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 and financial services for OCX are being provided by Broad & Cassel who is under contract with Osceola County. OCX adopted its own task authorization for services by Broad & Cassel and the County is no longer paying for this. 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 Proposals on March 13, 2012.

OCX began creating its first long-range expressway master plan which identifies 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 have 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 will form 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. Osceola

County and OCX have endorsed the concept of a limited access expressway system servicing the County's urban growth area. As currently envisioned in the May 8, 2012, OCX 2040 Master Plan, this system consists of four segments. Once completed, the system will provide for a seamless connection between I-4 on the east and SR 417 to the north. 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 the four expressway components contained in the Master Plan and the current status of the projects:

- **Poinciana Parkway** - The Poinciana Parkway is a four-lane toll facility approximately 10 miles in length, beginning at the current terminus of Marigold Avenue in the far northwest corner of the Poinciana community and terminating at the intersection of CR 54 and US 17/92. It is intended to provide 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. The Request for Proposals (RFP) for the Design Build was issued in January 2013, and the final firm is anticipated to be selected at the July 19, 2013 OCX Board meeting. The Traffic and Revenue Study will be updated thereafter. Construction is anticipated to be able to start as early as December 2013. For the I-4 Segment of the Poinciana Parkway, funding has been allocated for the Project Development and Environment

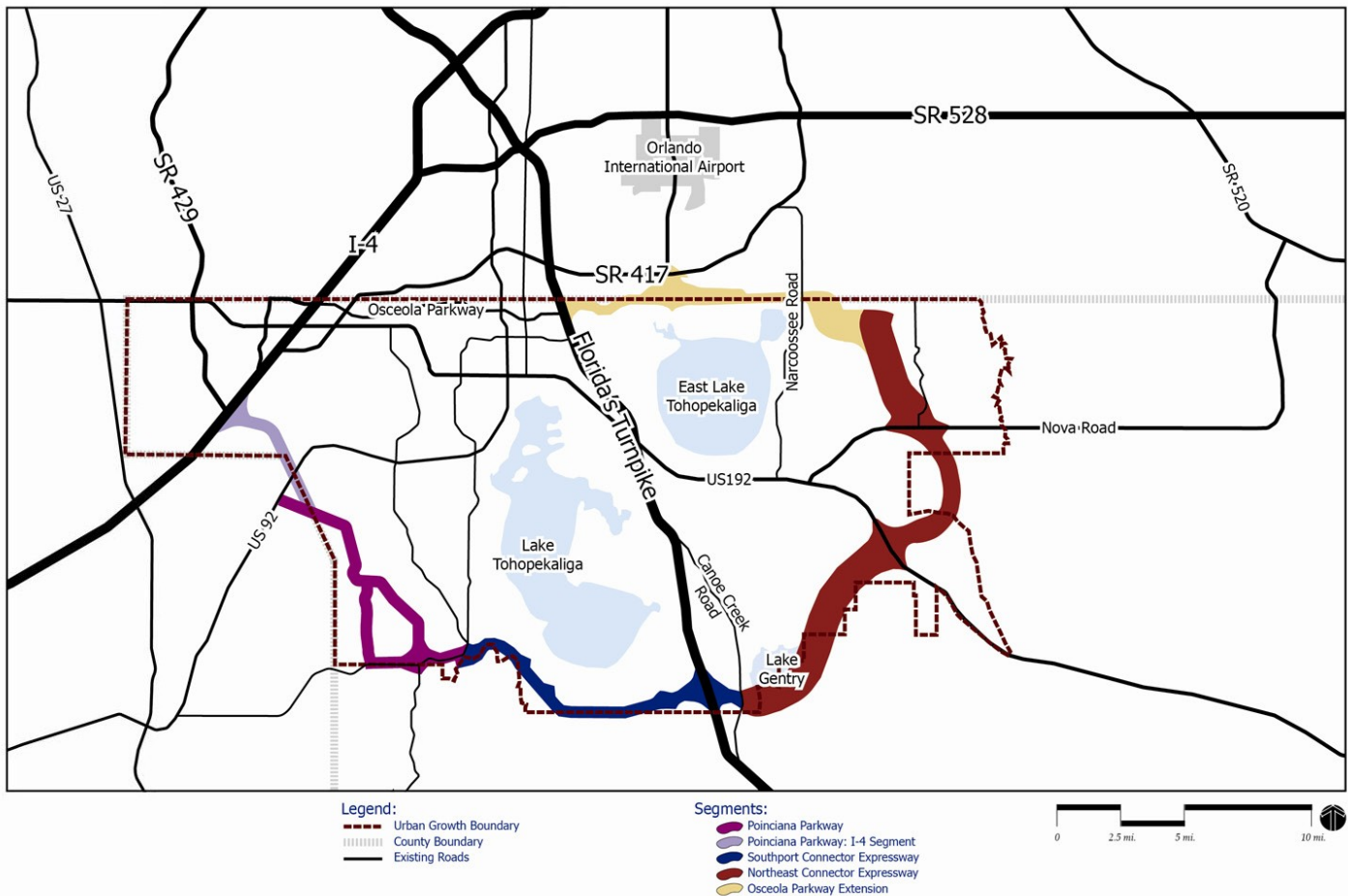


Figure 3: OCX Master Plan 2040 Projects (May 8, 2012).

(PD&E) Study through STP-SU federal funds. The Department's District 5 is the project manager and CH2MHILL has been selected as the project consultants. The notice to proceed is anticipated for June 2013.

- **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 notice to proceed is anticipated for June 2013.

- **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 connection to the Osceola Parkway Extension. Potential corridors for this project were originally studied by the Orlando-Orange County Expressway Authority (OOCEA) in 2006. These studies were expanded through a feasibility study conducted by Osceola County in 2009 and 2010. Additional studies conducted include a Concept Development and Evaluation Study for the SR 417 Southern Extension in May 2008 (OOCEA) and a Preliminary Alignment Evaluation for Southport Connector East from Canoe Creek Road to SR 528 in 2010 (Osceola County and Smart Growth Office). Two possible corridors were adopted as part of the 2011 Osceola County Comprehensive Plan. OCX adopted a preferred corridor in the 2040 Master Plan. To date, no funding has been allocated for the County to conduct a PD&E Study for this project.
- **Osceola Parkway Extension** - The Osceola Parkway Extension is a nine-mile road segment beginning approximately one mile west of the Boggy Creek 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. Coordination is necessary with Orange County, the City of Orlando, the Greater Orlando Aviation Authority (GOAA), OOCEA and existing residential neighborhoods. 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) are currently undertaking a PD&E Study for the Extension. This is through a funding agreement with FDOT and OCX. The study area has recently been expanded to include a possible limited access connection between the Extension and SR 417, to include the SR 417/Boggy Creek Interchange. A Request for Qualifications (RFQ) was issued by FTE for this project and a consultant was selected to conduct the PD&E Study. The public kick-off meeting was held in March 2013 and the project is anticipated to be complete in early 2015.

Performance Measures and Operating Indicators

As an emerging transportation authority, OCX 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

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. Commission staff reviewed OCX’s Board minutes and did not find any recorded instances of ethics or conflict of interest violations or investigations. The meeting minutes did not disclose any instances where Board members abstained from voting due to conflict of interest and no Commission on Ethics Forms 8B “Memorandum of Voting Conflict for County, Municipal and Other Local Public Officers” were submitted. A review of Sunshine Laws was provided to the OCX Board at their first meeting on June 21, 2011. On September 13, 2011, OCX General Counsel also discussed the use of iPads in terms of the Sunshine Law, in order to ensure information is available and accessible for public record.

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 has filed an Annual Financial Report with the Department of Financial Services for FY 2011 as required by Section 218.32(d), Florida Statutes. At the November 2011 meeting, the OCX Board appointed Jeff Jones as the Interim Chief Financial Officer and authorized Mr. Jones and the Board Chairman to sign the Financial Report.

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, minutes of meetings and notices of public meetings as posted on OCX’s website, and a sample of public meeting notices published in the Orlando Sentinel newspaper. The minutes of the meetings are comprehensive and include documents that are discussed or presentations made before the Board. 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. However, in FY 2012, OCX had not expended any funds, had no staff, and there were no procurements. OCX is committed to following applicable policies and statutes should funding be secured and procurements were to occur.

Consultant Contract Reporting

As previously noted, OCX had not expended any funds in FY 2012 and has not secured a general consultant. Those services are being provided by Osceola County, making this governance item not applicable at this time.

Compliance with Bond Covenants

OCX has not issued bonds, therefore, this governance item is not applicable at this time.

FY 2013 Funding

As a result of funding provided to OCX in FY 2013, OCX expended funds for various procurements. OCX has adopted a FY 2013 budget, engaged a firm to conduct an independent financial statement audit, and approved various amendments to its procurement policy. Osceola County and OCX entered into a Contribution Agreement whereby the County has agreed to advance funds to OCX to provide for operation and startup costs until OCX has a revenue producing project. Any funding provided to OCX by the County, including interest, must be repaid by OCX within 15 years of receiving the funds.

OCX finalized grant agreements with the Department in May 2012, whereby the Department provided \$2.5 million to the Authority for two PD&E Studies that will be conducted by FTE for the Osceola Parkway Extension and the SR 417 connection to the OCX system. These funds were deposited into an account managed by Osceola County and \$2.3 million was subsequently transferred to FTE.

As previously noted, in September 2012, an Agreement for Development of Poinciana Parkway was reached between Osceola County, Polk County, Avatar Properties and OCX that formally outlines the duties and responsibilities of each party. Osceola County agrees to provide planning, engineering, procurement and other staff support to facilitate the initial design and construction of Poinciana Parkway. Osceola County will also issue Series 2013 Bonds in a principal amount that will yield net proceeds sufficient to pay accrued interest, capitalized interest and the Poinciana Parkway project costs incurred by OCX. Osceola County is not obligated to secure the Series 2013 Bonds from any funds of Osceola County other than revenues generated by the Poinciana Parkway (primarily toll revenues). OCX will enter into a Lease-Purchase Agreement with Osceola County whereby OCX will be responsible for designing and constructing Poinciana Parkway. On or prior to the Poinciana Parkway Funding Date, Osceola County and Polk County agree to deposit \$6 million each to the Initial Project Account to pay a portion of the Poinciana Parkway Project costs. Osceola County will make payments to OCX, or its designees, from funds on deposit in the Initial Project Account. The \$6 million contribution made by Osceola County will be repaid, with interest, from the funds on deposit in the Bond's General Reserve Fund.

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 agendas and minutes of Board meetings, policies and procedures, various agreements that have been adopted by OCX, and a review of the OCX 2040 Master Plan.

On July 1, 2010, pursuant to House Bill 1271, 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. The new OCX Board met for the very first time on June 21, 2011.

In FY 2012, OCX did not expend any funds and did not employ any staff. Osceola County has elected to provide staff assistance and other support to OCX during the start up period. Jeffery Jones, Strategic Initiatives Director for Osceola County, is the registered agent for OCX under the Special District Program. In FY 2012, Osceola County provided OCX with meeting facilities, a website, legal and financial services, and a design and planning consultant to assist in developing the OCX 2040 Master Plan.

OCX conducted two Board workshops on the draft OCX 2040 Master Plan in March 2012. On April 10, 2012, the OCX Board reviewed the comments received at the two public meetings held in March 2012. The OCX Board scheduled a public hearing on May 8, 2012 to hear final comments at which time the Board adopted the Plan. 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. OCX finalized grant agreements with the Department in May 2012, whereby the Department provided \$2.5 million to the Authority. The funds will primarily be used for two PD&E Studies that will be conducted by Florida's Turnpike Enterprise.

As a result of funding provided to OCX in FY 2013, OCX expended funds for various procurements. OCX has adopted a FY 2013 budget, engaged a firm to conduct an independent financial statement audit, and approved various amendments to its procurement policy. 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.

In September 2012 (FY 2013), 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 agrees to provide planning, engineering, procurement and other staff support to facilitate the initial design and construction of Poinciana Parkway. Osceola County will also issue Series 2013 Bonds to pay for Poinciana Parkway project costs incurred by OCX. OCX will enter into a Lease-Purchase Agreement with Osceola County whereby OCX will be responsible for designing and constructing Poinciana Parkway.

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 start up period. The Commission encourages OCX

to continue to develop and implement policies and procedures to ensure proper governance of OCX, especially since funding has been provided to the Authority beginning in FY 2013. 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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Tampa Bay Area Regional Transportation Authority (TBARTA)

Background



The Tampa Bay Area Regional Transportation Authority (TBARTA) is an agency of the state of Florida, created in 2007 pursuant to Chapter 343, Part IV, Florida Statutes, for the purposes of improving mobility and expanding multimodal transportation options for passengers and freight throughout the seven-county Tampa Bay region.

TBARTA has the ability to plan, develop, finance, construct, own, purchase, operate, maintain, relocate, equip, repair, and manage public transportation projects, such as: express bus services; bus rapid transit services; light rail, commuter rail, heavy rail, or other transit services; ferry services; transit stations; park-and-ride lots; transit-oriented development nodes; feeder roads, reliever roads, bypasses; or, appurtenant facilities that are intended to address critical transportation needs or concerns in the Tampa Bay region identified by TBARTA by July 1, 2009. TBARTA also has eminent domain powers and can issue its own revenue bonds to finance construction or improvements to the system or can alternatively issue bonds through the Division of Bond Finance of the State Board of Administration. Effective July 1, 2011, the 2011 Legislature passed, and the Governor approved, Senate Bill 2152 that amended Chapter 343, Florida Statutes. This legislation repealed the authority for TBARTA to enter into Lease-Purchase Agreements with the Florida Department of Transportation. (The relevant language from SB 2152 is detailed in Appendix A.)

Highlights

- A Regional Transportation Master Plan for the seven-county Tampa Bay Region was adopted in May 2009 and focused on transit. The updated Master Plan adopted in June 2011 added regional freight and regional roadway networks.
- TBARTA is in the process of updating its Master Plan, before July 1, 2013, as statutorily required.
- Various studies of transit corridors, Bus Rapid Transit (BRT) and Managed Lane projects included in the TBARTA Master Plan are currently being funded by the Department.
- Through Joint Participation Agreements with the Department, the Department advanced funds in FY 2009 to TBARTA, from a \$2 million appropriation, to pay administrative expenses. Funding under the agreements ceased on June 30, 2011. TBARTA cumulatively expended \$1.3 million of the original \$2 million appropriation.
- In June 2011, TBARTA outsourced financial and accounting services.
- The FY 2012 independent audit of TBARTA financial statements reflected an unqualified opinion.
- TBARTA was disappointed in a joint report issued by Pinellas Suncoast Transit Authority (PSTA) and Hillsborough Area Regional Transit Authority (HART) as a result of a statutorily required study to identify greater efficiencies and service enhancements including possible consolidation of functions or organizational merger.
- Bay Area Commuter Services, Inc. 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.

Transportation Authority Monitoring and Oversight

TBARTA is considered an Independent Special District of the state of Florida and subject to the provisions of Chapter 189, Florida Statutes (Uniform Special District Accountability Act of 1989). Compliance with governance of TBARTA is being assessed primarily in accordance with Chapters 343 and 189, Florida Statutes, although it will include other applicable statutes.

The governing Board of TBARTA is comprised of 16 members (15 voting members and one non-voting member). The voting members consist of the following:

- One elected official appointed by the respective County Commissions from Citrus, Hernando, Hillsborough, Pasco, Pinellas, Manatee and Sarasota counties;
- One member is appointed by the West Central Florida Metropolitan Planning Organization Chairs Coordinating Committee (MPOCCC) who must be a chair of one of the six Metropolitan Planning Organizations in the region;
- Two members are the Mayor or the Mayor's designee of the largest municipality within the area served by the Pinellas Suncoast Transit Authority (PSTA) and the Hillsborough Area Regional Transit Authority (HART);
- One member is the Mayor, or designee, of the largest municipality within Manatee or Sarasota County, providing that the membership rotates every two years;
- Also on the Board are four business representatives appointed by the Governor, each of whom must reside in one of the seven counties of TBARTA; and,
- The one non-voting member shall be the District Secretary of the Florida Department of Transportation (Department) within the seven-county area of TBARTA.

The members appointed by the respective Commissions, MPOCCC, or Mayors serve two-year terms and may serve no more than three consecutive terms. The Governor-appointed members serve three-year terms and may serve only two consecutive terms.

Table 50 represents current TBARTA Board members and the Officers elected at the December 14, 2012 Board meeting. The incumbent Chairman, Ronnie Duncan, was not up for reelection because he was elected the previous year and serves a two year term. The incumbent Treasurer and Secretary were reelected by the Board to the same positions. Jim Kimbrough was elected as the new Vice Chairman.

Table 50
Tampa Bay Area Regional Transportation Authority
Current Board Members

<i>Name</i>	<i>Representing</i>	<i>Position</i>
Ronnie Duncan	Governor Appointee	Chairman
Jim Kimbrough	Governor Appointee	Vice Chairman
Hugh McGuire	Governor Appointee	Treasurer
Commissioner Karen Seel	Pinellas County	Secretary
Commissioner Rebecca Bays	Citrus County	Board Member
Commissioner Dave Russell	Hernando County	Board Member
Commissioner Ken Hagan	Hillsborough County	Board Member
Commissioner Betsy Benac	Manatee County	Board Member
Commissioner Jack Mariano	Pasco County	Board Member
Commissioner Nora Patterson	Sarasota County	Board Member
Councilman Bemis Smith	City of Bradenton	Board Member
Councilman Jeff Danner	City of St. Petersburg	Board Member
Mayor Bob Buckhorn	City of Tampa	Board Member
Commissioner Mark Sharpe	MPOCCC	Board Member
Cliff Manuel, Jr.	Governor Appointee	Board Member
Paul Steinman, P.E.	District Seven Secretary	Non-Voting Member

On January 1, 2009, Bob Clifford assumed the Executive Director position at TBARTA. As Executive Director, Mr. Clifford is responsible to the Board in carrying out its governance and fiduciary responsibilities, which include performance and management oversight of all administrative, financial, and planning duties. He leads the executive team, directs the budget preparation process, and is responsible for TBARTA compliance with all state and federal laws, rules and regulations.

Shortly after creation in 2007, TBARTA received \$40 thousand in combined contributions from area Metropolitan Planning Organizations, \$10 thousand in private contributions, and \$50 thousand was matched by the Tampa Bay Partnership (a non-profit organization promoting the Tampa Bay region). TBARTA used these funds to pay for legal services, audits, and the cost of travel and expenses related to conducting Board and Committee meetings. Accounting for these funds was provided by the Department's District Seven Office until December 2008. As a result of an appropriation from the 2008 legislature, TBARTA entered into a Joint Participation Agreement (JPA) with the Department, whereby in FY 2009 the Department advanced \$500 thousand of the \$2 million appropriated to TBARTA to pay initial administrative expenses. Although the original JPA required TBARTA to return any funds not expended by June 30, 2009, the 2009 and 2010 legislature appropriated unspent funds, and two other JPA's were entered into, whereby the funding was extended to June 30, 2011. The 2011 legislature did not appropriate unspent funds to TBARTA in FY 2012. 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. In June 2012, this agreement was renewed for an additional year. TBARTA's Accounting Manual was updated in

March 2012 and August 2012. In addition to TBARTA operating funds, TBARTA has received various Federal and State grants through the Commuter Services portion of TBARTA's programs (absorbed as part of Bay Area Commuter Services merger).

Statutory Requirements

Legislation requires TBARTA to conduct specific activities with prescribed deadlines. These requirements include developing a conflict resolution process, establishing committees, and developing a Regional Transportation Master Plan. Table 51 lists those statutory requirements and indicates whether those requirements have been met.

The Regional Transportation Master Plan for the seven-county Tampa Bay Region was adopted by the TBARTA Board on May 22, 2009. In developing the plan, comprehensive technical analysis and evaluation were required, and valuable input was provided by the TBARTA Transit Management Committee (TMC), the Citizens Advisory Committee (CAC), the Land Use Working Group, as well as multiple government agency partners and the public. The Master Plan includes a Mid-Term Regional Network for 2035 and a Long-Term Regional Network for 2050 and beyond. TBARTA worked closely with each county, to define a Supporting Network of transit services that would provide connections with the proposed Regional Network, improve circulation within each county and provide hundreds of miles of local or sub-regional transit services.

Section 343.922 (3)(b), Florida Statutes, requires TBARTA to consult with the Department to further the goals and objectives of the Strategic Regional Transit Needs Assessment (SRTNA). The Department's District Seven provided technical support in the development of the Master Plan and finalized a detailed assessment of regional transit

Transportation Authority Monitoring and Oversight

Table 51
Tampa Bay Area Regional Transportation Authority
Statutory Requirements

<i>Subject Area</i>	<i>Requirement</i>	<i>Status</i>
Conflict Resolution Process	Adopt a mandatory conflict resolution process that addresses consistency conflicts between TBARTA's regional transportation master plan and local government comprehensive plans by July 1, 2008. (Section 343.922 (3)(a), Florida Statutes)	Completed and adopted April 2008.
Transit Management Committee	Establish a Transit Management Committee (TMC) comprised of executives from each of the existing transit providers and Bay Area Commuter Services. (Section 343.92 (11)(a), Florida Statutes)	Completed. Appointments have been made and regular meetings have been held since January 2008. Polk County has expressed interest in joining TBARTA and attends the TMC meetings.
Citizens Advisory Committee	Establish a Citizens Advisory Committee (CAC) comprised of citizen members from each county and transit provider in the region, not to exceed 16 members. (Section 343.92 (11)(b), Florida Statutes)	Completed. Appointments have been made and regular meetings have been held since February 2008.
Regional Transportation Master Plan	Develop and adopt a Regional Transportation Master Plan that provides a vision for a regionally integrated multimodal transportation system by July 1, 2009. (Section 343.922 (3)(a), Florida Statutes)	Completed and adopted by the TBARTA Board on May 22, 2009.
	Before adoption of the Master Plan, hold at least one public meeting in each of the seven counties within the designated region. (Section 343.922 (3)(c), Florida Statutes)	Completed. iTownHall public meetings were held in each of the seven counties between April 27, 2009 and May 13, 2009.
	At least one public hearing must be held before the TBARTA Board before the Master Plan is adopted. (Section 343.922 (3)(c), Florida Statutes)	Completed. Public hearing was held on May 11, 2009. The public hearing from May 11, 2009 was also resumed at the regular TBARTA Board meeting on May 22, 2009 to allow additional public comments prior to adoption of the Master Plan.
	Present original Master Plan to governing bodies of the counties within the seven-county region, to the West Central Florida MPOCCC, and to the legislative delegation members representing those counties within 90 days after adoption. (Section 343.922 (3)(e), Florida Statutes)	Completed. Copies of Master Plan were provided to required parties by August 20, 2009 (90 days after adoption). Also, formal presentations to all seven Board of County Commissioners were conducted between June 9, 2009 and September 29, 2009.
	After adoption, the Master Plan shall be updated every two years before July 1. (Section 343.922 (3)(d), Florida Statutes)	Completed. Updated Master Plan was adopted by the TBARTA Board on June 24, 2011. iTownHall public meetings were held in each of the seven counties in April 2011 and a public hearing was held before the TBARTA Board on June 3, 2011. Copies of the Updated Master Plan were provided to the required parties by September 22, 2011 (90 days after adoption) as required. Also, formal presentations to all seven Board of County Commissioners or MPO's were conducted between August 23, 2011 and September 26, 2011.

opportunities as documented in the SRTNA report. This project was considered the first phase of additional phased project developments to be embarked upon by Districts One and Seven to address the anticipated needs and expansion of transportation in the Tampa Bay area.

Pursuant to Florida Statutes, the Master Plan must be updated every two years before July 1 of each period. On June 24, 2011, the TBARTA Board adopted an updated Master Plan. The inaugural Master Plan focused on regional transit as a major technical component missing in existing regional plans to that date. It created the framework for a seamless, linked transportation network, using a variety of modes (highways, rail, bus, ferry) where they are most effective. Subsequent to the inaugural Master Plan, a first set of corridor studies were identified and components important to regional mobility were evaluated, including regional freight movement, regional roadway plans, air quality concerns, and land use issues. Building upon the transit networks, regional freight and regional roadway networks were developed. The updated Master Plan defines networks of high-capacity corridors that demonstrate improved mobility and get people and goods to where they need and want to go, regardless of how many city boundaries or county lines are crossed.

Outside Influences

The Hillsborough County Board of County Commissioners placed a referendum on the November 2010 ballot that would have added an ongoing one percent sales tax in Hillsborough County to fund mobility projects, including transit and non-transit components, in Hillsborough County that support the Regional Network. The referendum was defeated by voters, primarily by those in the unincorporated portion of the county. Votes within the urbanized City of Tampa generally supported the referendum.

Additionally, in February 2011, Governor Rick Scott cancelled funding for a proposed high speed rail project between Orlando and Tampa.

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 public private partnerships, and addressing issues related to how the regional system will operate and who will operate it.

Current TBARTA corridor studies are funded by the Department and include:

- St. Petersburg to Clearwater through Greater Gateway Area (Pinellas Alternatives Analysis)
- Howard Frankland Bridge PD&E Study and Regional Transit Corridor Evaluation
- SR 54/SR 56 Express Bus/Managed Lanes Project Concept Development Study
- USF to Wesley Chapel Transit Corridor Evaluation
- I-75 Regional Bus Sarasota/Bradenton to Downtown Tampa Conceptual Analysis Study
- Westshore Area to Crystal River/Inverness Transit Corridor Evaluation
- I-75 Regional Bus Wesley Chapel to Downtown Tampa Conceptual Analysis Study
- Short-Term Regional Premium Transportation Enhancements Study
- Extension of Premium Services from Sarasota to Bradenton and North Port Regional Transit Corridor Evaluation

Transportation Authority Monitoring and Oversight

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.

The organization within TBARTA (renamed TBARTA Commuter Services) will sustain itself with its available financing and will provide 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. In December 2010, the Board authorized a Committee to review and compare TBARTA organizational policies and procedures

with other member counties to ensure that reasonable policies are in place as TBARTA grows.

In addition to the merger with BACS, TBARTA has embarked on a number of other new initiatives. These include identifying opportunities for collaboration and consolidation with other entities in the region; strengthening existing partnerships and examining the potential for new ones; identifying short-term solutions to traffic congestion such as shoulder bus operations and HOV and HOT (managed) lanes; increasing communication and outreach efforts to the public; and continuing to look for process improvements and potential cost-saving measures internally.

TBARTA has also taken a lead role in securing federal New Freedom funding to plan transit improvements for Citrus and Hernando Counties. This project is ongoing, with existing conditions identified, future plans concerning public transportation being incorporated, and identification of services/systems which could be made more cost effective and efficient by the combination of supporting activities and agencies. The project is expected to be completed in December 2013.

In Pinellas County, TBARTA has responded to a request from the Pinellas Suncoast Transit Authority (PSTA) Board for increased collaboration and assistance, including possible consolidation of activities to improve efficiency. TBARTA is leading efforts to identify similar opportunities for improved efficiency and collaboration throughout the Tampa Bay region. The TBARTA Board has also directed staff to continue to monitor and assist, as requested, with other studies in the region, including the PSTA Alternatives Analysis Study.

In Citrus County, TBARTA has contracted to provide staffing for the Citrus County TPO, as part of its federal transportation planning requirements and

public outreach. This work coordinates closely with that of New Freedoms, both of which leave open the possibility of combining and merging transportation planning activities between Citrus and Hernando Counties, and improving connectivity between the two counties.

Regionally, TBARTA is working with the MPOCCC to develop a Regional Public Participation Plan that will guide and direct public outreach across the regions, and in coordination with multiple MPOs and their respective public participation activities. TBARTA has also been contracted with the MPOCCC to provide website support and management.

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. Staff continues to work on this program to identify transportation service providers, contract services for call center activities, and develop a more robust online element. 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 funds must be expended by October 2014.

As part of its existing Commuter Services assistance to schools, parents, and students, "Schoolpooling" is switching to an online format, made possible by a federal Safe Routes to Schools grant. The existing TBARTA online ride-matching software systems, used for regular (non-school) carpooling, have been upgraded to allow area parents to register and obtain potential carpool

match lists of other parents (and students), saving time and trees over the former paper applications. This move from analog to digital streamlines the process for schools, parents, and TBARTA staff alike.

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 with TBARTA receiving approximately \$900 thousand.



Trolley in Downtown Tampa Supporting Network.

Presently, TBARTA is updating its Master Plan, before July 1, 2013, as statutorily required. The Master Plan Update is designed to ensure that the plan reflects the changing needs of the community and adds several components, including regional priority projects and new and emerging technologies. Figure 4 provides a map of the draft Regional Priority Projects 2013, updated on April 1, 2013, that will be considered for inclusion in the 2013 Master Plan Update. Other network maps considered for inclusion are also provided on the TBARTA website (Regional Roadway Network, Managed Lanes, Regional Freight Network, Mid-

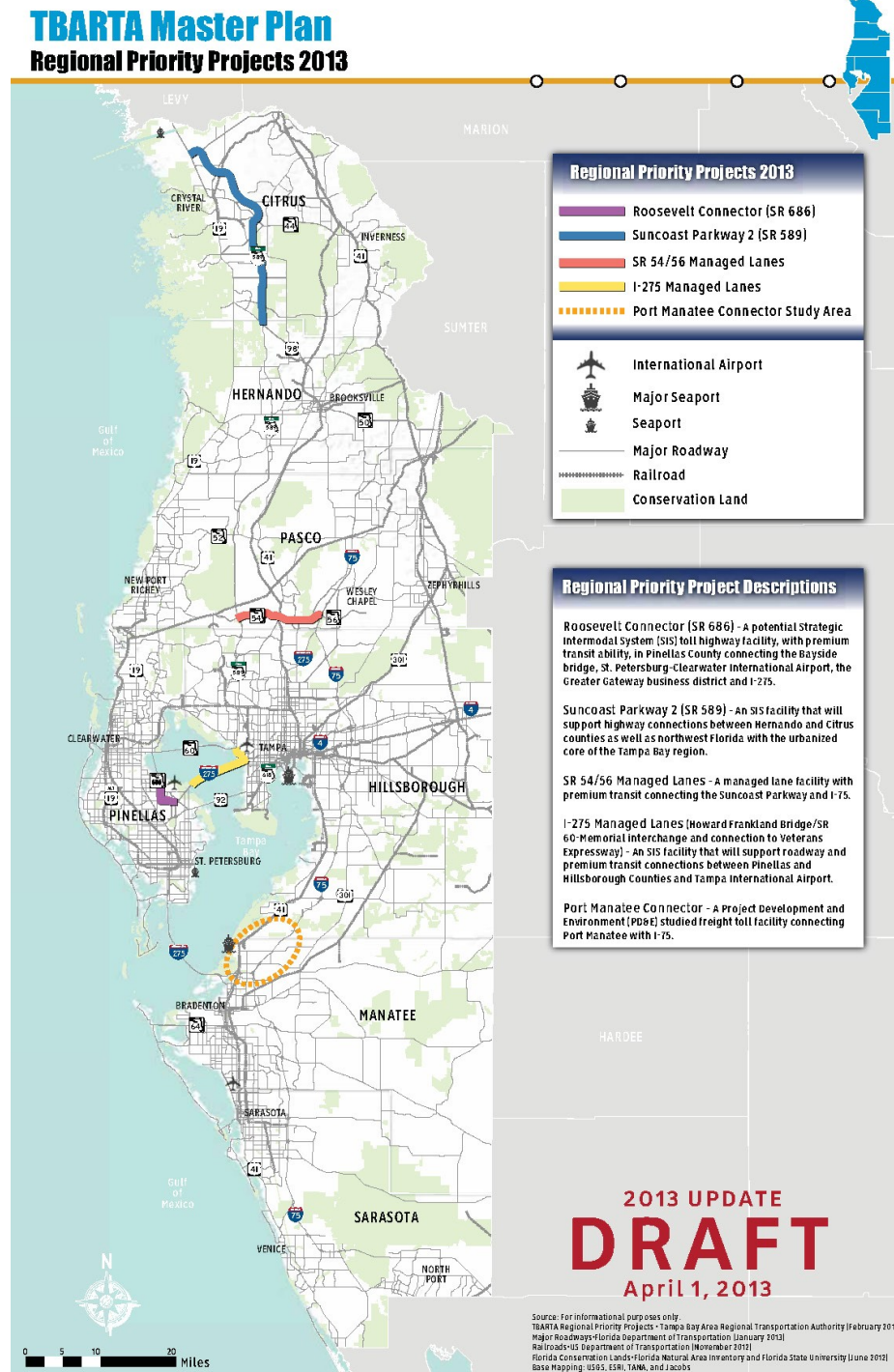


Figure 4: Map of Regional Priority Projects (2013).

Term Regional Transit Network and Long-Term Regional Transit Network).

To garner public interest and discussion, five telephone “TownHall” meetings were held in April 2013 for the seven-county region to discuss the

area’s transportation future, the Regional Transportation Master Plan, and the priority projects. Thousands of land-lines and cell phones were called each night through an automated system and invited to participate in the telephone

forum. Nearly 40 thousand people listened in as TBARTA Board members answered 116 questions live on the phone over the 5 events. TBARTA staff recorded many more comments and questions from callers that could not go live for discussion, as well as on social media and the TBARTA website. Key materials and documents related to the Master Plan were available online during the events, and will remain available through the June TBARTA Board meeting, where the Master Plan Update is up for adoption.

As part of a multi-faceted approach to gather commentary and generate discussion, TBARTA launched an interactive community forum website called TelITBARTA, where users can comment on topics and respond to each other, as well as connect with TBARTA staff.

House Bill (HB) 599, passed by the 2012 Florida Legislature and signed into law by Governor Scott on April 27, 2012, requires the Pinellas Suncoast Transit Authority (PSTA) and the Hillsborough Area Regional Transit Authority (HART) to conduct a joint study to identify greater efficiencies and service enhancements including possible consolidation of functions or organizational merger, with a report due to the Speaker of the House and President of the Senate by February 1, 2013. The legislation requires TBARTA to assist and facilitate PSTA and HART by “providing technical assistance and information regarding its Master Plan, make recommendations for achieving consistency and improved regional connectivity, and provide support to PSTA and HART in the preparation of their joint report and recommendations to the Legislature.” PSTA and HART hired an outside consultant to complete the report which was approved by both Boards and timely submitted on January 28, 2013. On January 30, 2013, TBARTA provided a letter to the Speaker of the House and President of the Senate providing comments on the implementation of the legislation by PSTA and

HART. TBARTA indicated that although they extended an offer to assist, they were not engaged to either assist or facilitate the efforts of HART and PSTA in retaining their consultant, in the preparation of their recommendations to the Legislature, or arranging joint meetings of the HART and PSTA Boards. Although the study outlines various options and vehicles by which collaboration between the Authorities can occur, TBARTA expressed disappointment that there were no joint legislative proposals, and the recommendations for formalized agreements between the two Authorities that would facilitate reorganization, merger, or consolidation of functions are “disparate at best.” TBARTA recommended that the substance of the law be reenacted by the 2013 Legislature, with an amendment authorizing TBARTA to help facilitate the continued dialogue and collaborative efforts substantially as set forth in the PSTA portion of the report and then present recommendations on the issues identified to the Legislature by February 1, 2014. (The relevant language from HB 599 is detailed in Appendix A.)

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, Bike Buddies, and/or

the Emergency Ride Home Program. In addition, TBARTA works with employers and their employees, under the Employee Commute Assistance Program, to encourage the use of bus, vanpooling, carpooling, biking, walking, teleworking and alternative work hour programs in commuting to and from work. The Vanpool Program is administered by vRide (formerly VPSI). vRide provides vanpool vehicles, auto liability, comprehensive and collision coverage, all scheduled preventative maintenance and repairs, customer billing, and customer support for the vanpool groups.

vRide was under contract with TBARTA through September 30, 2012, but the contract was extended through December 31, 2012. The extension was due to a delay in releasing a Request For Proposal (RFP) for these services as a result of pending federal legislation that affected commuter vanpool programs. The RFP resulted in a bid protest that resulted in depositions and hearing preparations. Based on General Counsel's recommendation, on January 25, 2013, the TBARTA Board withdrew the RFP and revised and reissued the RFP for the Vanpool Program service provider. vRide continues to provide vanpool services to TBARTA until a firm is competitively procured, through a second contract extension through June 30, 2013. The ultimate RFP process resulted in the selection of a vendor at a lower program cost. TBARTA has developed and continues to refine Agency performance measures to improve the delivery and efficiency of transportation services provided.

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 25, 2010). Bylaws were also adopted for any Committees created by the Board. The Bylaws state that Board members, staff and agents of TBARTA shall comply with the applicable provisions of the Code of Ethics for Public Officers and Employees set forth in Chapter 112, Part III, Florida Statutes, including the applicable financial disclosure requirements found in Sections 112.3145, 112.3148 and 112.3149, Florida Statutes. TBARTA indicated that there have been no ethics or conflict of interest violations or investigations. Commission staff reviewed TBARTA's Board minutes and did not find any recorded instances of ethics or conflict of interest violations or investigations. The meeting minutes did not disclose any instances where Board members abstained from voting due to conflict of interest and no Commission on Ethics Forms 8B "Memorandum of Voting Conflict for County Municipal and Other Local Public Officers" were submitted. In addition, on April 24, 2009 the Board adopted an Employee Policies and Procedures Manual that contains a section on Business Ethics and Conduct that also contains guidance and policy on ethics and conflicts of interest.

Audits

An annual independent audit of TBARTA financial statements for the fiscal year ended September 30, 2012 was performed. The Independent Auditor's Report, dated January 23, 2013,

indicated that the financial statements were prepared in conformity with GAAP and received an unqualified opinion. The Independent Auditor's Report on Compliance and Internal Control over Financial Reporting did not identify any deficiencies in internal control that were considered material weaknesses, and the results of audit tests did not disclose instances of noncompliance required to be reported under Government Auditing Standards. The Independent Auditor's Report on Compliance and Internal Control over Compliance Applicable to Each Major State Project 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 regarding the Authority's management, accounting procedures, internal controls or other matters required to be disclosed. The auditors did note that corrective action was taken by TBARTA to address all prior year findings.

Public Records and Open Meetings

The adopted Bylaws (as amended June 25, 2010) require that the Board and Committees of TBARTA comply with the requirements of Chapters 286, 119 and 120, Florida Statutes. TBARTA reported that there have been no violations or allegations of non-compliance.

Commission staff reviewed agendas, minutes of meetings and notices of public meetings as posted on TBARTA's website www.tbarta.com. The minutes of the meetings are comprehensive and include documents that are discussed or presentations made before the Board. Each monthly Board agenda package includes a list of upcoming Board, CAC, TMC, Executive Committee, and other TBARTA meetings. Pursuant to Section 189.417, 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. In August 2012, the TBARTA Board amended its Bylaws requiring the newspaper publication of its Board meetings. Although meeting notices are posted on TBARTA's website, TBARTA did not advertise Board meetings in a newspaper of general paid circulation as required under Section 189.417, Florida Statutes, and its Bylaws.

Based on this limited review, it appears that TBARTA is operating within procedure and statute, except for Board meeting advertising as noted above. After internal legal review and discussion, TBARTA recognized it was in error and changed its Bylaws to address adding the publication of meeting notices in general circulation publications. Because TBARTA is a seven county entity, there is no one such publication. TBARTA mistakenly thought that waiting until the beginning of the calendar year would suffice, but has since rectified the situation and is now meeting the advertising requirement.

At the December 2010 Board meeting, General Counsel provided a briefing on ethics, sunshine laws and public records and also provided additional training at the December 2011 Board meeting. In January 2013, General Counsel again provided a briefing on the sunshine law, public records and code of ethics to the TBARTA Board with a comprehensive written summary of key points provided.

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.

Consultant Contract Reporting

TBARTA has not secured a general consultant. Those services have been provided by the

Department's District Seven, making this governance item not applicable at this time. In FY 2012, TBARTA utilized procured services for Legal Support, Audit Services, and Accounting 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.

Other

The Board has adopted a number of policies and procedures to help guide the business of TBARTA. The Commission will monitor compliance with these policies and future policies as they are fully implemented.

Summary

The 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 agendas and minutes of Board meetings, policies and procedures that have been adopted by TBARTA, various contracts, and a review of the audited financial statements.

The FY 2012 independent financial statement audit, dated January 23, 2013, reflected an unqualified 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 and noted that corrective action was taken by TBARTA to address all prior year findings.

Although meeting notices are posted on TBARTA's website, TBARTA did not advertise Board meetings in a newspaper of general paid circulation as

required under Section 189.417, Florida Statutes, and its Bylaws. TBARTA indicated that it has rectified the situation and is now meeting the advertising requirements. General Counsel provided training to Board members on the sunshine law, public records, and code of ethics at the December 2011 and January 2013 Board meetings.

TBARTA adopted a Regional Transportation Master Plan for the seven-county Tampa Bay Region in May 2009 that focused on regional transit. Building upon the transit networks developed in the inaugural Master Plan, the TBARTA Board adopted an Updated Master Plan in June 2011 that developed regional freight and regional roadway networks. 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.

TBARTA is in the process of updating its Master Plan, before July 1, 2013, as statutorily required. To garner public interest and discussion, five telephone "Townhall" meetings were held in April 2013 for the seven-county region to discuss the

area's transportation future, the Regional Transportation Master Plan, and the priority projects. Thousands of land-lines and cell phones were called each night through an automated system and invited to participate in the telephone forum.

House Bill 599, passed by the 2012 Legislature, requires Pinellas Suncoast Transit Authority (PSTA) and Hillsborough Area Regional Transit Authority (HART) to conduct a joint study to identify greater efficiencies and service enhancements including possible consolidation of functions or organizational merger. The required report was timely submitted by PSTA and HART to the Legislature on January 28, 2013. On January 30, 2013, TBARTA provided a letter to the Legislature commenting on the implementation of the legislation. Although the legislation required TBARTA to assist in the study, they were not engaged to either assist or facilitate the efforts of PSTA and HART in retaining their consultant, in the preparation of their recommendations to the Legislature, or arranging joint meetings of the PSTA and HART Boards. TBARTA expressed disappointment that the report contained no joint legislative proposals, and recommendations for formalized agreements that would facilitate

reorganization, merger or consolidation of functions are disparate at best. TBARTA recommended that the substance of the law be reenacted by the 2013 Legislature and to authorize TBARTA to facilitate ongoing collaboration between PSTA and HART and to provide recommendations to the Legislature by February 1, 2014.

Based on the Commission's review of Board meeting minutes, 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, except for public meeting advertising noted above.

The Commission encourages TBARTA to continue to develop and implement policies and procedures to ensure proper governance of TBARTA expanded operations as a result of the BACS merger. The Commission acknowledges with appreciation the assistance of the TBARTA Board and staff in providing the resources necessary to conduct this review and to complete this report.

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Summary of Fiscal Year 2012 Findings

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Summary of Fiscal Year 2012 Findings

Miami-Dade Expressway Authority (MDX)

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

MDX met or exceeded 12 of the 16 applicable management objectives established for performance measures. The four performance measure objectives not met include revenue variance, safety, debt service coverage - bonded/commercial debt, and debt service coverage - comprehensive debt. Although MDX did not meet the two performance measure objectives established by the Commission for debt service coverage and its own senior debt service policy, MDX did comply with its bond covenant requirements for debt service coverage.

Operating indicator trend analysis showed that FY 2012 infrastructure assets increased \$129 million over FY 2011 due to completion of the reconstruction of the SR 874/Killian Parkway interchange, construction of the eastbound auxiliary lane on SR 836, steel bridge/structure painting and repairs, and hardware and software development for full ORT toll system conversion. FY 2012 total operating revenues increased \$0.8 million, or 0.7 percent, over FY 2011 while total operating expenses increased \$5.9 million, or 10.8 percent. Total toll collection expenses for FY 2012 increased 20.4 percent (\$4.1 million) over FY 2011, while maintenance and administration expenses decreased 0.4 percent and 10.1 percent, respectively. The increase in toll collection expenses is primarily due to an increase in

SunPass processing costs assessed to MDX by the Turnpike Enterprise as a result of processing more SunPass transactions. Total toll transactions increased 5.7 percent in FY 2012, with ETC transactions increasing 7.9 percent and cash transactions decreasing 28.7 percent. Although the underlying bond ratings for MDX bonds remained unchanged during FY 2012, Standard and Poor's Rating Services lowered the rating to A- from A in October 2012. The downgrade was primarily attributed to a decline in FY 2012 debt service coverage that was below MDX's budget and minimum debt service policy coupled with a comparable debt service coverage forecast for FY 2013.

In the area of governance, the FY 2012 independent financial statement audit reflected an unqualified opinion. Three recommendations for improvement were provided in the Auditor's Management Letter relating to an audit of the Account Management Toll Enforcement Center's (AMTEC's) third party service provider, various information technology issues, and various operational issues pertaining to AMTEC's third party service provider including the development of a system that will allow MDX independent access to information needed for financial purposes and up-to-date and accurate customer account information.

In September 2012 (FY 2013), MDX entered into a Memorandum of Understanding with the Turnpike Enterprise, Orlando-Orange County Expressway Authority and Tampa-Hillsborough Expressway Authority to adopt an Interlocal Agreement to manage the procurement and engagement of a third-party private sector vendor to provide a Centralized Customer Service System that will provide statewide back office operation for administration of electronic toll collection activities including customer account maintenance, transponder distribution, and violations processing.

In March 2013, the MDX Board approved a toll policy whereby the currently untolled segments on SR 836 and SR 112 will be tolled by FY 2015. The Board also approved a new toll policy that eliminates the \$3.00 administrative fee, effective July 1, 2013 (FY 2014). In lieu of the administrative fee, the rate for customers who choose to use Toll-by-Plate will be twice the SunPass rate. In addition, effective July 1, 2017 (FY 2018), all toll rates on all MDX facilities will be indexed to the Consumer Price Index.

In April 2013 (FY 2013), MDX issued \$270 million in fixed rate Toll System Refunding Revenue Bonds, Series 2013A, to refund outstanding 2001A, Series 2002 and Series 2004B Bonds for an estimated net present value savings of \$29 million.

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

The Commission recognizes MDX for its ongoing efforts to implement Open Road Tolling on all of its facilities and encourages MDX to continue to develop and pursue action plans to help meet established performance measure objectives. The Commission acknowledges with appreciation the assistance of the MDX Board and staff in providing the resources necessary to conduct this review and to complete this report.

Orlando-Orange County Expressway Authority (OOCEA)

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

OOCEA met or exceeded all 16 of the applicable management objectives established for performance measures. FY 2012 minority participation significantly exceeded FY 2011 levels.

Operating indicator trend analysis showed that infrastructure assets increased \$66 million in FY 2012 primarily due the completion of widening projects on SR 528 and SR 408, and the opening of the Dallas Boulevard Plaza on SR 528. In FY 2012, construction in progress increased \$63 million primarily due to work that continued on the SR 414/SR 429 and SR 408/SR 417 interchanges, and the start of a 1.3 mile widening project on SR 408. FY 2012 operating revenue increased \$4.5 million, or 1.7 percent, over FY 2011 and total operating expenses increased \$12.6 million, or 16.4 percent, due to an increase in preservation needs (resurfacing and restriping). Toll collection and maintenance expenses for FY 2012 decreased 1.8 percent and 9.5 percent, respectively, over FY 2011 while administrative expenses increased 5.7 percent due to legal fees incurred to appeal an attorney fee award and bond rating agencies professional services and fees. Renewal and replacement expenses for FY 2012 are reported at \$13.7 million. This increase of \$12.0 million over FY 2011 represents planned expenditures in OOCEA's five year Work Plan. In

October 2011, Moody's Investor Services, Inc. downgraded the underlying ratings of OOCEA bonds from A1 to A2 with a negative outlook. The downgrade was primarily attributed to lower than forecasted traffic and revenue growth combined with reduced operating revenue support from the Department. Standard and Poor's and Fitch continue to assign an A rating for all OOCEA bonds with a stable outlook. Key rating drivers include a proven ability to manage tolls, good physical condition of assets and a large commuter traffic base.

In the area of governance, the OOCEA Board amended its Code of Ethics policy four times in FY 2012. These amendments related to political activity, additional disclosure of business associates by Board members and acceptance of gifts. The FY 2012 independent financial statement audit reflected an unqualified opinion.

OOCEA routinely conducts a number of internal audits and reviews each year and has implemented many of the recommendations contained therein. An outside consulting firm, Protiviti Inc., provides independent internal audit support services to OOCEA's Audit Committee and Board and independently verifies and reports the status of all audit/review recommendations. The status of all recommendations for OOCEA improvements since 2005 that have not yet been implemented is provided in Appendix C. The following list identifies audits and reviews that were issued during, or subsequent to, FY 2012.

- IT Strategic Alignment Benchmark (July 2011) - Benchmarked OOCEA against other Information Technology (IT) organizations to identify IT areas that do not align with strategic business requirements and to identify changes that need to take place in order to drive higher performance.
- 2011 Fraud Risk Assessment (September 2011) - In conjunction with the FY 2012 Internal Audit planning process, Internal Audit executed a fraud risk assessment. Of the 14 fraud scenarios identified, only one area was selected for further testing (Unauthorized/improper use of corporate credit cards/misuse of company funds).
- Human Resources Process Review (September 2011) - Reviewed Human Resources with a focus on policies, procedures and related internal controls around key processes. Also, OOCEA's succession strategies were compared to leading practices to identify opportunities for improvement.
- Prior Audit Recommendations Summary and Follow-Up on the 2005 and 2007 Orange County Audits (February 2012) - Compiled a summary of all recommendations issued and tracked from prior internal audit reports, specifically verifying that management continues to follow the audit recommendations issued in the Orange County Audits.
- Right of Way Audit (February 2012) - Reviewed the right of way acquisition process and related internal controls, including the exercise of OOCEA's power of eminent domain. Compliance with OOCEA's right of way procedures and Chapters 73 and 74, Florida Statutes, were also tested.
- Toll Violations Audit (March 2012) - Reviewed OOCEA's process for toll violation capture, identification, processing, billing, collection, posting of payments, and supporting technology to address the risk that OOCEA does not identify and collect on valid toll transactions.

- 2012 Contracts Audit (May 2012) - Audited contracts for a sample of large engineering, service, maintenance, operations, and/or construction projects. Audit objectives were to determine the accuracy of items billed to OOCEA and to test processes and controls around contract bidding and execution, budgeting, billing, project oversight, reporting and supplemental agreement management.
- PCI Compliance Audit (November 2012) - Tested OOCEA's conformity with Payment Card Industry (PCI) Data Security Standard (DSS) - report is exempt from public records disclosure.

In February 2012, OOCEA and the Department entered into a Memorandum of Understanding (MOU) that delineates the plan to fund, design, construct, own, operate and maintain the Wekiva Parkway (codified in HB 599, passed by the 2012 Legislature). OOCEA will independently finance, build, own and manage certain sections of the Wekiva Parkway, primarily in Orange County, while the Department is responsible for the remaining portions in Lake and Seminole Counties. As part of this agreement, OOCEA has agreed to 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 debt advances are eliminated.

A forward looking toll structure was approved in 2009 that indexes tolls to the Consumer Price Index with a three percent annual floor beginning in FY 2013, and every five years thereafter. On July 1, 2012 (FY 2013), OOCEA implemented a toll rate increase at approximately 98 percent of its toll collection sites.

In September 2012 (FY 2013), OOCEA entered into a MOU with the Turnpike Enterprise, Miami-Dade Expressway Authority and Tampa-Hillsborough

Expressway Authority to adopt an Interlocal Agreement to manage the procurement and engagement of a third-party private sector vendor to provide a Centralized Customer Service System that will provide statewide back office operation for administration of electronic toll collection activities.

In November and December 2012 (FY 2013), OOCEA issued \$618.6 million in fixed rate Refunding Revenue Bonds (Series 2012, 2013A and 2013B) in order to capitalize on historically low interest rates and to convert variable rate debt to fixed rate debt. OOCEA realized a net present value savings of \$30 million while reducing its percentage of variable rate debt from 38 to 24 percent of its total bond indebtedness.

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

The Commission recognizes the positive performance results and acknowledges, with appreciation, the assistance of the OOCEA Board and staff in providing the resources necessary to conduct this review and to complete this report.

Santa Rosa Bay Bridge Authority (SRBBA)

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

The SRBBA Board is the governing body responsible for oversight of the Authority. The Authority does not have funding for administrative expenses because all revenue is used to pay debt service on outstanding bonds. The SRBBA Board met in January 2009 and adopted an amendment to the Lease-Purchase Agreement, whereby the Department provides funding for administrative expenses, as approved by the Department at its sole discretion. The Authority is required to reimburse the Department in the same manner and priority as operating and maintenance expenses (after debt service payments).

Subsequent to the amended Lease-Purchase Agreement, the Board met in April 2009 and did not meet again until April 2010. The Board met three times in FY 2011 (August 2010, October 2010 and December 2010) and did not meet again until December 2011 because of a lack of quorum necessary to conduct business. Subsequent to December 2011, the Board met in February 2012, April 2012, September 2012, and April 2013, with the next SRBBA Board meeting scheduled for July 2013. Within a five month period of time (November 2010 through March 2011), six members resigned from the SRBBA Board. Currently, there are three vacant positions on the Board.

SRBBA met or exceeded 6 of the 11 applicable management objectives established for performance measures. The five performance measure objectives not met include: electronic toll collection transactions; cost to collect a toll transaction; and, the three objectives established for debt service coverage. SRBBA is in default on its bonds by failing to meet toll covenants relating to debt service coverage and reserve account requirements and for failure to make required principal and interest payments on SRBBA bonds as they become due and payable. The Trustee for the SRBBA Bonds (Bank of New York Mellon) indicated that gross revenues will be insufficient for the foreseeable future to continue to pay debt

service on the bonds and retained legal counsel and a financial advisor in November 2011 to represent the Trustee. The scope of services for the financial advisor includes assistance with the development and negotiation of restructuring alternatives for the Bonds and monitoring and participating in meetings and discussions among interested parties. Currently, no specific proposals for refinancing/restructuring have been submitted for consideration. 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.

Operating indicator trend analysis showed that FY 2012 toll revenue increased 7.4 percent while toll transactions increased 3.1 percent over FY 2011 levels. The increase in traffic and revenue is attributed to a rebound in traffic and the full impact of the January 2011 toll rate increase (i.e., the toll rate increase was in effect throughout FY 2012). 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. Total operating expenses for FY 2012 decreased approximately \$334 thousand, or 20.4 percent, over FY 2011 while total operating revenues increased \$316 thousand, or 7.4 percent. The decrease in operating expenses is related to periodic maintenance expenses for bridge repairs incurred in FY 2011 but not incurred in FY 2012. Finally, the underlying bond ratings for SRBBA bonds are considered “non-investment grade.” The ratings assigned to the bonds when originally issued were subsequently lowered due primarily to poor traffic

and revenue performance relative to the original forecasts and draws on the debt service reserve to make required debt service payments. All three rating agencies further downgraded SRBBA bonds in FY 2011 because the required July 1, 2011 debt service payment was not made. There were no changes in SRBBA bond ratings in FY 2012, except that Moody's withdrew their rating "due to insufficient information."

In the area of governance, SRBBA has not had a required independent financial statement audit performed for several years as required in the bond resolution and various Florida Statutes. Quarterly financial statements are not being prepared and are not being submitted to the Trustee as required in the bond resolution. SRBBA has been working with the Trustee to obtain funding for the required audits and to upgrade the accounting system. Currently, the Trustee has not indicated if audit funding will be provided. As a result of the SRBBA Board not meeting, the Authority did not enforce provisions of the Lease-Purchase Agreement relating to the Department's obligations in connection with the system. However, during the Commission's review, no instances of Department noncompliance were noted. SRBBA does not currently have a traffic and revenue consultant. As such, recommendations for revisions to the toll schedule, as required in Section 5.02 of the bond resolution, cannot be considered by the Board. It was also noted that public records requests and various correspondence was not always responded to by SRBBA in a timely manner.

In November 2010, the SEC requested numerous SRBBA documents and requested that the SRBBA Chairman, Vice Chairman, General Counsel and FDOT's Administrative Assistant testify before the SEC. Requested documents were provided and no further information regarding the SEC inquiry is available at this time. At the December 2010 SRBBA Board meeting, concerns were expressed by Board members about their potential liability

and legal costs that might be incurred as a result of any SEC investigation because there is no funding or insurance to protect Board members. In September 2011, the Trustee agreed to pay for Directors and Officers liability insurance for Board members and to fund legal counsel for SRBBA. As such, necessary appointments were made to reform an active SRBBA Board in December 2011 so that decisions can be made about how to deal with the continuing default. Currently there are three vacant positions on the seven member Board. An affirmative vote of at least four members is needed for any action taken by the Board.

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

Because the SRBBA Board was not meeting on a regular basis, Commission staff finds there was inadequate governance of the Authority. The Commission further recognizes that SRBBA defaulted on its bonds on July 1, 2011 and the Trustee has retained legal counsel and a financial advisor to assist in developing restructuring alternatives for the bonds. The Commission will continue to monitor SRBBA, its reformed Board, and the operations of the Garcon Point Bridge and will coordinate with the Department on any issues that arise. The Commission will continue to keep the Governor and Legislature apprised of the situation. The Commission would like to acknowledge with appreciation the assistance of the Department and SRBBA in providing information necessary for completion of this report.

Tampa-Hillsborough County Expressway Authority (THEA)

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

THEA met or exceeded all 16 of the applicable management objectives established for performance measures. Improvement was noted for the roadway maintenance condition rating in FY 2012.

Operating indicator trend analysis showed that the increase in infrastructure assets is primarily due to \$6.7 million of infrastructure improvements related to THEA's AET system and \$15.5 million of infrastructure improvements due to final construction payments related to the REL project. FY 2012 total operating expenses decreased \$0.5 million, or 3.3 percent, over FY 2011 while operating revenues increased \$2.5 million, or 6.2 percent. FY 2012 total toll collection expenses increased \$0.3 million, or 8.4 percent, and routine maintenance expenses increased \$0.2 million, or 5.1 percent, over FY 2011. Administrative expenses for FY 2012 increased \$0.3 million, or 14.6 percent, while depreciation expenses decreased \$2.2 million, or 50.1 percent, primarily due to ITS equipment being fully depreciated.

In the area of governance, the FY 2012 independent financial statement audit reflected an unqualified opinion. No recommendations for improvement were noted in the Auditor's Management Letter.

In September 2012 (FY 2013), THEA entered into a Memorandum of Understanding with the Turnpike Enterprise, Miami-Dade Expressway Authority and Orlando-Orange County Expressway

Authority to adopt an Interlocal Agreement to manage the procurement and engagement of a third-party private sector vendor to provide a Centralized Customer Service System that will provide statewide back office operation for administration of electronic toll collection activities including customer account maintenance, transponder distribution, and violations processing.

In November 2012, the THEA Board amended its Toll Rate Policy whereby an annual system-wide toll increase will be implemented at all THEA tolling locations beginning on July 1, 2013 (FY 2014). Tolls will be adjusted annually at a minimum of 2.5 percent, or the latest five-year average of the Consumer Price Index, in order to keep pace with inflation. In addition, the video toll rate differential will be adjusted annually to recover the cost above that to collect tolls with transponders. Toll rate changes above indexing will require a public hearing.

Pursuant to an amended Memorandum of Agreement between the Department and THEA, in December 2012 (FY 2013), THEA issued \$404 million in fixed rate Refunding Revenue Bonds and \$40 million in fixed rate Taxable Revenue Bonds. Bond proceeds were used to: fully defease THEA's current outstanding bonds; pay all amounts owed to the Department under the SIB and TFRTF loans; and fund THEA's portion of the I-4/Selmon Expressway Connector and a portion of the costs related to THEA's AET conversion. Upon issuance of the Bonds, the Lease-Purchase Agreement with the Department terminated. THEA now operates and maintains the expressway system and retains title and absolute ownership of the expressway system. The agreement also requires THEA to fully repay its long-term debt to the Department in 20 equal annual installments beginning July 1, 2025 (currently estimated at approximately \$10.8 million annually).

Based on the Commission's review of Board meeting minutes, 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 THEA's efforts in securing financial independence from the State of Florida. The Commission acknowledges with appreciation the assistance of the THEA Board and staff in providing the resources necessary to conduct this review and to complete this report.

Central Florida Regional Transportation Authority (CFRTA/LYNX)

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

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

LYNX met or exceeded 6 of the 12 fixed route objectives established for performance measures. The six fixed route measures that were not met include: operating expense per revenue mile,

operating expense per revenue hour, operating expense per passenger trip, operating expense per passenger mile, the ratio of revenue miles to vehicle miles, and on-time performance. Four of the six objectives not met include operating expense components. The Commission encourages LYNX to focus on containing those costs moving forward.

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 2012 operating expenses increased \$2.7 million, or 3.1 percent, while operating revenues decreased \$467 thousand, or 1.3 percent, over FY 2011. LYNX logged 1.2 million, or 4.4 percent, more passenger trips (a record high) and the average trip length increased by 0.2 miles in FY 2012. As a result, passenger miles increased 11.8 million, or 8.4 percent. Revenue miles increased 5.3 percent, while revenue hours increased 1.7 percent from FY 2011. The farebox recovery ratio increased from 28.7 percent in FY 2011 to 29.3 percent in FY 2012 (a record high) and the average fare increased from \$0.91 in FY 2011 to \$0.92 in FY 2012.

In the area of governance, the FY 2012 independent financial statement audit expressed an unqualified 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 one finding related to the accuracy of data reported in the National Transit Database Report.

The Orange County Comptroller's Office conducted an audit of CFRTA that included a review of internal controls relating to cash fare revenue collections, performance measure reporting, and compliance with the executed Funding Agreements with Orange County. The February 2012 Audit

Report indicated that LYNX materially complied with the requirements and terms of the Funding Agreements and that internal controls were adequate. However, nine recommendations for improvement were provided by the auditors. LYNX management concurred or partially concurred with all the recommendations for improvement. Currently, all nine of the recommendations have been completed by LYNX.

Phase I of SunRail is currently under construction and is expected to be operational in 2014. LYNX will provide 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 is developing a SunRail Fare Policy, Equipment, and Implementation Plan to assist with the seamless interoperability between LYNX and SunRail systems. A joint solicitation between LYNX and the Department was released for the purchase of Fare Collection System Equipment.

Based on the Commission's review of Board meeting minutes, 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)

JTA is a multi-modal public transportation authority operating within Duval County and portions of three adjacent counties. 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.

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

JTA met or exceeded 5 of the 12 objectives established for performance measures for bus. The seven measures that require improvement include: operating expense per revenue mile, operating expense per revenue hour, operating expense per passenger trip, revenue miles between safety incidents, customer service (number of complaints and complaint response time), and on-time performance. JTA met or exceeded 7 of the 12 performance measures for Skyway. The five measures that require improvement include: operating expense per revenue mile, operating expense per revenue hour, the ratio of operating revenue to operating expense, revenue miles between safety incidents, and revenue miles between failures. JTA met or exceeded all four of the applicable performance measures for Highways.

JTA continues to provide fixed route bus service to the community it serves and does so with a great deal of consistency over a variety of operating parameters. FY 2012 operating expenses increased 7.7 percent and operating revenues increased 24.0 percent over FY 2011. The

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significant revenue increase is a result of the fare increase implemented on January 30, 2012. Weekday ridership and revenue service hours decreased 1.6 percent and 9.4 percent, respectively. JTA logged 1.8 percent fewer revenue miles in FY 2012. Because JTA logged 2.1 percent fewer passenger trips, and the average trip length increased by 0.4 miles, passenger miles increased by 4.4 percent. The farebox recovery ratio increased from 16.8 percent to 19.4 percent, while the average fare increased from \$0.82 to \$1.04. The Commission encourages JTA to continue to focus on reducing expenditures.

Concurrent with implementation of the STAR Card electronic fare payment system, JTA suspended fares on the Skyway system beginning January 30, 2012 until at least September 30, 2013. In addition, JTA's fixed route bus system redesign includes more routes terminating at Skyway stations. As a result, significant increases in Skyway utilization and significant decreases in revenue related operating indicators were noted for the Skyway in FY 2012. Operating revenue has declined annually since FY 2007. The farebox recovery ratio fell to 1.1 percent and the average fare decreased to \$0.08 in FY 2012, record lows. Operating expenses increased 7.5 percent over FY 2011. JTA logged 62.5 percent more passenger trips and the average trip length increased 0.1 miles in FY 2012. As a result, passenger miles increased by 162 thousand to 375 thousand (an increase of 76.2 percent). FY 2012 revenue miles and revenue hours increased 6.8 percent and 23.5 percent, respectively, from FY 2011 while average weekday ridership increased 61.2 percent. The average age of the Skyway fleet is 13.6 years.

In the area of Governance, the FY 2011 Independent Financial Statement Audit reflected

an unqualified 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 identified four management recommendations regarding: Davis-Bacon certified payrolls, documentation of controls, census data provided to actuaries and information technology security policies. The auditors also noted that four of the five management recommendations from the prior year were addressed with the recommendation related to capital asset inventory still relevant.

Although Board meeting notices are posted on JTA's website, minutes of Board meetings are not posted. The Commission recommends that JTA consider expanding the public Board meeting information posted on its website www.jtafla.com.

On December 3, 2012 (FY 2013), Nathaniel Ford assumed the position of Executive Director/Chief Executive Officer of JTA. In late January 2013, JTA unveiled a major reorganization plan that included a chief of staff and five vice presidents which all report directly to the Executive Director. The new organizational structure will allow for quicker decision-making and has clearer lines of responsibility and accountability. JTA advertised locally and nationally for the new positions and currently has filled all six of the senior management positions.

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

The Commission encourages JTA to continue its efforts to achieve all of its performance objectives. In addition, the Commission acknowledges with appreciation the cooperation and assistance on the part of the JTA Board and staff in providing the resources necessary to complete this review.

South Florida Regional Transportation Authority (SFRTA/Tri-Rail)

SFRTA is a full-service public transportation authority operating within a 5,128-square-mile service area throughout Broward, Miami-Dade, and Palm Beach counties. SFRTA continues to expand its service parameters and relies on fare revenues, federal and state grants, and significant financial support from its local partners to fund commuter rail operations.

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

SFRTA met or exceeded 8 of the 11 objectives established for performance measures. The three measures that require improvement include operating revenue per operating expense, operating expense per passenger mile and the number of customer complaints per boardings.

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 2012 operating expenses increased 5.6 percent, while operating revenue increased 9.3 percent over FY 2011. The farebox recovery ratio increased to 23.2 percent (a 4.0 percent increase) while the average fare grew from \$2.86 to \$2.98 (a 4.2 percent increase). FY

2012 average weekday ridership increased 5.3 percent over FY 2011. SFRTA logged 5.1 percent more passenger trips in FY 2012, while the average trip length decreased 4.7 percent, resulting in a 0.3 percent increase in passenger miles. Revenue hours increased 0.2 percent and revenue miles increased 2.2 percent. The average number of years since the last rebuild was 10.2 years for locomotives and 11.2 years for coaches. Delivery of new locomotives and rolling stock are anticipated to occur over the next year that will position SFRTA for future service expansion.

In the area of Governance, the FY 2012 annual Independent Financial Statement Audit reflected an unqualified opinion. In the Independent Auditor's Management Letter, the auditors noted that one of the five management recommendations for improvement noted in the prior year audit remained outstanding. SFRTA is coordinating with Miami-Dade Transit (third party service provider) in obtaining a SSAE 16 Audit. In September 2012, the Federal Transit Administration (FTA) issued the FY 2012 Triennial Review of SFRTA with no findings or deficiencies noted in any of the 24 specific areas reviewed. This marks the second consecutive Triennial Review with no findings.

A major milestone of the Department's South Florida East Coast Corridor (SFECC) Study was the development of a draft Locally Preferred Alternative (LPA)/Master Plan in 2010. The plan included full integration with the existing Tri-Rail system and the provision of local and express services on the southern portion of the FEC corridor. However, significant capital costs and annual operating costs were projected. In October 2011, SFRTA proposed a more cost-feasible plan (Fast Start Plan for Tri-Rail Coastal Service) that would utilize SFRTA's existing fleet, rail yards, facilities, equipment and contracts to merge routes

on both corridors as an extension of its existing Tri-Rail service. The Fast Start Plan would accelerate the integration of services in a three to five year timeframe and calls for adding a continuous second track on the FEC corridor, which would accommodate SFRTA's proposed 56 passenger trains per weekday on the FEC. The SFECC Study is now evaluating a scaled back LPA/Master Plan and is nearing consensus on an approach to implement integrated segments in the near term. "Tri-Rail Coastal Link" is now the name agreed upon for new regional commuter rail service on the FEC corridor and a Memorandum of Understanding (MOU) is under development that identifies SFRTA as the lead agency for development of the financial plan, design and construction, and the FTA project sponsor and designated recipient of any federal funds for any new FEC commuter rail service.

House Bill 599 (Chapter 2012-174, Laws of Florida), passed by the 2012 Florida Legislature, significantly amended SFRTA's enabling legislation, effective July 1, 2012 (FY 2013). The SFRTA Board was expanded from 9 to 10 members as a result of an additional Board member to be appointed by the Governor. The legislation also enhanced Department oversight of the SFRTA budget and limits expansion of the system to Monroe County without Department approval. In addition, 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 in the South Florida Rail Corridor and all of the Department's right, title, and interest in rolling stock, equipment, tracks, and other personal property owned and used by the Department for the operation and maintenance of the commuter rail operations in

the South Florida Rail Corridor. If a new local funding source is not found by July 1, 2019, Tri-Rail's level of operations may be reduced. (The relevant language from HB 599 is detailed in Appendix A.)

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

The Commission recognizes SFRTA efforts in achieving its second consecutive Triennial Review with no findings or recommendations. 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.

Northwest Florida Transportation Corridor Authority (NFTCA)

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 and minutes of Board meetings, funding agreements, policies and procedures that have been adopted by NFTCA, and a review of the audited financial statements. Limited tests of compliance with applicable statutes were performed and, based on those results, it was determined that NFTCA is

meeting its statutory responsibilities and the governance criteria established by the Commission.

NFTCA adopted a 2011 updated Corridor Master Plan in April 2011. The Board considered updates to the 2011 Master Plan on March 22, 2012 and determined that no changes were needed. The 2012 Master Plan (unchanged from 2011), was presented to governing bodies and legislative delegation members by June 20, 2012, as required.

An independent audit of NFTCA financial statements for FY 2011 has been completed and the FY 2012 audit is currently underway. The FY 2011 audit reflected an unqualified opinion. The Independent Auditor's Report on Compliance and Internal Control over Financial Reporting identified two significant deficiencies in internal control over financial reporting that were considered material weaknesses. These deficiencies relate to the preparation of financial statements and adjustments to the financial records.

In July 2010, NFTCA executed a two year agreement with the Department that will provide \$1.1 million in Federal funding for Authority administration, professional services and regional transportation planning. As such, in January 2011, NFTCA contracted with a General Planning Consultant to perform activities required to manage and update the Regional Master Plan and provide administrative services. This agreement was amended in June 2011 to include an additional \$1.1 million in federal funds and also extended the agreement by an additional year. The agreement was amended for a second time in February 2012 to include a new NFTCA Work Plan that also includes preparation of a business case analysis. As part of the 2013 Master Plan update, NFTCA is conducting a business case analysis to help select and plan transportation projects by

assessing their respective economic benefits, developing an investment plan and proposing viable funding strategies. This business case analysis includes an extensive public outreach program involving regional planning councils and workshops involving other key stakeholders in the region. It is anticipated that the updated 2013 Master Plan will be adopted by NFTCA at its Board meeting scheduled for April 25, 2013.

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.

Osceola County Expressway Authority (OCX)

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 agendas and minutes of Board meetings, policies and procedures, various agreements that have been adopted by OCX, and a review of the OCX 2040 Master Plan.

On July 1, 2010, pursuant to House Bill 1271, 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. The new OCX Board met for the very first time on June 21, 2011.

In FY 2012, OCX did not expend any funds and did not employ any staff. Osceola County has elected to provide staff assistance and other support to

Transportation Authority Monitoring and Oversight

OCX during the start up period. Jeffery Jones, Strategic Initiatives Director for Osceola County, is the registered agent for OCX under the Special District Program. In FY 2012, Osceola County provided OCX with meeting facilities, a website, legal and financial services, and a design and planning consultant to assist in developing the OCX 2040 Master Plan.

OCX conducted two Board workshops on the draft OCX 2040 Master Plan in March 2012. On April 10, 2012, the OCX Board reviewed the comments received at the two public meetings held in March 2012. The OCX Board scheduled a public hearing on May 8, 2012 to hear final comments at which time the Board adopted the Plan. 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. OCX finalized grant agreements with the Department in May 2012, whereby the Department provided \$2.5 million to the Authority. The funds will primarily be used for two PD&E Studies that will be conducted by Florida's Turnpike Enterprise.

As a result of funding provided to OCX in FY 2013, OCX expended funds for various procurements. OCX has adopted a FY 2013 budget, engaged a firm to conduct an independent financial statement audit, and approved various amendments to its procurement policy. 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.

In September 2012 (FY 2013), 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 agrees to provide planning, engineering, procurement and other staff support to facilitate the initial design and construction of Poinciana Parkway. Osceola County will also issue Series 2013 Bonds to pay for Poinciana Parkway project costs incurred by OCX. OCX will enter into a Lease-Purchase Agreement with Osceola County whereby OCX will be responsible for designing and constructing Poinciana Parkway.

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 start up period. The Commission encourages OCX to continue to develop and implement policies and procedures to ensure proper governance of OCX, especially since funding has been provided to the Authority beginning in FY 2013. The Commission acknowledges with appreciation the assistance of the OCX Board and Osceola County staff in providing the resources necessary to conduct this review and to complete this report.

Tampa Bay Area Regional Transportation Authority (TBARTA)

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 agendas and minutes of Board meetings, policies and procedures that have been adopted by TBARTA, various contracts, and a review of the audited financial statements.

The FY 2012 independent financial statement audit, dated January 23, 2013, reflected an unqualified 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 and noted that corrective action was taken by TBARTA to address all prior year findings.

Although meeting notices are posted on TBARTA's website, TBARTA did not advertise Board meetings in a newspaper of general paid circulation as required under Section 189.417, Florida Statutes, and its Bylaws. TBARTA indicated that it has now rectified the situation and is now meeting the advertising requirements. General Counsel provided training to Board members on the sunshine law, public records, and code of ethics at the December 2011 and January 2013 Board meetings.

TBARTA adopted a Regional Transportation Master Plan for the seven-county Tampa Bay Region in May 2009 that focused on regional transit. Building upon the transit networks developed in the inaugural Master Plan, the TBARTA Board adopted an Updated Master Plan in June 2011

that developed regional freight and regional roadway networks. 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.

TBARTA is in the process of updating its Master Plan, before July 1, 2013, as statutorily required. To garner public interest and discussion, five telephone "Townhall" meetings were held in April 2013 for the seven-county region to discuss the area's transportation future, the Regional Transportation Master Plan, and the priority projects. Thousands of land-lines and cell phones were called each night through an automated system and invited to participate in the telephone forum.

House Bill 599, passed by the 2012 Legislature, requires Pinellas Suncoast Transit Authority (PSTA) and Hillsborough Area Regional Transit Authority (HART) to conduct a joint study to identify greater efficiencies and service enhancements including possible consolidation of functions or organizational merger. The required report was timely submitted by PSTA and HART to the

Legislature on January 28, 2013. On January 30, 2013, TBARTA provided a letter to the Legislature commenting on the implementation of the legislation. Although the legislation required TBARTA to assist in the study, they were not engaged to either assist or facilitate the efforts of PSTA and HART in retaining their consultant, in the preparation of their recommendations to the Legislature, or arranging joint meetings of the PSTA and HART Boards. TBARTA expressed disappointment that the report contained no joint legislative proposals, and recommendations for formalized agreements that would facilitate reorganization, merger or consolidation of functions are disparate at best. TBARTA recommended that the substance of the law be reenacted by the 2013 Legislature and to authorize TBARTA to facilitate ongoing collaboration between PSTA and HART and to provide recommendations to the Legislature by February 1, 2014.

Based on the Commission's review of Board meeting minutes, 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, except for public meeting advertising noted above.

The Commission encourages TBARTA to continue to develop and implement policies and procedures to ensure proper governance of TBARTA expanded operations as a result of the BACS merger. The Commission acknowledges with appreciation the assistance of the TBARTA Board and staff in providing the resources necessary to conduct this review and to complete this report.

PLAN FOR FISCAL YEAR 2013

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Plan for Fiscal Year 2013

The Florida Transportation Commission (Commission) acted expeditiously to begin monitoring the transportation authorities as prescribed in House Bill (HB) 985 of the 2007 regular session of the Florida Legislature. Performance measures and management targets were established and governance areas for authority reporting were adopted. The Commission established a committee to oversee the development of a monitoring process and production of the initial report. Since the Commission was mindful that the first year effort would represent the start of an on-going process that would evolve and improve over time, it was anticipated that the original 2007 measures that were calculated and published might require some adjustment.

Immediately following publication of the Fiscal Year (FY) 2007 year one report in March 2008, the Commission initiated activities required to begin preparations for the FY 2008 annual performance review. Through a series of workshops and teleconferences, the Commission, with the assistance of the authorities, formally adopted performance measures and operating indicators for FY 2008 that included previous performance measures and operating indicators in addition to performance measures that had been modified or were introduced as new performance measures and operating indicators. The Commission reaffirmed “governance” criteria that provide an assessment of each of the governing boards overall management of the respective authority. The established criteria allow the Commission to assess each authority’s compliance with Florida “sunshine laws” related to ethical conduct, conflicts of interest, and public meetings; compliance with generally accepted accounting principles; and, adherence to applicable laws and bond covenants.

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.

The Commission’s committee to oversee the continuing effort of transportation authority monitoring will consider any enhancements or changes to performance measures, management objectives, operating indicators, governance areas, and reporting format during scheduled workshops and teleconferences. Activities for FY 2013 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 2013 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

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and will continue to be improved in close collaboration and coordination with the affected authorities. The Commission's establishment of performance measures and targets, having authorities report on other indicators of operations and budget, and monitoring governance will fulfill the Commission's statutory responsibility, while not interfering with day-to-day management of the authorities.

The Commission will monitor the 2013 legislature to identify any legislative changes that may affect

its oversight role. During the summer and fall of 2013, 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 2014 legislature that provides the status and findings of transportation authorities under its oversight.

APPENDIX A—LEGISLATIVE EXCERPTS

2011 LEGISLATURE

SB 2152—An act relating to transportation; repeals the Brevard County Expressway Authority, Broward County Expressway Authority, Pasco County Expressway Authority, St. Lucie County Expressway Authority, Seminole County Expressway Authority, and Southwest Florida Expressway Authority; repeals various sections of law relating to and authorizing lease purchase agreements between certain transportation authorities (Northwest Florida Transportation Corridor Authority, Tampa Bay Area Regional Transportation Authority, Osceola County Expressway Authority and Jacksonville Transportation Authority) and the Florida Department of Transportation; approved by Governor Scott on May 26, 2011; effective date July 1, 2011.

Chapter 2011-69 Laws of Florida (SB 2000)—An act making appropriations; providing moneys for the annual period beginning July 1, 2011, and ending June 30, 2012; approved by Governor Scott, with vetoes, on May 26, 2011. Vetoes include; \$11.2 million in payments to expressway authorities from the State Transportation Trust Fund; and an appropriation to the Tampa Bay Area Regional Transportation Authority for the unexpended balance of funds previously appropriated.

2012 LEGISLATURE

HB 599—An act relating to transportation and mitigation programs; revises membership of the South Florida Regional Transportation Authority (SFRTA) governing board and provides that the Department will cease funding SFRTA operations if an alternate dedicated local funding source is implemented before July 1, 2019; enhances Department oversight of the SFRTA budget and limits expansion of the system to Monroe County without Department approval; revises financial disclosure requirements and use of communications media technology for public meetings for the Jacksonville Transportation Authority; directs the Florida Transportation Commission to study potential cost savings through the sharing of resources by expressway authorities, with a report due by December 31, 2012; requires the Pinellas Suncoast Transit Authority and the Hillsborough Area Regional Transit Authority to conduct a joint study to identify greater efficiencies and service enhancements including possible consolidation of functions or organizational merger (the Tampa Bay Area Regional Transportation Authority will assist and facilitate the study), with a report due by February 1, 2013; codifies a Memorandum of Understanding between the Department and the Orlando-Orange County Expressway Authority concerning financing, construction, operation, and maintenance of the Wekiva Parkway; approved by Governor Scott on April 27, 2012, effective date July 1, 2012.

SB 1998—An act relating to transportation; repeals the Toll Facilities Revolving Trust Fund (TFRTF) and authority for the Department to advance funds from the TFRTF to expressway authorities; requires the cash balance in the TFRTF and all future payments obligated to the trust fund be deposited in the State Transportation Trust Fund; approved by Governor Scott on April 20, 2012, effective date July 1, 2012.

Chapter 2012-118 Laws of Florida (HB 5001)—An act making appropriations; providing moneys for the annual period beginning July 1, 2012, and ending June 30, 2013; approved by Governor Scott, with vetoes, on April 17, 2012. Vetoes include; \$12.3 million in payments to expressway authorities from the State Transportation Trust Fund; and an appropriation of \$1.2 million to the Central Florida Regional Transportation Authority for a LYNX route.

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1
2 An act relating to transportation; amending s. 120.80,
3 F.S.; providing that requirements relating to
4 rulemaking and statements of estimated regulatory
5 costs do not apply to the adjustment of tolls;
6 amending s. 338.26, F.S.; requiring that excess funds
7 generated from Alligator Alley tolls be used to
8 develop and operate a fire station to provide fire,
9 rescue, and emergency management services in adjacent
10 counties along Alligator Alley; repealing s.
11 343.805(6), F.S., relating to the definition of the
12 term "lease-purchase agreement" as it relates to the
13 Northwest Florida Transportation Corridor Authority
14 and the Department of Transportation; amending s.
15 343.835, F.S.; deleting references to lease-purchase
16 agreements; amending s. 343.836, F.S.; deleting
17 references to lease-purchase agreements in remedies to
18 bondholders as they relate to the U.S. 98 Corridor
19 System; repealing s. 343.837, F.S., relating to lease-
20 purchase agreements that provide for the leasing of
21 the U.S. 98 Corridor System to the Department of
22 Transportation; repealing s. 343.885, F.S., relating
23 to the enforceability of pledges by bondholders;
24 repealing s. 343.91(1)(h), F.S., relating to the
25 definition of the term "lease-purchase agreement" as
26 it relates to the Tampa Bay Area Regional
27 Transportation Authority and the Department of
28 Transportation; amending s. 343.94, F.S.; deleting
29 references to lease-purchase agreements; amending s.

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30 343.944, F.S.; deleting references to lease-purchase
31 agreements in remedies to bondholders as they relate
32 to the Tampa Bay Area Regional Transportation
33 Authority; repealing s. 343.945, F.S., relating to the
34 enforceability of pledges to the Tampa Bay Area
35 Regional Transportation Authority; repealing s.
36 343.946, F.S., relating to lease-purchase agreements
37 that provide for the leasing of projects of the Tampa
38 Bay Area Regional Transportation Authority to the
39 Department of Transportation; repealing s.
40 348.0002(11), F.S., relating to the definition of the
41 term "lease-purchase agreement" as it relates to
42 expressway authorities and the Department of
43 Transportation; amending s. 348.0004, F.S.;
44 authorizing authorities created pursuant to the
45 Florida Expressway Authority Act to own expressway
46 systems; deleting the power of such authorities to
47 lease such systems; deleting obsolete provisions;
48 amending s. 348.0005, F.S.; deleting a reference to
49 the Department of Transportation to conform to changes
50 made by the act; repealing s. 348.0006, F.S., which
51 provides for lease-purchase agreements in the Florida
52 Expressway Authority Act; repealing part II of ch.
53 348, F.S., which provides for the creation and
54 operation of the Brevard County Expressway Authority;
55 repealing part III of ch. 348, F.S., which provides
56 for the creation and operation of the Broward County
57 Expressway Authority; repealing part VI of ch. 348,
58 F.S., which provides for the creation and operation of

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59 the Pasco County Expressway Authority; repealing part
60 VII of ch. 348, F.S., which provides for the creation
61 and operation of the St. Lucie County Expressway and
62 Bridge Authority; repealing part VIII of ch. 348,
63 F.S., which provides for the creation and operation of
64 the Seminole County Expressway Authority; repealing
65 part X of ch. 348, F.S., which provides for the
66 creation and operation of the Southwest Florida
67 Expressway Authority; repealing s. 348.9955, F.S.,
68 relating to the power of the Osceola Expressway
69 Authority to enter into lease-purchase agreements with
70 the Department of Transportation; repealing s.
71 349.02(1)(d), F.S., relating to the definition of the
72 term "lease-purchase agreement" as it relates to the
73 Jacksonville Transportation Authority and the
74 Department of Transportation; amending s. 349.04,
75 F.S.; deleting the authority of the Jacksonville
76 Transportation Authority to enter lease-purchase
77 agreements; amending s. 349.05, F.S.; deleting
78 authorization for lease-purchase agreements in bond
79 agreements of the Jacksonville Transportation
80 Authority; repealing s. 349.07, F.S., relating to
81 lease-purchase agreements that provide for the leasing
82 of the Jacksonville Expressway System to the
83 Department of Transportation; amending s. 349.15,
84 F.S.; deleting certain bond authority of the
85 department; amending s. 364.02, F.S.; revising
86 definitions; providing legislative intent; providing
87 that any purchase of new equipment, machinery, or

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other inventory by state agencies as a result damage
caused by fire, smoke, water, or any incident be
limited to purchases that are absolutely necessary and
are irreparable; requiring that all state agencies
develop and adopt assessment protocols for evaluating
and determining whether equipment, machinery, or other
inventory needs repair or restored; amending ss.
196.012, 199.183, 212.08, 290.007, 350.0605, 364.602,
and 489.103, F.S.; conforming cross-references;
providing an effective date.

Be It Enacted by the Legislature of the State of Florida:

Section 1. Subsection (17) is added to section 120.80,
Florida Statutes, to read:

120.80 Exceptions and special requirements; agencies.—
(17) DEPARTMENT OF TRANSPORTATION.—Sections 120.54(3)(b)
and 120.541 do not apply to the adjustment of tolls pursuant to
s. 338.165(3).

Section 2. Subsection (3) of section 338.26, Florida
Statutes, is amended to read:

338.26 Alligator Alley toll road.—

(3) Fees generated from tolls shall be deposited in the
State Transportation Trust Fund, and any amount of funds
generated annually in excess of that required to reimburse
outstanding contractual obligations, to operate and maintain the
highway and toll facilities, including reconstruction and
restoration, ~~and~~ to pay for those projects that are funded with
Alligator Alley toll revenues and that are contained in the

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117 1993-1994 adopted work program or the 1994-1995 tentative work
118 program submitted to the Legislature on February 22, 1994, and
119 to develop and operate a fire station at mile marker 63 on
120 Alligator Alley to provide fire, rescue, and emergency
121 management services to the adjacent counties along Alligator
122 Alley, may be transferred to the Everglades Fund of the South
123 Florida Water Management District. The South Florida Water
124 Management District shall deposit funds for projects undertaken
125 pursuant to s. 373.4592 in the Everglades Trust Fund pursuant to
126 s. 373.45926(4)(a). Any funds remaining in the Everglades Fund
127 may be used for environmental projects to restore the natural
128 values of the Everglades, subject to compliance with any
129 applicable federal laws and regulations. Projects shall be
130 limited to:
131 (a) Highway redesign to allow for improved sheet flow of
132 water across the southern Everglades.
133 (b) Water conveyance projects to enable more water
134 resources to reach Florida Bay to replenish marine estuary
135 functions.
136 (c) Engineering design plans for wastewater treatment
137 facilities as recommended in the Water Quality Protection
138 Program Document for the Florida Keys National Marine Sanctuary.
139 (d) Acquisition of lands to move STA 3/4 out of the Toe of
140 the Boot, provided such lands are located within 1 mile of the
141 northern border of STA 3/4.
142 (e) Other Everglades Construction Projects as described in
143 the February 15, 1994, conceptual design document.
144 Section 3. Subsection (6) of section 343.805, Florida
145 Statutes, is repealed.

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146 Section 4. Paragraph (b) of subsection (2) and paragraph
147 (a) of subsection (3) of section 343.835, Florida Statutes, are
148 amended to read:
149 343.835 Bonds of the authority.—
150 (2) Any such resolution or resolutions authorizing any
151 bonds hereunder may contain provisions that are part of the
152 contract with the holders of such bonds, as to:
153 (b) The completion, improvement, operation, extension,
154 maintenance, repair, or lease, ~~or lease purchase agreement~~ of
155 the system, and the duties of the authority and others,
156 ~~including the department,~~ with reference thereto.
157 (3) The authority may employ fiscal agents as provided by
158 this part or the State Board of Administration may, upon request
159 of the authority, act as fiscal agent for the authority in the
160 issuance of any bonds that are issued pursuant to this part, and
161 the State Board of Administration may, upon request of the
162 authority, take over the management, control, administration,
163 custody, and payment of any or all debt services or funds or
164 assets now or hereafter available for any bonds issued pursuant
165 to this part. The authority may enter into any deeds of trust,
166 indentures, or other agreements with its fiscal agent, or with
167 any bank or trust company within or without the state, as
168 security for such bonds and may, under such agreements, sign and
169 pledge all or any of the revenues, rates, fees, rentals, or
170 other charges or receipts of the authority. Such deed of trust,
171 indenture, or other agreement may contain such provisions as are
172 customary in such instruments or, as the authority authorizes,
173 including, but without limitation, provisions as to:
174 (a) The completion, improvement, operation, extension,

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175 maintenance, repair, and lease of ~~or lease purchase agreement~~
176 ~~relating to~~ U.S. 98 corridor improvements and the duties of the
177 authority and others, ~~including the department,~~ with reference
178 thereto.

179 Section 5. Section 343.836, Florida Statutes, is amended to
180 read:

181 343.836 Remedies of the bondholders.—

182 (1) The rights and the remedies in this section conferred
183 upon or granted to the bondholders are in addition to and not in
184 limitation of any rights and remedies lawfully granted to such
185 bondholders by the resolution or resolutions providing for the
186 issuance of bonds or by a ~~lease purchase agreement,~~ deed of
187 trust, indenture, or other agreement under which the bonds may
188 be issued or secured. If the authority defaults in the payment
189 of the principal of or interest on any of the bonds issued
190 pursuant to the provisions of this part after such principal of
191 or interest on the bonds becomes due, whether at maturity or
192 upon call for redemption, ~~or the department defaults in any~~
193 ~~payments under, or covenants made in, any lease purchase~~
194 ~~agreement between the authority and the department,~~ and such
195 default continues for a period of 30 days, or if the authority
196 ~~or the department~~ fails or refuses to comply with the provisions
197 of this part or any agreement made with, or for the benefit of,
198 the holders of the bonds, the holders of 25 percent in aggregate
199 principal amount of the bonds then outstanding may appoint a
200 trustee to represent such bondholders for the purposes hereof,
201 if such holders of 25 percent in aggregate principal amount of
202 the bonds then outstanding shall first give notice of their
203 intention to appoint a trustee to the authority ~~and to the~~

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204 ~~department.~~ Such notice shall be deemed to have been given if
205 given in writing, deposited in a securely sealed postpaid
206 wrapper, mailed at a regularly maintained United States post
207 office box or station, and addressed, ~~respectively,~~ to the chair
208 of the authority ~~and to the secretary of the department at the~~
209 ~~principal office of the department.~~

210 (2) Such trustee and any trustee under any deed of trust,
211 indenture, or other agreement may, and upon written request of
212 the holders of 25 percent or such other percentages as are
213 specified in any deed of trust, indenture, or other agreement
214 aforesaid in principal amount of the bonds then outstanding
215 shall, in any court of competent jurisdiction, in his, her, or
216 its own name:

217 (a) By mandamus or other suit, action, or proceeding at law
218 or in equity, enforce all rights of the bondholders, including
219 the right to require the authority to fix, establish, maintain,
220 collect, and charge rates, fees, rentals, and other charges
221 adequate to carry out any agreement as to or pledge of the
222 revenues or receipts of the authority to carry out any other
223 covenants and agreements with or for the benefit of the
224 bondholders, and to perform its and their duties under this
225 part.

226 ~~(b) By mandamus or other suit, action, or proceeding at law~~
227 ~~or in equity, enforce all rights of the bondholders under or~~
228 ~~pursuant to any lease purchase agreement between the authority~~
229 ~~and the department, including the right to require the~~
230 ~~department to make all rental payments required to be made by it~~
231 ~~under the provisions of any such lease purchase agreement, to~~
232 ~~require the department to carry out any other covenants and~~

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233 | ~~agreements with or for the benefit of the bondholders, and to~~
234 | ~~perform its and their duties under this part.~~
235 | (b)~~(e)~~ Bring suit upon the bonds.
236 | (c)~~(d)~~ By action or suit in equity, require the authority
237 | ~~or the department~~ to account as if it were the trustee of an
238 | express trust for the bondholders.
239 | (d)~~(e)~~ By action or suit in equity, enjoin any acts or
240 | things that may be unlawful or in violation of the rights of the
241 | bondholders.
242 | (3) Any trustee, when appointed as aforesaid or acting
243 | under a deed of trust, indenture, or other agreement, and
244 | whether or not all bonds have been declared due and payable, may
245 | appoint a receiver who may enter upon and take possession of the
246 | system or the facilities or any part or parts thereof, the
247 | rates, fees, rentals, or other revenues, charges, or receipts
248 | from which are or may be applicable to the payment of the bonds
249 | so in default, and, ~~subject to and in compliance with the~~
250 | ~~provisions of any lease purchase agreement between the authority~~
251 | ~~and the department~~, operate and maintain the same for and on
252 | behalf of and in the name of the authority, ~~the department~~, and
253 | the bondholders, and collect and receive all rates, fees,
254 | rentals, and other charges or receipts or revenues arising
255 | therefrom in the same manner as the authority ~~or the department~~
256 | might do, and shall deposit all such moneys in a separate
257 | account and apply such moneys in such manner as the court shall
258 | direct. In any suit, action, or proceeding by the trustee, the
259 | fees, counsel fees, and expenses of the trustee and the
260 | receiver, if any, and all costs and disbursements allowed by the
261 | court shall be a first charge on any rates, fees, rentals, or

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262 other charges, revenues, or receipts derived from the system or
263 the facilities or services or any part or parts thereof,
264 ~~including payments under any such lease purchase agreement as~~
265 ~~aforesaid,~~ which rates, fees, rentals, or other charges,
266 revenues, or receipts may be applicable to the payment of the
267 bonds so in default. Such trustee, in addition to the foregoing,
268 possesses all of the powers necessary for the exercise of any
269 functions specifically set forth herein or incident to the
270 representation of the bondholders in the enforcement and
271 protection of their rights.

272 (4) This section or any other section of this part does not
273 authorize any receiver appointed pursuant hereto for the
274 purpose, ~~subject to and in compliance with the provisions of any~~
275 ~~lease purchase agreement between the authority and the~~
276 ~~department,~~ of operating and maintaining the system or any
277 facilities or part or parts thereof, to sell, assign, mortgage,
278 or otherwise dispose of any of the assets of whatever kind and
279 character belonging to the authority. It is the intention of
280 this part to limit the powers of such receiver, ~~subject to and~~
281 ~~in compliance with the provisions of any lease purchase~~
282 ~~agreement between the authority and the department,~~ to the
283 operation and maintenance of the system or any facility or part
284 or parts thereof, as the court may direct, in the name and for
285 and on behalf of the authority, ~~the department,~~ and the
286 bondholders. In any suit, action, or proceeding at law or in
287 equity, a holder of bonds on the authority, a trustee, or any
288 court may not compel or direct a receiver to sell, assign,
289 mortgage, or otherwise dispose of any assets of whatever kind or
290 character belonging to the authority. A receiver also may not be

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291 authorized to sell, assign, mortgage, or otherwise dispose of
292 any assets of whatever kind or character belonging to the
293 authority in any suit, action, or proceeding at law or in
294 equity.

295 Section 6. Section 343.837, Florida Statutes, is repealed.
296 Section 7. Section 343.885, Florida Statutes, is repealed.
297 Section 8. Section 343.91(1)(h), Florida Statutes, is
298 repealed.

299 Section 9. Paragraph (b) of subsection (3) and paragraph
300 (a) of subsection (4) of section 343.94, Florida Statutes, are
301 amended to read:

302 343.94 Bond financing authority.—

303 (3) Any such resolution or resolutions authorizing any
304 bonds hereunder may contain provisions that are part of the
305 contract with the holders of such bonds, as to:

306 (b) The completion, improvement, operation, extension,
307 maintenance, repair, or lease of, ~~or lease purchase agreement~~
308 ~~relating to,~~ the system and the duties of the authority and
309 others, including the department, with reference thereto.

310 (4) The authority may employ fiscal agents as provided by
311 this part or the State Board of Administration may, upon request
312 of the authority, act as fiscal agent for the authority in the
313 issuance of any bonds that are issued pursuant to this part, and
314 the State Board of Administration may, upon request of the
315 authority, take over the management, control, administration,
316 custody, and payment of any or all debt services or funds or
317 assets now or hereafter available for any bonds issued pursuant
318 to this part. The authority may enter into any deeds of trust,
319 indentures, or other agreements with its fiscal agent, or with

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320 any bank or trust company within or without the state, as
321 security for such bonds and may, under such agreements, sign and
322 pledge all or any of the revenues, rates, fees, rentals, or
323 other charges or receipts of the authority. Such deed of trust,
324 indenture, or other agreement may contain such provisions as are
325 customary in such instruments or as the authority authorizes,
326 including, but without limitation, provisions as to:

327 (a) The completion, improvement, operation, extension,
328 maintenance, repair, and lease of, ~~or lease purchase agreement~~
329 ~~relating to,~~ highway, bridge, and related transportation
330 facilities and appurtenances and the duties of the authority and
331 others, ~~including the department,~~ with reference thereto.

332 Section 10. Section 343.944, Florida Statutes, is amended
333 to read:

334 343.944 Remedies of the bondholders.—

335 (1) The rights and the remedies in this section conferred
336 upon or granted to the bondholders are in addition to and not in
337 limitation of any rights and remedies lawfully granted to such
338 bondholders by the resolution or resolutions providing for the
339 issuance of bonds or by a ~~lease purchase agreement,~~ deed of
340 trust, indenture, or other agreement under which the bonds may
341 be issued or secured. If the authority defaults in the payment
342 of the principal of or interest on any of the bonds issued
343 pursuant to the provisions of this part after such principal of
344 or interest on the bonds becomes due, whether at maturity or
345 upon call for redemption, ~~or the department defaults in any~~
346 ~~payments under, or covenants made in, any lease purchase~~
347 ~~agreement between the authority and the department,~~ and such
348 default continues for a period of 30 days, or if the authority

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349 or the department fails or refuses to comply with the provisions
350 of this part or any agreement made with, or for the benefit of,
351 the holders of the bonds, the holders of 25 percent in aggregate
352 principal amount of the bonds then outstanding may appoint a
353 trustee to represent such bondholders for the purposes hereof,
354 if such holders of 25 percent in aggregate principal amount of
355 the bonds then outstanding shall first give notice of their
356 intention to appoint a trustee to the authority ~~and to the~~
357 ~~department~~. Such notice shall be deemed to have been given if
358 given in writing, deposited in a securely sealed postpaid
359 wrapper, mailed at a regularly maintained United States post
360 office box or station, and addressed, respectively, to the chair
361 of the authority ~~and to the secretary of the department at the~~
362 ~~principal office of the department~~.

363 (2) Such trustee and any trustee under any deed of trust,
364 indenture, or other agreement may and, upon written request of
365 the holders of 25 percent or such other percentages as are
366 specified in any deed of trust, indenture, or other agreement
367 aforesaid in principal amount of the bonds then outstanding,
368 shall, in any court of competent jurisdiction, in his, her, or
369 its own name:

370 (a) By mandamus or other suit, action, or proceeding at law
371 or in equity, enforce all rights of the bondholders, including
372 the right to require the authority to fix, establish, maintain,
373 collect, and charge rates, fees, rentals, and other charges
374 adequate to carry out any agreement as to or pledge of the
375 revenues or receipts of the authority, to carry out any other
376 covenants and agreements with or for the benefit of the
377 bondholders, and to perform its and their duties under this

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378 part.

379 ~~(b) By mandamus or other suit, action, or proceeding at law~~

380 ~~or in equity, enforce all rights of the bondholders under or~~

381 ~~pursuant to any lease purchase agreement between the authority~~

382 ~~and the department, including the right to require the~~

383 ~~department to make all rental payments required to be made by it~~

384 ~~under the provisions of any such lease purchase agreement and to~~

385 ~~require the department to carry out any other covenants and~~

386 ~~agreements with or for the benefit of the bondholders and to~~

387 ~~perform its and their duties under this part.~~

388 (b)(e) Bring suit upon the bonds.

389 (c)(d) By action or suit in equity, require the authority

390 or the department to account as if it were the trustee of an

391 express trust for the bondholders.

392 (d)(e) By action or suit in equity, enjoin any acts or

393 things that may be unlawful or in violation of the rights of the

394 bondholders.

395 (3) Any trustee, when appointed as aforesaid or acting

396 under a deed of trust, indenture, or other agreement, and

397 regardless of whether all bonds have been declared due and

398 payable, may appoint a receiver who may enter upon and take

399 possession of the system or the facilities or any part or parts

400 thereof, the rates, fees, rentals, or other revenues, charges,

401 or receipts from which are or may be applicable to the payment

402 of the bonds so in default, ~~and, subject to and in compliance~~

403 ~~with the provisions of any lease purchase agreement between the~~

404 ~~authority and the department, operate and maintain the same for~~

405 ~~and on behalf of and in the name of the authority, the~~

406 ~~department, and the bondholders, and collect and receive all~~

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407 rates, fees, rentals, and other charges or receipts or revenues
408 arising therefrom in the same manner as the authority ~~or the~~
409 ~~department~~ might do, and shall deposit all such moneys in a
410 separate account and apply such moneys in such manner as the
411 court shall direct. In any suit, action, or proceeding by the
412 trustee, the fees, counsel fees, and expenses of the trustee and
413 the receiver, if any, and all costs and disbursements allowed by
414 the court shall be a first charge on any rates, fees, rentals,
415 or other charges, revenues, or receipts derived from the system
416 or the facilities or services or any part or parts thereof,
417 ~~including payments under any such lease purchase agreement as~~
418 ~~aforsaid,~~ which rates, fees, rentals, or other charges,
419 revenues, or receipts may be applicable to the payment of the
420 bonds so in default. Such trustee, in addition to the foregoing,
421 possesses all of the powers necessary for the exercise of any
422 functions specifically set forth herein or incident to the
423 representation of the bondholders in the enforcement and
424 protection of their rights.

425 (4) This section or any other section of this part does not
426 authorize any receiver appointed pursuant hereto for the
427 purpose, ~~subject to and in compliance with the provisions of any~~
428 ~~lease purchase agreement between the authority and the~~
429 ~~department,~~ of operating and maintaining the system or any
430 facilities or part or parts thereof to sell, assign, mortgage,
431 or otherwise dispose of any of the assets of whatever kind and
432 character belonging to the authority. It is the intention of
433 this part to limit the powers of such receiver, ~~subject to and~~
434 ~~in compliance with the provisions of any lease purchase~~
435 ~~agreement between the authority and the department,~~ to the

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436 operation and maintenance of the system or any facility or part
437 or parts thereof, as the court may direct, in the name of and
438 for and on behalf of the authority, ~~the department,~~ and the
439 bondholders. In any suit, action, or proceeding at law or in
440 equity, a holder of bonds on the authority, a trustee, or any
441 court may not compel or direct a receiver to sell, assign,
442 mortgage, or otherwise dispose of any assets of whatever kind or
443 character belonging to the authority. A receiver also may not be
444 authorized to sell, assign, mortgage, or otherwise dispose of
445 any assets of whatever kind or character belonging to the
446 authority in any suit, action, or proceeding at law or in
447 equity.

448 Section 11. Section 343.945, Florida Statutes, is repealed.

449 Section 12. Section 343.946, Florida Statutes, is repealed.

450 Section 13. Subsection (11) of section 348.0002, Florida
451 Statutes, is repealed.

452 Section 14. Paragraph (a) of subsection (1), paragraph (e)
453 of subsection (2), and paragraph (d) of subsection (9) of
454 section 348.0004, Florida Statutes, are amended, present
455 paragraphs (f) through (l) of subsection (2) of that section are
456 redesignated as paragraphs (e) through (k), respectively, and
457 present paragraphs (e) through (h) of subsection (9) of that
458 section are redesignated as paragraphs (d) through (g),
459 respectively, to read:

460 348.0004 Purposes and powers.—

461 (1)(a) An authority created and established pursuant to the
462 Florida Expressway Authority Act may acquire, hold, construct,
463 improve, maintain, operate, and own, ~~and lease~~ an expressway
464 system.

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465 (2) Each authority may exercise all powers necessary,
466 appurtenant, convenient, or incidental to the carrying out of
467 its purposes, including, but not limited to, the following
468 rights and powers:

469 ~~(c) To enter into and make lease purchase agreements with~~
470 ~~the department until any bonds secured by a pledge of rentals~~
471 ~~thereunder, and any refundings thereof, are fully paid as to~~
472 ~~both principal and interest.~~

473 (9) The Legislature declares that there is a public need
474 for the rapid construction of safe and efficient transportation
475 facilities for traveling within the state and that it is in the
476 public's interest to provide for public-private partnership
477 agreements to effectuate the construction of additional safe,
478 convenient, and economical transportation facilities.

479 ~~(d) The department may lend funds from the Toll Facilities~~
480 ~~Revolving Trust Fund, as outlined in s. 338.251, to public~~
481 ~~private partnerships. To be eligible a private entity must~~
482 ~~comply with s. 338.251 and must provide an indication from a~~
483 ~~nationally recognized rating agency that the senior bonds for~~
484 ~~the project will be investment grade or must provide credit~~
485 ~~support, such as a letter of credit or other means acceptable to~~
486 ~~the department, to ensure that the loans will be fully repaid.~~

487 Section 15. Paragraph (b) of subsection (2) of section
488 348.0005, Florida Statutes, is amended to read:

489 348.0005 Bonds.—

490 (2)

491 (b) The bonds of an authority in any county as defined in
492 s. 125.011(1), issued pursuant to the provisions of this part,
493 whether on original issuance or refunding, must be authorized by

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494 resolution of the authority, after approval of the issuance of
495 the bonds at a public hearing, and may be either term or serial
496 bonds, shall bear such date or dates, mature at such time or
497 times, bear interest at such rate or rates, be payable
498 semiannually, be in such denominations, be in such form, either
499 coupon or fully registered, shall carry such registration,
500 exchangeability and interchangeability privileges, be payable in
501 such medium of payment and at such place or places, be subject
502 to such terms of redemption and be entitled to such priorities
503 on the revenues, rates, fees, rentals, or other charges or
504 receipts of the authority including any county gasoline tax
505 funds received by an authority pursuant to the terms of any
506 interlocal or lease-purchase agreement between an authority, ~~the~~
507 ~~department,~~ or a county, as such resolution or any resolution
508 subsequent thereto may provide. The bonds must be executed by
509 such officers as the authority determines under the requirements
510 of s. 279.06.

511 Section 16. Section 348.0006, Florida Statutes, is
512 repealed.

513 Section 17. Part II of chapter 348, Florida Statutes,
514 consisting of ss. 348.216, 348.217, 348.218, 348.219, 348.22,
515 348.221, 348.222, 348.223, 348.224, 348.225, 348.226, 348.227,
516 348.228, 348.229, and 348.23, is repealed.

517 Section 18. Part III of chapter 348, Florida Statutes,
518 consisting of ss. 348.24, 348.241, 348.242, 348.243, 348.244,
519 348.245, 348.246, 348.247, 348.248, 348.249, and 348.25, is
520 repealed.

521 Section 19. Part VI of chapter 348, Florida Statutes,
522 consisting of ss. 348.80, 348.81, 348.82, 348.83, 348.84,

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523 348.86, 348.87, 348.88, 348.89, 348.90, 348.91, 348.92, 348.93,
524 and 348.94, is repealed.

525 Section 20. Part VII of chapter 348, Florida Statutes,
526 consisting of ss. 348.9401, 348.941, 348.942, 348.943, 348.944,
527 348.945, 348.946, 348.947, 348.948, 348.949, and 348.9495, is
528 repealed.

529 Section 21. Part VIII of chapter 348, Florida Statutes,
530 consisting of ss. 348.95, 348.951, 348.952, 348.953, 348.954,
531 348.955, 348.956, 348.957, 348.958, 348.959, 348.96, 348.961,
532 348.962, and 348.963, is repealed.

533 Section 22. Part X of chapter 348, Florida Statutes,
534 consisting of ss. 348.993, 348.9931, 348.9932, 348.9933,
535 348.9934, 348.9935, 348.9936, 348.9938, 348.9939, 348.994,
536 348.9941, 348.9942, 348.9943, 348.9944, 348.9945, 348.9946,
537 348.9947, 348.9948, is repealed.

538 Section 23. Section 348.9955, Florida Statutes, is
539 repealed.

540 Section 24. Paragraph (d) of subsection (1) of s. 349.02,
541 Florida Statutes, is repealed.

542 Section 25. Paragraphs (e) and (g) of subsection (2) of
543 section 349.04, Florida Statutes, are amended, and present
544 paragraphs (f) through (u) of that subsection are redesignated
545 as paragraphs (e) through (t), respectively, to read:

546 349.04 Purposes and powers.—

547 (2) The authority is hereby granted, and shall have and may
548 exercise all powers necessary, appurtenant, convenient, or
549 incidental to the carrying out of the aforesaid purposes,
550 including, but without being limited to, the right and power:

551 (e) To enter into and make lease-purchase agreements with

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552 ~~the department for terms not exceeding 40 years, or until any~~
553 ~~bonds secured by a pledge of rentals thereunder, and any~~
554 ~~refundings thereof, are fully paid as to both principal and~~
555 ~~interest, whichever is longer.~~

556 (g)1. To borrow money and make and issue negotiable notes,
557 bonds, refunding bonds, and other evidences of indebtedness or
558 obligations, either in temporary or definitive form (hereinafter
559 in this chapter sometimes called "bonds"), of the authority, for
560 the purpose of funding or refunding, at or prior to maturity,
561 any bonds theretofore issued by the authority, or by the Florida
562 State Improvement Commission to finance part of the cost of the
563 Jacksonville Expressway System, and purposes related thereto,
564 and for the purpose of financing or refinancing all or part of
565 the costs of completion, improvement, or extension of the
566 Jacksonville Expressway System, and appurtenant facilities,
567 including all approaches, streets, roads, bridges, and avenues
568 of access for the Jacksonville Expressway System and for any
569 other purpose authorized by this chapter, such bonds to mature
570 in not exceeding 40 years from the date of the issuance thereof;
571 ~~and~~ to secure the payment of such bonds or any part thereof by a
572 pledge of any or all of its revenues, rates, fees, rentals, or
573 other charges, including all or any portion of the Duval County
574 gasoline tax funds received by the authority ~~pursuant to the~~
575 ~~terms of any lease-purchase agreement between the authority and~~
576 ~~the department;~~ and in general to provide for the security of
577 such bonds and the rights and remedies of the holders thereof.

578 2. In the event that the authority determines to fund or
579 refund any bonds theretofore issued by the authority, or by the
580 commission as aforesaid, prior to the maturity thereof, the

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581 proceeds of such funding or refunding bonds shall, pending the
582 prior redemption of the bonds to be funded or refunded, be
583 invested in direct obligations of the United States; and it is
584 the express intention of this chapter that such outstanding
585 bonds may be funded or refunded by the issuance of bonds
586 pursuant to this chapter notwithstanding that part of such
587 outstanding bonds will not mature or become redeemable until 6
588 years after the date of issuance of bonds pursuant to this
589 chapter to fund or refund such outstanding bonds.

590 Section 26. Subsections (2) and (3) of section 349.05,
591 Florida Statutes, are amended to read:

592 349.05 Bonds of the authority; bonds not debt or pledges of
593 credit of state.—

594 (2) Any such resolution or resolutions authorizing any
595 bonds hereunder may contain provisions, and valid and legally
596 binding covenants of the authority, which shall be part of the
597 contract with the holders of such bonds, as to:

598 (a) The pledging of all or any part of the revenues, rates,
599 fees, rentals, including the sales surtax adopted pursuant to s.
600 212.055(1) (including all or any portion of the county gasoline
601 tax funds received by the authority), or other charges or
602 receipts of any nature of the authority, whether or not derived
603 by the authority from the Jacksonville Expressway System or its
604 other transportation facilities;

605 (b) The completion, improvement, operation, extension,
606 maintenance, repair, or lease, ~~or lease purchase agreement~~ of
607 said system or transportation facilities, and the duties of the
608 authority and others, including the department, with reference
609 thereto;

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610 (c) Limitations on the purposes to which the proceeds of
611 the bonds, then or thereafter to be issued, or of any loan or
612 grant, may be applied;

613 (d) The fixing, charging, establishing, and collecting of
614 rates, fees, rentals, or other charges for use of the services
615 and facilities of the Jacksonville Expressway System or any part
616 thereof or its other transportation facilities;

617 (e) The setting aside of reserves or sinking funds or
618 repair and replacement funds and the regulation and disposition
619 thereof;

620 (f) Limitations on the issuance of additional bonds;

621 (g) The terms and provisions of any lease-purchase
622 agreement, deed of trust, or indenture securing the bonds or
623 under which the same may be issued; and

624 (h) Any other or additional provisions, covenants, and
625 agreements with the holders of the bonds which the authority may
626 deem desirable and proper.

627 (3) The State Board of Administration may, upon request by
628 the authority, act as fiscal agent for the authority in the
629 issuance of any bonds that may be issued pursuant to this
630 chapter, and the State Board of Administration may, upon request
631 by the authority, take over the management, control,
632 administration, custody, and payment of any or all debt services
633 or funds or assets now or hereafter available for any bonds
634 issued pursuant to this chapter. The authority may enter into
635 deeds of trust, indentures, or other agreements with a corporate
636 trustee or trustees, which shall act as fiscal agent for the
637 authority and may be any bank or trust company within or without
638 the state, as security for such bonds and may, under such

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639 agreements, assign and pledge all or any of the revenues, rates,
640 fees, rentals, or other charges or receipts of the authority,
641 including all or any portion of local option taxes or county
642 gasoline tax funds received by the authority, thereunder. Such
643 deed of trust, indenture, or other agreement may contain such
644 provisions as are customary in such instruments or as the
645 authority may authorize, including, without limitation,
646 provisions as to:

647 (a) The completion, improvement, operation, extension,
648 maintenance, repair, and lease of, ~~or lease-purchase agreement~~
649 ~~relating to,~~ all or any part of transportation facilities
650 authorized in this chapter to be constructed, acquired,
651 developed, or operated by the authority and the duties of the
652 authority and others, ~~including the department,~~ with reference
653 thereto;

654 (b) The application of funds and the safeguarding of funds
655 on hand or on deposit;

656 (c) The rights and remedies of the trustee and the holders
657 of the bonds; and

658 (d) The terms and provisions of the bonds or the
659 resolutions authorizing the issuance of the same.

660 Section 27. Section 349.07, Florida Statutes, is repealed.

661 Section 28. Section 349.15, Florida Statutes, is amended to
662 read:

663 349.15 Remedies; pledges enforceable by bondholders.—Any
664 holder of bonds issued under this chapter, except to the extent
665 such rights may be restricted by the resolution, deed of trust,
666 indenture, or other proceeding relating to the issuance of such
667 bonds, may by civil action, mandamus, or other appropriate

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ENROLLED
2011 Legislature

SB 2152, 1st Engrossed

20112152er

668 action, suit, or proceeding in law or in equity, in any court of
669 competent jurisdiction, protect and enforce any and all rights
670 of such bondholder granted under the proceedings authorizing the
671 issuance of such bonds and enforce any pledge made for payment
672 of the principal and interest on bonds, or any covenant or
673 agreement relative thereto, against the authority ~~or directly~~
674 ~~against the department, as may be appropriate. It is the express~~
675 ~~intention of this chapter that any pledge by the department of~~
676 ~~rates, fees, revenues, county gasoline tax funds, or other~~
677 ~~funds, as rentals, to the authority or any covenants or~~
678 ~~agreements relative thereto may be enforceable in any court of~~
679 ~~competent jurisdiction against the authority or directly against~~
680 ~~the department by any holder of bonds issued by the authority.~~

681 Section 29. Section 364.02, Florida Statutes, is amended to
682 read:

683 364.02 Definitions.—As used in this chapter, the term:

684 (1) "Basic local telecommunications service" means voice-
685 grade, single-line, flat-rate residential local exchange service
686 that provides dial tone, local usage necessary to place
687 unlimited calls within a local exchange area, dual tone
688 multifrequency dialing, and access to the following: emergency
689 services such as "911," all locally available interexchange
690 companies, directory assistance, operator services, and relay
691 services, ~~and an alphabetical directory listing~~. For a local
692 exchange telecommunications company, the term includes any
693 extended area service routes, and extended calling service in
694 existence or ordered by the commission on or before July 1,
695 1995.

696 (2) "Broadband service" means any service that consists of

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Ch. 2011-69

LAWS OF FLORIDA

Ch. 2011-69

CHAPTER 2011-69
Senate Bill No. 2000

A bill to be entitled

An act making appropriations; providing moneys for the annual period beginning July 1, 2011, and ending June 30, 2012, to pay salaries, and other expenses, capital outlay - buildings, and other improvements, and for other specified purposes of the various agencies of state government; providing an effective date.

Be It Enacted by the Legislature of the State of Florida:

The moneys contained herein are appropriated from the named funds for Fiscal Year 2011-2012 to the state agency indicated, as the amounts to be used to pay the salaries, other operational expenditures, and fixed capital outlay of the named agencies, and are in lieu of all moneys appropriated for these purposes in other sections of the Florida Statutes.

SECTION 1 - EDUCATION ENHANCEMENT "LOTTERY" TRUST FUND

The moneys contained herein are appropriated from the Education Enhancement "Lottery" Trust Fund to the state agencies indicated.

EDUCATION, DEPARTMENT OF

Funds provided in sections 1 and 2 of this act as Grants and Aids-Special Categories or as Grants and Aids-Aid to Local Governments may be advanced quarterly throughout the fiscal year based on projects, grants, contracts, and allocation conference documents. Of the funds provided in Specific Appropriations 3, 4, 5, 48, 53, 56 through 65, and 126, 60 percent shall be released at the beginning of the first quarter and the balance at the beginning of the third quarter.

PROGRAM: EDUCATION - FIXED CAPITAL OUTLAY

1	FIXED CAPITAL OUTLAY	
	CLASSROOMS FIRST AND 1997 SCHOOL CAPITAL	
	OUTLAY BOND PROGRAMS - OPERATING FUNDS AND	
	DEBT SERVICE	
	FROM EDUCATIONAL ENHANCEMENT TRUST	
	FUND	162,109,596

Funds in Specific Appropriation 1 are for the cash and debt service requirements of the Classrooms First and 1997 School Capital Outlay Bond programs established in Chapter 97-384, Laws of Florida.

Funds in Specific Appropriation 1 shall be transferred using nonoperating budget authority into the Lottery Capital Outlay and Debt Service Trust Fund, pursuant to section 1013.71, Florida Statutes, for the payment of debt service and projects. There is appropriated from the Lottery Capital Outlay and Debt Service Trust Fund, an amount sufficient to enable the payment of debt service resulting from these transfers.

2	FIXED CAPITAL OUTLAY	
	DEBT SERVICE - CLASS SIZE REDUCTION	
	LOTTERY CAPITAL OUTLAY PROGRAM	
	FROM EDUCATIONAL ENHANCEMENT TRUST	
	FUND	154,883,241

Funds provided in Specific Appropriation 2 shall be transferred using nonoperating budget authority to the Lottery Capital Outlay and Debt Service Trust Fund, pursuant to section 1013.71, Florida Statutes, for the payment of debt service. There is appropriated from the Lottery Capital Outlay and Debt Service Trust Fund, an amount sufficient to enable the payment of debt service resulting from these transfers.

Funds provided in Specific Appropriation 2 are for Fiscal Year 2011-2012 debt service on all bonds authorized pursuant to section 1013.737, Florida Statutes, including any other continuing payments necessary or incidental to the repayment of the bonds. These funds may be used to refinance any or all bond series if it is in the best interest of the state as determined by the Division of Bond Finance.

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Ch. 2011-69 LAWS OF FLORIDA Ch. 2011-69

SECTION 5 - NATURAL RESOURCES/ENVIRONMENT/GROWTH MANAGEMENT/TRANSPORTATION

TOTAL: INFORMATION TECHNOLOGY			
	FROM TRUST FUNDS		38,579,624
	TOTAL POSITIONS	231.00	
	TOTAL ALL FUNDS		38,579,624
FLORIDA'S TURNPIKE SYSTEMS			
FLORIDA'S TURNPIKE ENTERPRISE			
	APPROVED SALARY RATE	22,035,906	
1964	SALARIES AND BENEFITS	POSITIONS	433.00
	FROM STATE TRANSPORTATION		
	(PRIMARY) TRUST FUND		30,287,510
1965	OTHER PERSONAL SERVICES		
	FROM STATE TRANSPORTATION		
	(PRIMARY) TRUST FUND		316,769
1966	EXPENSES		
	FROM STATE TRANSPORTATION		
	(PRIMARY) TRUST FUND		21,044,911
1967	OPERATING CAPITAL OUTLAY		
	FROM STATE TRANSPORTATION		
	(PRIMARY) TRUST FUND		143,611
1968	SPECIAL CATEGORIES		
	ACQUISITION OF MOTOR VEHICLES		
	FROM STATE TRANSPORTATION		
	(PRIMARY) TRUST FUND		61,633
1969	SPECIAL CATEGORIES		
	CONSULTANT FEES		
	FROM STATE TRANSPORTATION		
	(PRIMARY) TRUST FUND		1,168,631
1970	SPECIAL CATEGORIES		
	CONTRACTED SERVICES		
	FROM STATE TRANSPORTATION		
	(PRIMARY) TRUST FUND		20,860,753
1971	SPECIAL CATEGORIES		
	TOLL OPERATION CONTRACTS		
	FROM STATE TRANSPORTATION		
	(PRIMARY) TRUST FUND		67,274,257
1972	SPECIAL CATEGORIES		
	PAYMENT TO EXPRESSWAY AUTHORITIES		
	FROM STATE TRANSPORTATION		
	(PRIMARY) TRUST FUND		11,152,281
From the funds in Specific Appropriation 1972, \$500,000 in nonrecurring funds is provided for an Expressway Authority designated in s. 348-9952, Florida Statutes.			
1973	SPECIAL CATEGORIES		
	FLORIDA HIGHWAY PATROL SERVICES		
	FROM STATE TRANSPORTATION		
	(PRIMARY) TRUST FUND		19,311,625
1974	SPECIAL CATEGORIES		
	HUMAN RESOURCES DEVELOPMENT		
	FROM STATE TRANSPORTATION		
	(PRIMARY) TRUST FUND		134,949
1975	SPECIAL CATEGORIES		
	OVERTIME		
	FROM STATE TRANSPORTATION		
	(PRIMARY) TRUST FUND		147,739
1976	SPECIAL CATEGORIES		
	TRANSPORTATION MATERIALS AND EQUIPMENT		
	FROM STATE TRANSPORTATION		
	(PRIMARY) TRUST FUND		5,668,409

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appropriated in the Grants and Aids - Public Safety Enhancements Category from the Highway Safety Operating Trust Fund in the Department of Highway Safety and Motor Vehicles for Fiscal Year 2010-2011 for the purpose of funding a federal grant from the National Highway Traffic Safety Administration through the Florida Department of Transportation. This section shall become effective upon becoming law.

~~SECTION 69. The unexpended balance of funds appropriated in Section 76 of chapter 2010-152, Laws of Florida, to the Tampa Bay Area Regional Transportation Authority shall revert immediately and is appropriated in Fiscal Year 2011-2012 for the same purpose.~~

SECTION 70. The unexpended balance of funds provided pursuant to chapter 2010-152, section 78, Laws of Florida, and approved budget amendment: EOG #2009-0082, dated April 15, 2009, for the Transportation Infrastructure - American Recovery and Reinvestment Act of 2009 (088825) appropriation category in the Department of Transportation, shall revert immediately and is appropriated for Fiscal Year 2011-2012 to the department for the same purpose.

SECTION 71. From the funds appropriated in Specific Appropriation 2125 of chapter 2010-152, Laws of Florida, for the Office of Tourism, Trade and Economic Development for Transportation Projects, and approved budget amendment EOG #2010-W0034, \$20,000,000 shall revert immediately and is appropriated to the Department of Transportation from the State Transportation Trust Fund for the purpose of funding work program transportation projects.

SECTION 72. The unexpended balance of funds provided in Specific Appropriation 2182B of Chapter 2010-153, Laws of Florida, shall revert and is reappropriated for Fiscal Year 2011-2012. Funds may be released by the Legislative Budget Commission, pursuant to notice and review provisions in section 216.177, Florida Statutes, to adjust agency data processing categories in accordance with revised utilization estimates associated with consolidations of enterprise information technology resources into primary data centers.

SECTION 73. The unexpended balance of funds appropriated pursuant to Chapter 2010-282, Laws of Florida to the Florida Energy and Climate Commission remaining unspent on June 30, 2011, for the Florida Energy STAR Residential HVAC Rebate Program and the Solar Energy Incentives Program, is reverted and is appropriated for the 2011-12 fiscal year to the Commission for the purpose of the original appropriation.

SECTION 74. The unexpended balance of funds provided to the Agency for Enterprise Information Technology in Specific Appropriation 2174A of Chapter 2008-152, Laws of Florida, for the Information Security Planning Session-sustainment, and the Sustainment Costs for Monitoring Center and Security Tools, and subsequently allocated by budget amendment EOG #B2009-0014 in the 2008-2009 fiscal year; and reverted and appropriated to the Agency for Enterprise Information Technology in the 2009-2010 fiscal year pursuant to Section 83 of Chapter 2009-081, Laws of Florida; and reverted and appropriated to the Agency for Enterprise Information Technology in the 2010-11 fiscal year pursuant to Section 131 of Chapter 2010-152, Laws of Florida, is hereby reverted and is appropriated for the 2011-2012 fiscal year to the Agency for Enterprise Information Technology for the same purpose.

SECTION 75. The unexpended balance of funds provided to the Agency for Enterprise Information Technology in Specific Appropriation 2096A of Chapter 2009-81, Laws of Florida, for the Sustainment Costs for Monitoring Center and Security Tools, and Information Technology Security Incident Response Program, and subsequently allocated by budget amendment EOG #B2010-0014, ; and reverted and appropriated to the Agency for Enterprise Information Technology in the 2010-11 fiscal year pursuant to Section 132 of Chapter 2010-152, Laws of Florida is hereby reverted and is appropriated for the 2011-2012 fiscal year to the Agency for Enterprise Information Technology for the same purpose.

SECTION 76. The Legislature hereby adopts by reference the changes to the approved operating budget as set forth in Budget Amendment EOG #B2011-0599 as submitted on April 15, 2011, by the Governor on behalf of the Agency for Health Care Administration and the Department of Elder Affairs for approval by the Legislative Budget Commission. The Governor shall modify the approved operating budget for Fiscal Year 2010-2011 consistent with the amendment. This section is effective upon becoming law.

SECTION 77. The Legislature hereby adopts by reference the changes to the approved operating budget as set forth in Budget Amendment EOG

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LAWS OF FLORIDA

Ch. 2011-69

Operating/Purchasing Trust Fund.....	5,800,000
DEPARTMENT OF LEGAL AFFAIRS	
Elections Commission Trust Fund.....	1,300,000
JUSTICE ADMINISTRATION COMMISSION	
State Attorneys Revenue Trust Fund.....	2,000,000
STATE COURTS	
State Courts Revenue Trust Fund.....	4,700,000
DEPARTMENT OF COMMUNITY AFFAIRS	
Local Government Housing Trust Fund.....	133,187,355
State Housing Trust Fund.....	56,343,754
Emergency Management Preparedness and Assistance Trust Fund	3,500,000
DEPARTMENT OF HIGHWAY SAFETY AND MOTOR VEHICLES	
Highway Safety Operating Trust Fund.....	5,000,000

For transfer to State School Trust Fund:

DEPARTMENT OF TRANSPORTATION

State Transportation Trust Fund.....	150,000,000
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Funds specified above from each trust fund shall be transferred in four equal installments on a quarterly basis during the fiscal year, except as noted:

1. Funds from the Local Government Housing Trust Fund, shall be transferred by June 30, 2012.

2. Funds from the Pari-Mutuel Wagering Trust Fund and the Alcoholic Beverages and Tobacco Trust Fund shall be transferred in April 2012.

3. The transfer of funds from the State Transportation Trust fund to the State School Trust Fund for Fiscal Year 2011-2012 shall occur in September and December of 2011, and in January and April of 2012.

SECTION 111. The Chief Financial Officer is hereby authorized to transfer \$214,500,000 to the budget stabilization fund for Fiscal Year 2011-2012 as required by section 215.32(2)(c), Florida Statutes.

SECTION 112. Any section of this act, or any appropriation herein contained, if found to be invalid shall in no way affect other sections or specific appropriations contained in this act.

SECTION 113. Except as otherwise provided herein, this act shall take effect July 1, 2011, or upon becoming law, whichever occurs later; however, if this act becomes law after July 1, 2011, then it shall operate retroactively to July 1, 2011.

TOTAL THIS GENERAL APPROPRIATION ACT

FROM GENERAL REVENUE FUND	23,182,748,671	
FROM TRUST FUNDS		46,493,890,488
TOTAL POSITIONS	122,235.75	
TOTAL ALL FUNDS		69,676,639,159
TOTAL APPROVED SALARY RATE	4,987,462,959	

Approved by the Governor May 26, 2011.

Filed in Office Secretary of State May 26, 2011.

F L O R I D A H O U S E O F R E P R E S E N T A T I V E S

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CS/CS/CS/HB 599, Engrossed 2

2012 Legislature

3865 | permits, the recapture of taxes on nonqualified purchases, and
3866 | the manner and form of refund applications.

3867 | Section 62. Subsection (3) of section 343.52, Florida
3868 | Statutes, is amended to read:

3869 | 343.52 Definitions.—As used in this part, the term:

3870 | (3) "Area served" means Miami-Dade, Broward, and Palm
3871 | Beach Counties. However, this area may be expanded by mutual
3872 | consent of the authority and the board of county commissioners
3873 | of Monroe County ~~representing the proposed expansion area.~~ The
3874 | authority may not expand into any additional counties without
3875 | the department's prior written approval.

3876 | Section 63. Section 343.53, Florida Statutes, is amended
3877 | to read:

3878 | 343.53 South Florida Regional Transportation Authority.—

3879 | (1) There is created and established a body politic and
3880 | corporate, an agency of the state, to be known as the "South
3881 | Florida Regional Transportation Authority," hereinafter referred
3882 | to as the "authority."

3883 | (2) The governing board of the authority shall consist of
3884 | 10 ~~nine~~ voting members, as follows:

3885 | (a) The county commissions of Miami-Dade, Broward, and
3886 | Palm Beach Counties shall each elect a commissioner as that
3887 | commission's representative on the board. The commissioner must
3888 | be a member of the county commission when elected and for the
3889 | full extent of his or her term.

3890 | (b) The county commissions of Miami-Dade, Broward, and
3891 | Palm Beach Counties shall each appoint a citizen member to the
3892 | board who is not a member of the county commission but who is a

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F L O R I D A H O U S E O F R E P R E S E N T A T I V E S

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CS/CS/CS/HB 599, Engrossed 2

2012 Legislature

3893 resident of the county from which he or she is appointed and a
 3894 qualified elector of that county. Insofar as practicable, the
 3895 citizen member shall represent the business and civic interests
 3896 of the community.

3897 (c) The secretary of the Department of Transportation
 3898 shall appoint one of the district secretaries, or his or her
 3899 designee, for the districts within which the area served by the
 3900 South Florida Regional Transportation Authority is located, who
 3901 shall serve ex officio as a voting member.

3902 (d) If the authority's service area is expanded pursuant
 3903 to s. 343.54(5), the county containing the new service area
 3904 shall have two ~~three~~ members appointed to the board as follows:

3905 1. The county commission of the county shall elect a
 3906 commissioner as that commission's representative on the board.
 3907 The commissioner must be a member of the county commission when
 3908 elected and for the full extent of his or her term.

3909 ~~2. The county commission of the county shall appoint a~~
 3910 ~~citizen member to the board who is not a member of the county~~
 3911 ~~commission but who is a resident and a qualified elector of that~~
 3912 ~~county. Insofar as is practicable, the citizen member shall~~
 3913 ~~represent the business and civic interests of the community.~~

3914 2.3. The Governor shall appoint a citizen member to the
 3915 board who is not a member of the county commission but who is a
 3916 resident and a qualified elector of that county.

3917 (e) The Governor shall appoint three ~~two~~ members to the
 3918 board who are residents and qualified electors in the area
 3919 served by the authority but who are not residents of the same
 3920 county ~~and also not residents of the county in which the~~

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3921 ~~district secretary who was appointed pursuant to paragraph (c)~~
3922 ~~is a resident.~~

3923 (3)(a) Members of the governing board of the authority
3924 shall be appointed to serve 4-year staggered terms, except that
3925 the terms of the appointees of the Governor shall be concurrent.

3926 ~~(b) The terms of the board members currently serving on~~
3927 ~~the authority that is being succeeded by this act shall expire~~
3928 ~~July 30, 2003, at which time the terms of the members appointed~~
3929 ~~pursuant to subsection (2) shall commence. The Governor shall~~
3930 ~~make his or her appointments to the board within 30 days after~~
3931 ~~July 30, 2003.~~

3932 (4) A vacancy during a term shall be filled by the
3933 respective appointing authority in the same manner as the
3934 original appointment and only for the balance of the unexpired
3935 term.

3936 (5) The members of the authority shall serve without
3937 compensation, but are entitled to reimbursement for travel
3938 expenses actually incurred in their duties as provided by law.

3939 Section 64. Paragraph (q) is added to subsection (3) of
3940 section 343.54, Florida Statutes, and subsection (5) of that
3941 section is amended, to read:

3942 343.54 Powers and duties.—

3943 (3) The authority may exercise all powers necessary,
3944 appurtenant, convenient, or incidental to the carrying out of
3945 the aforesaid purposes, including, but not limited to, the
3946 following rights and powers:

3947 (q) To privatize any of the administrative functions of
3948 the authority existing as of July 1, 2012, by contracting with a

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F L O R I D A H O U S E O F R E P R E S E N T A T I V E S

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3949 private entity or entities to perform any or all of those
 3950 functions, which shall require a two-thirds vote of the entire
 3951 membership of the board.

3952 (5) The authority, by a resolution of its governing board,
 3953 may expand its service area into Monroe County ~~and enter into a~~
 3954 ~~partnership with any county that is contiguous to the service~~
 3955 ~~area of the authority.~~ The board shall determine the conditions
 3956 and terms of the partnership, except as provided herein.

3957 However, the authority may not expand its service area without
 3958 the consent of the board of county commissioners representing
 3959 the proposed expansion area, and a county may not be added to
 3960 the service area except in the year that federal reauthorization
 3961 legislation for transportation funds is enacted. The authority
 3962 shall not expand into any county other than Monroe County
 3963 without the department's prior written approval.

3964 Section 65. Section 343.56, Florida Statutes, is amended
 3965 to read:

3966 343.56 Bonds not debts or pledges of credit of state.—
 3967 Revenue bonds issued under the provisions of this part are not
 3968 debts of the state or pledges of the faith and credit of the
 3969 state. Such bonds are payable exclusively from revenues pledged
 3970 for their payment. All such bonds shall contain a statement on
 3971 their face that the state is not obligated to pay the same or
 3972 the interest thereon, except from the revenues pledged for their
 3973 payment, and that the faith and credit of the state is not
 3974 pledged to the payment of the principal or interest of such
 3975 bonds. The issuance of revenue bonds under the provisions of
 3976 this part does not directly, indirectly, or contingently

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F L O R I D A H O U S E O F R E P R E S E N T A T I V E S

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3977 obligate the state to levy or to pledge any form of taxation
3978 whatsoever, or to make any appropriation for their payment. No
3979 state funds shall be used or pledged to pay the principal or
3980 interest of any bonds issued to finance or refinance any portion
3981 of the South Florida Regional Transportation Authority transit
3982 system, and all such bonds shall contain a statement on their
3983 face to this effect. ~~However, federal funds being passed through~~
3984 ~~the department to the South Florida Regional Transportation~~
3985 ~~Authority and those state matching funds required by the United~~
3986 ~~States Department of Transportation as a condition of federal~~
3987 ~~funding may be used to pay principal and interest of any bonds~~
3988 ~~issued.~~

3989 Section 66. Section 343.57, Florida Statutes, is amended
3990 to read:

3991 343.57 Pledge to bondholders not to restrict certain
3992 rights of authority.—The state pledges to and agrees with the
3993 holders of the bonds issued pursuant to this part that the state
3994 will not limit or restrict the rights vested in the authority to
3995 construct, reconstruct, maintain, and operate any project as
3996 defined in this part, to establish and collect such fees or
3997 other charges as may be convenient or necessary to produce
3998 sufficient revenues to meet the expenses of maintenance and
3999 operation of the system, and to fulfill the terms of any
4000 agreements made with the holders of bonds authorized by this
4001 part. The state further pledges that it will not in any way
4002 impair the rights or remedies of the holders of such bonds until
4003 the bonds, together with interest thereon, are fully paid and
4004 discharged. Nothing in this section or in any agreement between

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F L O R I D A H O U S E O F R E P R E S E N T A T I V E S

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4005 the authority and the Department of Transportation shall be
 4006 construed to require the Legislature to make or continue any
 4007 appropriation of state funds to the authority, including, but
 4008 not limited to, the amounts specified in s. 343.58(4), nor shall
 4009 any holder of bonds have any right to require the Legislature to
 4010 make or continue any appropriation of state funds.

4011 Section 67. Subsection (4) of section 343.58, Florida
 4012 Statutes, is amended, and subsection (6) is added to that
 4013 section, to read:

4014 343.58 County funding for the South Florida Regional
 4015 Transportation Authority.—

4016 (4) Notwithstanding any other provision of law to the
 4017 contrary and effective July 1, 2010, until as provided in
 4018 paragraph (d), the department shall transfer annually from the
 4019 State Transportation Trust Fund to the South Florida Regional
 4020 Transportation Authority the amounts specified in subparagraph
 4021 (a)1. or subparagraph (a)2.

4022 (a)1. If the authority becomes responsible for maintaining
 4023 and dispatching the South Florida Rail Corridor:

4024 a. \$15 million from the State Transportation Trust Fund to
 4025 the South Florida Regional Transportation Authority for
 4026 operations, maintenance, and dispatch; and

4027 b. An amount no less than the work program commitments
 4028 equal to \$27.1 million for fiscal year 2010-2011, as of July 1,
 4029 2009, for operating assistance to the authority and corridor
 4030 track maintenance and contract maintenance for the South Florida
 4031 Rail Corridor.

4032 2. If the authority does not become responsible for

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Transportation Authority Monitoring and Oversight

F L O R I D A H O U S E O F R E P R E S E N T A T I V E S

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4033 maintaining and dispatching the South Florida Rail Corridor:
4034 a. \$13.3 million from the State Transportation Trust Fund
4035 to the South Florida Regional Transportation Authority for
4036 operations; and
4037 b. An amount no less than the work program commitments
4038 equal to \$17.3 million for fiscal year 2010-2011, as of July 1,
4039 2009, for operating assistance to the authority.
4040 (b) Funding required by this subsection may not be
4041 provided from the funds dedicated to the Florida Rail Enterprise
4042 under s. 201.15(1)(c)1.d.
4043 (c)1. Funds provided to the authority by the department
4044 under this subsection may not be committed by the authority
4045 without the approval of the department, which may not be
4046 unreasonably withheld. At least 90 days before advertising any
4047 procurement or renewing any existing contract that will rely on
4048 state funds for payment, the authority shall notify the
4049 department of the proposed procurement or renewal and the
4050 proposed terms thereof. If the department, within 60 days after
4051 receipt of notice, objects in writing to the proposed
4052 procurement or renewal, specifying its reasons for objection,
4053 the authority may not proceed with the proposed procurement or
4054 renewal. Failure of the department to object in writing within
4055 60 days after notice shall be deemed consent. This requirement
4056 does not impair or cause the authority to cancel contracts that
4057 exist as of June 30, 2012.
4058 2. To enable the department to evaluate the authority's
4059 proposed uses of state funds, the authority shall annually
4060 provide the department with its proposed budget for the

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F L O R I D A H O U S E O F R E P R E S E N T A T I V E S

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2012 Legislature

4061 following authority fiscal year and shall provide the department
 4062 with any additional documentation or information required by the
 4063 department for its evaluation of the proposed uses of the state
 4064 funds.

4065 (d) Funding required by this subsection shall cease upon
 4066 commencement of an alternate dedicated local funding source
 4067 sufficient for the authority to meet its responsibilities for
 4068 operating, maintaining, and dispatching the South Florida Rail
 4069 Corridor. The authority and the department shall cooperate in
 4070 the effort to identify and implement such an alternate dedicated
 4071 local funding source before July 1, 2019. Upon commencement of
 4072 the alternate dedicated local funding source, the department
 4073 shall convey to the authority a perpetual commuter rail easement
 4074 in the South Florida Rail Corridor and all of the department's
 4075 right, title, and interest in rolling stock, equipment, tracks,
 4076 and other personal property owned and used by the department for
 4077 the operation and maintenance of the commuter rail operations in
 4078 the South Florida Rail Corridor.

4079 (6) Before the authority undertakes any new capital
 4080 projects or transit system improvements not approved by the
 4081 authority board, and not identified in the authority's 5-year
 4082 capital program, on or before July 1, 2012, the authority shall
 4083 ensure that the funding available to the authority under this
 4084 section, together with any revenues available to the authority,
 4085 are currently, and are anticipated to continue to be, sufficient
 4086 for the authority to meet its obligations under any agreement
 4087 through which federal funds have been or are anticipated to be
 4088 received by the authority.

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4089 Section 68. Section 347.215, Florida Statutes, is created
4090 to read:

4091 347.215 Operation of ferries by joint agreement between
4092 public and private entities.—The county commission of any county
4093 that has granted a license to operate a ferry in the county may
4094 authorize the operation of such ferry by a single party or
4095 multiple parties under a joint agreement between the appropriate
4096 public entities and one or more private corporations conducting
4097 business in the state.

4098 Section 69. Paragraph (c) of subsection (4) of section
4099 348.0003, Florida Statutes, is amended to read:

4100 348.0003 Expressway authority; formation; membership.—
4101 (4)

4102 (c) Members of each expressway authority, transportation
4103 authority, bridge authority, or toll authority, created pursuant
4104 to this chapter, chapter 343, ~~or chapter 349~~ or any other
4105 general law, legislative enactment shall comply with the
4106 applicable financial disclosure requirements of s. 8, Art. II of
4107 the State Constitution. This paragraph does not subject any
4108 statutorily created authority, other than an expressway
4109 authority created under this part, to any other requirement of
4110 this part except the requirement of this paragraph.

4111 Section 70. Section 348.7645, Florida Statutes, is created
4112 to read:

4113 348.7645 Exit sign to university.—Notwithstanding any
4114 provision of law to the contrary, the authority, upon request by
4115 a university described in this section, shall erect signage at
4116 the most convenient, existing exit directing traffic to a

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4117 university with at least 6,000 full-time students which is
 4118 located within 5 miles of a roadway operated by the authority.
 4119 Any such university shall pay to the authority the actual costs
 4120 of any signage erected.
 4121 Section 71. Subsection (3) of section 349.03, Florida
 4122 Statutes, is amended to read:
 4123 349.03 Jacksonville Transportation Authority.—
 4124 (3)(a) The terms of appointed members shall be for 4 years
 4125 deemed to have commenced on June 1 of the year in which they are
 4126 appointed. Each member shall hold office until a successor has
 4127 been appointed and has qualified. A vacancy during a term shall
 4128 be filled by the respective appointing authority only for the
 4129 balance of the unexpired term. Any member appointed to the
 4130 authority for two consecutive full terms shall not be eligible
 4131 for appointment to the next succeeding term. One of the members
 4132 so appointed shall be designated annually by the members as
 4133 chair of the authority, one member shall be designated annually
 4134 as the vice chair of the authority, one member shall be
 4135 designated annually as the secretary of the authority, and one
 4136 member shall be designated annually as the treasurer of the
 4137 authority. The members of the authority shall not be entitled to
 4138 compensation, but shall be reimbursed for travel expenses or
 4139 other expenses actually incurred in their duties as provided by
 4140 law. Four voting members of the authority shall constitute a
 4141 quorum, and no resolution adopted by the authority shall become
 4142 effective unless with the affirmative vote of at least four
 4143 members. Members of the authority shall file as their mandatory
 4144 financial disclosure a statement of financial interest with the

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4145 Commission on Ethics as provided in s. 112.3145.

4146 (b) The authority shall employ an executive director, and
4147 the executive director may hire such staff, permanent or
4148 temporary, as he or she may determine and may organize the staff
4149 of the authority into such departments and units as he or she
4150 may determine. The executive director may appoint department
4151 directors, deputy directors, division chiefs, and staff
4152 assistants to the executive director, as he or she may
4153 determine. In so appointing the executive director, the
4154 authority may fix the compensation of such appointee, who shall
4155 serve at the pleasure of the authority. All employees of the
4156 authority shall be exempt from the provisions of part II of
4157 chapter 110. The authority may employ such financial advisers
4158 and consultants, technical experts, engineers, and agents and
4159 employees, permanent or temporary, as it may require and may fix
4160 the compensation and qualifications of such persons, firms, or
4161 corporations. The authority may delegate to one or more of its
4162 agents or employees such of its powers as it shall deem
4163 necessary to carry out the purposes of this chapter, subject
4164 always to the supervision and control of the governing body of
4165 the authority.

4166 Section 72. Subsection (8) is added to section 349.04,
4167 Florida Statutes, to read:

4168 349.04 Purposes and powers.—

4169 (8) The authority may conduct public meetings and
4170 workshops by means of communications media technology, as
4171 provided in s. 120.54(5). However, a resolution, rule, or formal
4172 action is not binding unless a quorum is physically present at

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4173 the noticed meeting location, and only members physically
 4174 present may vote on any item.

4175 Section 73. Subsection (6) is added to section 373.118,
 4176 Florida Statutes, to read:

4177 373.118 General permits; delegation.—

4178 (6) By July 1, 2012, the department shall initiate
 4179 rulemaking to adopt a general permit for stormwater management
 4180 systems serving airside activities at airports. The general
 4181 permit applies statewide and shall be administered by any water
 4182 management district or any delegated local government pursuant
 4183 to the operating agreements applicable to part IV, with no
 4184 additional rulemaking required. Such rules are not subject to
 4185 any special rulemaking requirements related to small business.

4186 Section 74. Subsection (6) is added to section 373.413,
 4187 Florida Statutes, to read:

4188 373.413 Permits for construction or alteration.—

4189 (6) It is the intent of the Legislature that the governing
 4190 board or department exercise flexibility in the permitting of
 4191 stormwater management systems associated with the construction
 4192 or alteration of systems serving state transportation projects
 4193 and facilities. Because of the unique limitations of linear
 4194 facilities, the governing board or department shall balance the
 4195 expenditure of public funds for stormwater treatment for state
 4196 transportation projects and facilities with the benefits to the
 4197 public in providing the most cost-efficient and effective method
 4198 of achieving the treatment objectives. In consideration thereof,
 4199 the governing board or department shall allow alternatives to
 4200 onsite treatment, including, but not limited to, regional

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4229 publicly displaying such business partners' names on school
4230 district property in the unincorporated areas of the county.
4231 Project graduation and athletic sponsorships are examples of
4232 appropriate recognition. The district shall make every effort to
4233 display its business partners' names in a manner that is
4234 consistent with the county standards for uniformity in size,
4235 color, and placement of signs. If the provisions of this section
4236 are inconsistent with county ordinances or regulations relating
4237 to signs in the unincorporated areas of the county or
4238 inconsistent with chapter 125 or chapter 166, Florida Statutes,
4239 the provisions of this section prevail. The pilot program
4240 expires June 30, 2014.

4241 Section 78. Effective upon this act becoming a law, all
4242 administrative rules adopted by the former Pilotage Rate Review
4243 Board, which were in effect upon the effective date of ss. 5 and
4244 6, chapter 2010-225, Laws of Florida, are transferred by a type
4245 two transfer, as defined in s. 20.06(2), Florida Statutes, to
4246 the Pilotage Rate Review Committee of the Board of Pilot
4247 Commissioners and shall apply retroactively to the effective
4248 date of ss. 5 and 6, chapter 2010-225, Laws of Florida.

4249 Section 79. The Florida Transportation Commission shall
4250 conduct a study of the potential for cost savings that might be
4251 realized through increased efficiencies through the sharing of
4252 resources for the accomplishment of design, construction, and
4253 maintenance activities by or on behalf of expressway authorities
4254 in the state. The commission may retain such experts as are
4255 reasonably necessary to complete the study, and the department
4256 shall pay the expenses of such experts. The commission shall

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4257 complete the study and provide a written report of its findings
 4258 and conclusions to the Governor, the President of the Senate,
 4259 the Speaker of the House of Representatives, and the chairs of
 4260 each of the appropriations committees of the Legislature by
 4261 December 31, 2012. In conducting the study, the commission shall
 4262 seek input from the existing expressway authorities.

4263 Section 80. Notwithstanding s. 120.569, s. 120.57, or s.
 4264 373.427, Florida Statutes, or any other provision of law to the
 4265 contrary, a challenge to a consolidated environmental resource
 4266 permit or any associated variance or any sovereign submerged
 4267 lands authorization proposed or issued by the Department of
 4268 Environmental Protection in connection with the state's
 4269 deepwater ports, as listed in s. 403.021(9), Florida Statutes,
 4270 shall be conducted pursuant to the summary hearing provisions of
 4271 s. 120.574, Florida Statutes; however, the summary proceeding
 4272 shall be conducted within 30 days after a party files a motion
 4273 for a summary hearing, regardless of whether the parties agree
 4274 to the summary proceeding, and the administrative law judge's
 4275 decision shall be in the form of a recommended order and does
 4276 not constitute final agency action of the department. The
 4277 Department of Environmental Protection shall issue the final
 4278 order within 45 working days after receipt of the administrative
 4279 law judge's recommended order. The summary hearing provisions of
 4280 this section apply to pending administrative proceedings;
 4281 however, s. 120.574(1)(b) and (d) and (2)(a)3. and 5., Florida
 4282 Statutes, do not apply to pending administrative proceedings.
 4283 This section shall take effect upon this act becoming a law.

4284 Section 81. It is the intent of the Legislature to

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4285 encourage and facilitate a review by the Pinellas Suncoast
4286 Transit Authority (PSTA) and the Hillsborough Area Regional
4287 Transit Authority (HART) in order to achieve improvements in
4288 regional transit connectivity and implementation of operational
4289 efficiencies and service enhancements that are consistent with
4290 the regional approach to transit identified in the Tampa Bay
4291 Area Regional Transportation Authority's (TBARTA's) Regional
4292 Transportation Master Plan. The Legislature finds that such
4293 improvements and efficiencies can best be achieved through a
4294 joint review, evaluation, and recommendations by the Pinellas
4295 Suncoast Transit Authority and the Hillsborough Area Regional
4296 Transit Authority.

4297 (1) The governing bodies or a designated subcommittee of
4298 both the Pinellas Suncoast Transit Authority and the
4299 Hillsborough Area Regional Transit Authority shall hold a joint
4300 meeting within 30 days after July 1, 2012, and as often as
4301 deemed necessary thereafter, in order to consider and identify
4302 opportunities for greater efficiency and service improvements,
4303 including specific methods for increasing service connectivity
4304 between the jurisdictions of each agency. The elements to be
4305 reviewed must also include:

4306 (a) Governance structure, including governing board
4307 membership, terms, responsibilities, officers, powers, duties,
4308 and responsibilities;

4309 (b) Funding options and implementation;
4310 (c) Facilities ownership and management;
4311 (d) Current financial obligations and resources; and
4312 (e) Actions to be taken that are consistent with the Tampa

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4313 Bay Area Regional Transportation Authority's master plan.

4314 (2) The Pinellas Suncoast Transit Authority and the

4315 Hillsborough Area Regional Transit Authority shall jointly

4316 submit a report to the Speaker of the House of Representatives

4317 and the President of the Senate on the elements described in

4318 this section by February 1, 2013. The report must include

4319 proposed legislation to implement each recommendation and

4320 specific recommendations concerning the reorganization of each

4321 agency, the organizational merger of both agencies, or the

4322 consolidation of functions within and between each agency.

4323 (3) The Tampa Bay Area Regional Transportation Authority

4324 shall assist and facilitate the Pinellas Suncoast Transit

4325 Authority and the Hillsborough Area Regional Transit Authority

4326 in carrying out the purposes of this section. The Tampa Bay Area

4327 Regional Transportation Authority shall provide technical

4328 assistance and information regarding its master plan, make

4329 recommendations for achieving consistency and improved regional

4330 connectivity, and provide support to the Pinellas Suncoast

4331 Transit Authority and the Hillsborough Area Regional Transit

4332 Authority in the preparation of their joint report and

4333 recommendations to the Legislature. For this purpose, the

4334 Pinellas Suncoast Transit Authority and the Hillsborough Area

4335 Regional Transit Authority shall reimburse the Tampa Bay Area

4336 Regional Transportation Authority for necessary and reasonable

4337 expense in a total amount not to exceed \$100,000.

4338 Section 82. Subsection (7) of section 215.616, Florida

4339 Statutes, is amended to read:

4340 215.616 State bonds for federal aid highway construction.—

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4985 recipient of the Purple Heart medal shall, upon application
4986 therefor to the department, with the payment of the required
4987 fees, be issued a license plate as provided in s. 320.06, on
4988 which license plate are stamped the words "Purple Heart" and the
4989 likeness of the Purple Heart medal followed by the serial
4990 number. Each application shall be accompanied by proof that the
4991 applicant is the unremarried surviving spouse of a recipient of
4992 the Purple Heart medal.

4993 (4) The owner or lessee of an automobile or truck for
4994 private use, a truck weighing not more than 7,999 pounds, or a
4995 recreational vehicle as specified in s. 320.08(9)(c) or (d)
4996 which automobile, truck, or recreational vehicle is not used for
4997 hire or commercial use who is a resident of the state and a
4998 current or former member of the United States military who was
4999 deployed and served in Iraq during Operation Iraqi Freedom or in
5000 Afghanistan during Operation Enduring Freedom shall, upon
5001 application to the department, accompanied by proof of active
5002 membership or former active duty status during one of these
5003 operations, and upon payment of the license tax for the vehicle
5004 as provided in s. 320.08, be issued a license plate as provided
5005 by s. 320.06 upon which, in lieu of the registration license
5006 number prescribed by s. 320.06, shall be stamped the words
5007 "Operation Iraqi Freedom" or "Operation Enduring Freedom," as
5008 appropriate, followed by the registration license number of the
5009 plate.

5010 Section 100. Subsection (10) is added to section 338.165,
5011 Florida Statutes, to read:

5012 338.165 Continuation of tolls.—

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5013 (10) The department's Beachline-East Expressway may be
 5014 transferred by the department and become part of the turnpike
 5015 system under the Florida Turnpike Enterprise Law. Any funds
 5016 expended by Florida Turnpike Enterprise for the acquisition of
 5017 the Beachline-East Expressway shall be deposited into the State
 5018 Transportation Trust Fund, and, notwithstanding any other law to
 5019 the contrary, such funds shall first be allocated by the
 5020 department to fund the department's obligation to construct the
 5021 Wekiva Parkway. The term "Wekiva Parkway" means a limited access
 5022 highway or expressway constructed between State Road 429 and
 5023 Interstate 4 specifically incorporating the corridor alignment
 5024 recommended by Recommendation 2 of the Wekiva River Basin Area
 5025 Task Force final report dated January 15, 2003, and the
 5026 recommendations of the SR 429 Working Group which were adopted
 5027 January 16, 2004, and related transportation facilities.

5028 Section 101. Section 348.7546, Florida Statutes, is
 5029 amended to read:

5030 348.7546 Wekiva Parkway, construction authorized;
 5031 financing. ~~Notwithstanding s. 338.2275,~~

5032 (1) The Orlando-Orange County Expressway Authority is
 5033 ~~hereby~~ authorized to exercise its condemnation powers and to,
 5034 construct, finance, operate, own, and maintain those portions of
 5035 the Wekiva Parkway which are identified by agreement between the
 5036 authority and the department and which are included as part of
 5037 the authority's long-range capital improvement plan. The "Wekiva
 5038 Parkway" means any limited access highway or expressway
 5039 constructed between State Road 429 and Interstate 4 specifically
 5040 incorporating the corridor alignment recommended by

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5041 Recommendation 2 of the Wekiva River Basin Area Task Force final
5042 report dated January 15, 2003, and the recommendations of the SR
5043 429 Working Group which ~~that~~ were adopted January 16, 2004. This
5044 project may be financed with any funds available to the
5045 authority for such purpose or revenue bonds issued by the
5046 authority under s. 11, Art. VII of the State Constitution and s.
5047 348.755(1)(b). This section does not invalidate the exercise by
5048 the authority of its condemnation powers or the acquisition of
5049 any property for the Wekiva Parkway before July 1, 2012.

5050 (2) Notwithstanding any other provision of law to the
5051 contrary, in order to ensure that funds are available to the
5052 department for its portion of the Wekiva Parkway, beginning July
5053 1, 2012, the authority shall repay the expenditures by the
5054 department for costs of operation and maintenance of the
5055 Orlando-Orange County Expressway System in accordance with the
5056 terms of the memorandum of understanding between the authority
5057 and the department ratified by the authority board on February
5058 22, 2012, which requires the authority to pay the department \$10
5059 million on July 1, 2012, and \$20 million on each successive July
5060 1 until the department has been fully reimbursed for all costs
5061 of the Orlando-Orange County Expressway System which were paid,
5062 advanced, or reimbursed to the authority by the department, with
5063 a final payment in the amount of the balance remaining.
5064 Notwithstanding any other law to the contrary, the funds paid to
5065 the department pursuant to this subsection shall be allocated by
5066 the department for construction of the Wekiva Parkway.

5067 (3) The department's obligation to construct its portions
5068 of the Wekiva Parkway is contingent upon the timely payment by

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5069 | the authority of the annual payments required of the authority
 5070 | and receipt of all required environmental permits and approvals
 5071 | by the Federal Government.

5072 | Section 102. Subsections (6) is added to section 348.755,
 5073 | Florida Statutes, to read:

5074 | 348.755 Bonds of the authority.—

5075 | (6) Notwithstanding any other provision of law to the
 5076 | contrary, on and after July 1, 2012, the authority may not issue
 5077 | any bonds except as permitted under the terms of the memorandum
 5078 | of understanding between the authority and the department
 5079 | ratified by the authority board on February 22, 2012.

5080 | Section 103. Subsections (8) and (9) are added to section
 5081 | 348.757, Florida Statutes, to read:

5082 | 348.757 Lease-purchase agreement.—

5083 | (8) The only lease-purchase agreement authorized by this
 5084 | section is the lease-purchase agreement between the department
 5085 | and the authority dated December 23, 1985, as supplemented by a
 5086 | first supplement to the lease-purchase agreement dated November
 5087 | 25, 1986, and a second supplement to the lease-purchase
 5088 | agreement dated October 27, 1988.

5089 | (9) Upon the earlier of the defeasance, redemption, or
 5090 | payment in full of the authority bonds issued before July 1,
 5091 | 2012, or the earlier date to which the purchasers of the
 5092 | authority bonds have consented:

5093 | (a) The obligations of the department under the lease-
 5094 | purchase agreement with the authority, including any obligation
 5095 | to pay any cost of operation, maintenance, repair, or
 5096 | rehabilitation of the expressway system, terminate;

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5097 (b) The lease purchase agreement terminates;
5098 (c) The expressway system remains the property of the
5099 authority and may not be transferred to the department; and
5100 (d) The authority remains obligated to reimburse the
5101 department in accordance with the terms of the memorandum of
5102 understanding between the authority and the department ratified
5103 by the authority board on February 22, 2012.
5104 Section 104. Subsections (2) and (5) of section 369.317,
5105 Florida Statutes, are amended to read:
5106 369.317 Wekiva Parkway.—
5107 (2) The Wekiva Parkway and related transportation
5108 facilities shall follow the design criteria contained in the
5109 recommendations of the Wekiva River Basin Area Task Force
5110 adopted by reference by the Wekiva River Basin Coordinating
5111 Committee in its final report of March 16, 2004, and the
5112 recommendations of the Wekiva Coordinating Committee contained
5113 in its final report of March 16, 2004, subject to reasonable
5114 environmental, economic, and engineering considerations. For
5115 those activities associated with the Wekiva Parkway and related
5116 transportation facilities which require authorization pursuant
5117 to part IV of chapter 373, the Department of Environmental
5118 Protection is the exclusive permitting authority.
5119 (5) In Seminole County, ~~the Seminole County Expressway~~
5120 ~~Authority,~~ the Department of Transportation, ~~and the Florida~~
5121 ~~Turnpike Enterprise~~ shall locate the precise corridor and
5122 interchanges for the Wekiva Parkway consistent with the
5123 legislative intent expressed in this act and other provisions of
5124 this act.

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1277 canceled or while the licenseholder is disqualified from driving
1278 a commercial vehicle; or

1279 8. Causing a fatality through the negligent operation of a
1280 commercial motor vehicle.

1281 (5) A ~~Any~~ person who is convicted of two violations
1282 specified in subsection (3) which were committed while operating
1283 a commercial motor vehicle, or any combination thereof, arising
1284 in separate incidents shall be permanently disqualified from
1285 operating a commercial motor vehicle. A ~~Any~~ holder of a
1286 commercial driver ~~driver's~~ license who is convicted of two
1287 violations specified in subsection (3) which were committed
1288 while operating any ~~a noncommercial~~ motor vehicle, ~~or any~~
1289 ~~combination thereof,~~ arising in separate incidents shall be
1290 permanently disqualified from operating a commercial motor
1291 vehicle. The penalty provided in this subsection is in addition
1292 to any other applicable penalty.

1293 Section 20. Present subsections (8) through (13) of section
1294 334.30, Florida Statutes, are redesignated as subsections (7)
1295 through (12), respectively, and present subsection (7) of that
1296 section is amended, to read:

1297 334.30 Public-private transportation facilities.—The
1298 Legislature finds and declares that there is a public need for
1299 the rapid construction of safe and efficient transportation
1300 facilities for the purpose of traveling within the state, and
1301 that it is in the public's interest to provide for the
1302 construction of additional safe, convenient, and economical
1303 transportation facilities.

1304 ~~(7) The department may lend funds from the Toll Facilities~~
1305 ~~Revolving Trust Fund, as outlined in s. 338.251, to private~~

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1306 ~~entities that construct projects on the State Highway System~~
1307 ~~containing toll facilities that are approved under this section.~~
1308 ~~To be eligible, a private entity must comply with s. 338.251 and~~
1309 ~~must provide an indication from a nationally recognized rating~~
1310 ~~agency that the senior bonds for the project will be investment~~
1311 ~~grade, or must provide credit support such as a letter of credit~~
1312 ~~or other means acceptable to the department, to ensure that the~~
1313 ~~loans will be fully repaid. The state's liability for the~~
1314 ~~funding of a facility is limited to the amount approved for that~~
1315 ~~specific facility in the department's 5-year work program~~
1316 ~~adopted pursuant to s. 339.135.~~

1317 Section 21. Subsection (5) is added to section 335.074,
1318 Florida Statutes, to read:

1319 335.074 Safety inspection of bridges.—

1320 (5) Upon receipt of an inspection report that recommends
1321 reducing the weight, size, or speed limit on a bridge, the
1322 governmental entity having maintenance responsibility for the
1323 bridge shall reduce the maximum limits for the bridge in
1324 accordance with the inspection report and shall post the limits
1325 in accordance with s. 316.555. The governmental entity shall,
1326 within 30 days after receipt of an inspection report
1327 recommending lower limits, notify the department that the
1328 limitations have been implemented and the limits have been
1329 posted accordingly. If the required actions are not taken within
1330 30 days after receipt of an inspection report, the department
1331 shall post the limits on the bridge in accordance with the
1332 recommendations in the inspection report. The costs incurred by
1333 the department in connection with providing notice of the
1334 bridge's limitations or restrictions shall be assessed against

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1538 metropolitan planning organization. If such turnpike project
1539 does not fall within the jurisdiction of a metropolitan planning
1540 organization, the department shall notify the affected county
1541 and provide for public hearings in accordance with s.
1542 339.155(6)(c).
1543 Section 29. Section 338.251, Florida Statutes, is repealed.
1544 Section 30. Paragraph (f) of subsection (1) of section
1545 339.08, Florida Statutes, is amended to read:
1546 339.08 Use of moneys in State Transportation Trust Fund.—
1547 (1) The department shall expend moneys in the State
1548 Transportation Trust Fund accruing to the department, in
1549 accordance with its annual budget. The use of such moneys shall
1550 be restricted to the following purposes:
1551 (f) To pay the cost of economic development transportation
1552 projects in accordance with s. 339.2821 ~~299.063~~.
1553 Section 31. Section 339.139, Florida Statutes, is created
1554 to read:
1555 339.139 Transportation debt assessment.—
1556 (1) It is the policy of the state to manage the financing
1557 of transportation infrastructure in a manner that ensures the
1558 fiscal integrity of the State Transportation Trust Fund.
1559 (2) The department shall provide a debt and debtlike
1560 contractual obligations load report to the Executive Office of
1561 the Governor, the President of the Senate, the Speaker of the
1562 House of Representatives, and the legislative appropriations
1563 committees in conjunction with the tentative work program
1564 required under s. 339.135. The debt and debtlike contractual
1565 obligations load report must include the following data on
1566 current and planned department commitments that are payable from

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CODING: Words ~~stricken~~ are deletions; words underlined are additions.

Ch. 2012-118

LAWS OF FLORIDA

Ch. 2012-118

SECTION 5 - NATURAL RESOURCES/ENVIRONMENT/GROWTH MANAGEMENT/TRANSPORTATION

1917	FIXED CAPITAL OUTLAY AVIATION DEVELOPMENT/GRANTS FROM STATE TRANSPORTATION (PRIMARY) TRUST FUND	176,928,822
	From the funds in Specific Appropriation 1917, \$1,118,000 shall be used by the Greater Orlando Aviation Authority at the Orlando Executive Airport for necessary improvements in preparation for the National Business Aviation Association Convention. The funding for these improvements shall be up to 100 percent of the non-federal share.	
1918	FIXED CAPITAL OUTLAY PUBLIC TRANSIT DEVELOPMENT/GRANTS FROM STATE TRANSPORTATION (PRIMARY) TRUST FUND	206,688,731
	From the funds in Specific Appropriation 1918, \$1,200,000 shall be used by the Central Florida Regional Transportation Authority for a LYNX route serving the area between Orlando International Airport and Lake Buena Vista.	
1919	FIXED CAPITAL OUTLAY RIGHT-OF-WAY LAND ACQUISITION FROM STATE TRANSPORTATION (PRIMARY) TRUST FUND	387,520,470
	FROM RIGHT-OF-WAY ACQUISITION AND BRIDGE CONSTRUCTION TRUST FUND . .	55,573,450
1920	FIXED CAPITAL OUTLAY SEAPORT - ECONOMIC DEVELOPMENT FROM STATE TRANSPORTATION (PRIMARY) TRUST FUND	15,000,000
1921	FIXED CAPITAL OUTLAY SEAPORTS ACCESS PROGRAM FROM STATE TRANSPORTATION (PRIMARY) TRUST FUND	10,000,000
1922	FIXED CAPITAL OUTLAY SEAPORT GRANTS FROM STATE TRANSPORTATION (PRIMARY) TRUST FUND	115,446,664
	From the funds in Specific Appropriation 1922, up to \$5,000,000 shall be used for port projects involving bulkhead repairs for those ports located in counties designated as Rural Areas of Critical Economic Concern (RACEC) and are eligible for funding as provided in section 311.07(3)(a), Florida Statutes.	
1923	FIXED CAPITAL OUTLAY RAIL DEVELOPMENT/GRANTS FROM STATE TRANSPORTATION (PRIMARY) TRUST FUND	31,376,561
1924	FIXED CAPITAL OUTLAY INTERMODAL DEVELOPMENT/GRANTS FROM STATE TRANSPORTATION (PRIMARY) TRUST FUND	91,013,006
1925	FIXED CAPITAL OUTLAY PRELIMINARY ENGINEERING CONSULTANTS FROM STATE TRANSPORTATION (PRIMARY) TRUST FUND	531,660,133
	FROM RIGHT-OF-WAY ACQUISITION AND BRIDGE CONSTRUCTION TRUST FUND . .	289,177
	From the funds provided in Specific Appropriation 1925, up to \$2,000,000 may be used by the department to determine the value added to overall project delivery by the use of Subsurface Utility Engineering technology for collecting information in the design process to facilitate drainage design, shorten the design process and project time, reduce contractor risk, minimize redesign, and identify unknown facilities. All procurements for this program shall be competitively bid by the department.	

Ch. 2012-118

LAWS OF FLORIDA

Ch. 2012-118

SECTION 5 - NATURAL RESOURCES/ENVIRONMENT/GROWTH MANAGEMENT/TRANSPORTATION

2006	SPECIAL CATEGORIES CONTRACTED SERVICES FROM STATE TRANSPORTATION (PRIMARY) TRUST FUND	25,820,753
2007A	SPECIAL CATEGORIES PAYMENT TO EXPRESSWAY AUTHORITIES FROM STATE TRANSPORTATION (PRIMARY) TRUST FUND	12,322,862
2008	SPECIAL CATEGORIES FLORIDA HIGHWAY PATROL SERVICES FROM STATE TRANSPORTATION (PRIMARY) TRUST FUND	19,311,625
2009	SPECIAL CATEGORIES HUMAN RESOURCES DEVELOPMENT FROM STATE TRANSPORTATION (PRIMARY) TRUST FUND	134,949
2010	SPECIAL CATEGORIES OVERTIME FROM STATE TRANSPORTATION (PRIMARY) TRUST FUND	147,739
2011	SPECIAL CATEGORIES TRANSPORTATION MATERIALS AND EQUIPMENT FROM STATE TRANSPORTATION (PRIMARY) TRUST FUND	5,668,409
2012	SPECIAL CATEGORIES LEASE OR LEASE-PURCHASE OF EQUIPMENT FROM STATE TRANSPORTATION (PRIMARY) TRUST FUND	52,557
2013	FIXED CAPITAL OUTLAY MINOR RENOVATIONS, REPAIRS, AND IMPROVEMENTS - STATEWIDE FROM TURNPIKE GENERAL RESERVE TRUST FUND	379,498
2014	FIXED CAPITAL OUTLAY TRANSPORTATION HIGHWAY MAINTENANCE CONTRACTS FROM STATE TRANSPORTATION (PRIMARY) TRUST FUND	42,516,971

From the funds in Specific Appropriation 2014, an amount not less than \$2,560,000 in state revenues shall be used for the Road Ranger program. Road Ranger services provided through sponsorships, local contributions or federal funds are not restricted.

From the funds in Specific Appropriation 2014, the Department of Transportation may contract with non-profit youth organizations in Florida to perform work on the state highway system. All non-profit youth organizations providing services under contract with the Department of Transportation must certify to the department that all participating youth are Florida residents. In order to maintain continuity and quality, the department shall give preference to those youth organizations with which it has previously contracted for such services.

The department is specifically limited to an expenditure level of \$2,000,000 for any contract with a single youth organization or for any group of contracts with two or more youth organizations that have the same registered agent or substantially similar officers and directors. The department shall not supplement these funds from any source in the absence of express legislative authority.

2015	FIXED CAPITAL OUTLAY INTRASTATE HIGHWAY CONSTRUCTION FROM TURNPIKE RENEWAL AND REPLACEMENT TRUST FUND FROM TURNPIKE GENERAL RESERVE TRUST FUND	7,525,378 965,966,454
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APPENDIX B—AUTHORITY DATA

Transportation Authority Monitoring and Oversight

Performance Measures Florida Transportation Commission 2012

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	2008	2009	2010	2011	2012
Growth in Value of Transportation Assets						
Land Acquisition		\$ 744,392,739	\$ 854,981,450	\$ 969,421,861	\$ 1,092,757,958	\$ 1,200,243,493
Infrastructure Assets		241,303,659	250,621,556	260,087,004	268,353,339	292,095,225
Construction in Progress		289,036,903	324,296,911	318,265,641	342,007,681	470,678,234
		214,052,177	280,062,983	391,069,216	482,396,938	437,470,034
Preservation of Transportation Assets						
Renewal & Replacement of Infrastructure		\$ 3,904,474	\$ 4,598,681	\$ 6,021,728	\$ 6,577,417	\$ 6,548,707
Routine Maintenance of Infrastructure		-	-	-	-	-
SHS Maintenance Condition Rating	90	3,904,474	4,598,681	6,021,728	6,577,417	6,548,707
		90.1	90.7	90.9	91.5	90.6
Pavement Condition Rating						
SHS Lane Miles rated "excellent or good"	> 85%	93.7%	89.1%	91.8%	91.4%	92.3%
Bridge Condition Rating						
Bridge Structures rated "excellent or good"	> 95%	98.4%	98.4%	98.4%	97.6%	97.6%
SHS Bridge Structures with posted weight restrictions	0%	0.0%	0.0%	0.0%	0.0%	0.0%
Toll Collection Transactions						
Electronic Transactions	> 75% by 6/30/12	72.7%	74.8%	75.8%	93.9%	95.9%
Revenue from Electronic Transactions		62.8%	65.7%	68.2%	81.3%	86.6%
Annual Revenue Growth						
Toll & Operating Revenue		40.7%	-2.5%	-1.1%	8.9%	0.7%
Revenue Variance						
Actual Revenue with "recovery of fines"		99.2%	100.0%	99.7%	98.3%	94.7%
Actual Revenue without "recovery of fines"	< 4% (96%)	96.1%	97.0%	97.5%	97.5%	94.5%
Safety						
Fatalities per 100 million vehicle miles traveled	> 10% below 5 yr. avg. (.49)	0.614	0.562	0.843	0.970	N/A
Customer Service						
Customers satisfied with level of service	> 90%	95.4%	94.6%	N/A	96.3%	N/A

Operations & Budget:

	Objective	2008	2009	2010	2011	2012
Consultant Contracts						
Final Cost % increase above Original Award	< 5%	2.2%	-20.2%	2.1%	2.8%	1.1%
Construction Contracts						
Completed within 20% above original contract time	≥ 80%	80.0%	100.0%	100.0%	100.0%	100.0%
Completed within 10% above original contract amount	≥ 90%	80.0%	100.0%	100.0%	100.0%	100.0%
Cost to Collect a Toll Transaction						
Cost to Collect a Transaction (net of exclusions)	< \$0.16	\$0.13	\$0.14	\$0.12	\$0.07	\$0.06
Operating Efficiency						
Toll Collection Expense as a % of Operating Expense		38.9%	40.5%	36.2%	37.1%	40.3%
Routine Maintenance Expense as a % of Operating Expense		7.6%	8.3%	11.2%	12.0%	10.8%
Administrative Expense as a % of Operating Expense		10.8%	13.4%	11.2%	10.2%	8.3%
Operating Expense as a % of Operating Revenue		44.2%	48.9%	47.6%	44.5%	49.0%
Annual OM&A Forecast Variance						
Actual OM&A Expenses to Annual Budget	< 110%	91.1%	91.4%	94.6%	92.7%	96.2%
Rating Agency Performance						
Operations & Maintenance Expense as a % of Total Revenue		20.5%	23.8%	22.6%	21.9%	25.1%

Applicable Laws:

	Objective	2008	2009	2010	2011	2012
Minority Participation						
M/WBE & SBE Utilization as a % of Total Expenditures	> 90% of agency target:	19.9%	14.2%	21.4%	31.3%	16.8%

Performance Measures Florida Transportation Commission 2012

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

Revenue Management & Bond Proceeds:

	Objective	2008	2009	2010	2011	2012
Debit Service Coverage						
Bonded/Commercial Debt ((Rev-Interest)- (Toll+Maint))/Comm Debt	> 1.5	1.64	1.59	1.56	1.64	1.26
Comprehensive Debt ((Rev-Interest)- (Toll+Maint))/All Debt	> 1.2	1.36	1.37	1.40	1.45	1.11
Authority Compliance with Bond Covenants for Debt Service Coverage	Yes	Yes	Yes	Yes	Yes	Yes
Underlying Bond Ratings from Agencies						
S&P Bond Rating		A	A	A	A	A
Moody's Bond Rating		A3	A3	A3	A3	A3
Fitch Bond Rating		A-	A-	A-	A-	A-

Property Acquisition:

	Objective	2008	2009	2010	2011	2012
Right-of-Way						
Agency Appraisals		\$ 1,420,000	\$ 392,000	\$ 2,200,000	\$ 653,400	\$ -
Initial Offers		\$ 1,420,000	\$ 500,500	\$ 1,868,483	\$ 412,500	\$ -
Owners Appraisals		\$ 2,959,288	\$ 2,528,000	\$ 1,868,483	\$ 2,180,000	\$ -
Final Settlements		\$ 2,250,000	\$ 1,305,980	\$ 1,868,483	\$ 922,888	\$ -

Transportation Authority Monitoring and Oversight

Performance Measures Florida Transportation Commission 2012

Five Year Trend for Toll Authority Performance Measures and Reportable Indicators

Toll Authority Name:

ORLANDO-ORANGE COUNTY EXPRESSWAY AUTHORITY (OOCEA)

Official Reporting Period: July 1 through June 30

Operations:

	Objective	2008	2009	2010	2011	2012
Growth in Value of Transportation Assets		\$ 2,580,258,000	\$ 2,820,113,000	\$ 2,859,868,000	\$ 3,029,657,000	\$ 3,170,741,000
Land Acquisition		434,210,000	529,446,000	535,489,000	537,831,000	549,092,000
Infrastructure Assets		1,445,300,000	1,798,514,000	2,096,290,000	2,110,704,000	2,177,126,000
Construction in Progress		700,748,000	492,153,000	228,089,000	381,122,000	444,523,000
Preservation of Transportation Assets		\$ 25,000,000	\$ 15,002,000	\$ 14,099,000	\$ 15,371,000	\$ 26,050,000
Renewal & Replacement of Infrastructure		10,532,000	1,307,000	522,000	1,694,000	13,679,000
Routine Maintenance of Infrastructure		14,468,000	13,695,000	13,577,000	13,677,000	12,371,000
SHS Maintenance Condition Rating	90	92.0	94.0	92.0	93.0	93.0
Pavement Condition Rating						
SHS Lane Miles rated "excellent or good"	> 85%	98.4%	100.0%	98.6%	100.0%	95.1%
Bridge Condition Rating						
Bridge Structures rated "excellent or good"	> 95%	99.2%	100.0%	99.3%	99.3%	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	> 75% by 6/30/12	68.6%	70.7%	73.3%	74.6%	76.0%
Revenue from Electronic Transactions		67.0%	69.0%	71.8%	73.1%	74.7%
Annual Revenue Growth						
Toll & Operating Revenue		1.1%	0.2%	22.7%	2.7%	1.7%
Revenue Variance						
Actual Revenue with "recovery of fines"		97.5%	97.3%	97.4%	98.0%	98.9%
Actual Revenue without "recovery of fines"	< 4% (96%)	97.3%	97.0%	97.2%	97.5%	98.2%
Safety						
Fatalities per 100 million vehicle miles traveled	> 10% below 5 yr. avg. (.49)	0.713	0.534	0.172	0.462	N/A
Customer Service						
Customers satisfied with level of service	> 90%	91.0%	N/A	N/A	90.5%	N/A

Operations & Budget:

	Objective	2008	2009	2010	2011	2012
Consultant Contracts						
Final Cost % increase above Original Award	< 5%	-2.5%	2.9%	-6.3%	-17.4%	-3.8%
Construction Contracts						
Completed within 20% above original contract time	≥ 80%	100.0%	100.0%	100.0%	100.0%	100.0%
Completed within 10% above original contract amount	≥ 90%	100.0%	100.0%	100.0%	100.0%	100.0%
Cost to Collect a Toll Transaction						
Cost to Collect a Transaction (net of exclusions)	< \$0.16	\$0.11	\$0.11	\$0.11	\$0.11	\$0.11
Operating Efficiency						
Toll Collection Expense as a % of Operating Expense		40.6%	45.8%	44.0%	43.6%	36.8%
Routine Maintenance Expense as a % of Operating Expense		16.5%	19.5%	18.3%	17.8%	13.8%
Administrative Expense as a % of Operating Expense		6.4%	7.5%	7.0%	6.9%	6.3%
Operating Expense as a % of Operating Revenue		42.2%	33.8%	29.0%	29.3%	33.5%
Annual OM&A Forecast Variance						
Actual OM&A Expenses to Annual Budget	< 110%	89.7%	96.4%	94.6%	96.8%	92.7%
Rating Agency Performance						
Operations & Maintenance Expense as a % of Total Revenue		24.1%	22.1%	18.1%	18.0%	17.0%

Applicable Laws:

	Objective	2008	2009	2010	2011	2012
Minority Participation						
M/WBE & SBE Utilization as a % of Total Expenditures	> 90% of agency target:	16.5%	16.4%	9.7%	13.5%	19.2%

Performance Measures Florida Transportation Commission 2012

Five Year Trend for Toll Authority Performance Measures and Reportable Indicators

Toll Authority Name:

ORLANDO-ORANGE COUNTY EXPRESSWAY AUTHORITY (OOCEA)

Official Reporting Period: July 1 through June 30

Revenue Management & Bond Proceeds:

	Objective	2008	2009	2010	2011	2012
Debit Service Coverage						
Bonded/Commercial Debt ((Rev-Interest)- (Toll+Maint))/Comm Debt	> 1.5	1.30	1.47	1.74	1.62	1.52
Comprehensive Debt ((Rev-Interest)- (Toll+Maint))/All Debt	> 1.2	1.28	1.45	1.73	1.61	1.47
Authority Compliance with Bond Covenants for Debt Service Coverage	Yes	Yes	Yes	Yes	Yes	Yes
Underlying Bond Ratings from Agencies						
S&P Bond Rating		A	A	A	A	A
Moody's Bond Rating		A1	A1	A1	A1	A2
Fitch Bond Rating		A	A	A	A	A

Property Acquisition:

	Objective	2008	2009	2010	2011	2012
Right-of-Way						
Agency Appraisals		\$ 22,096,248	\$ 14,972,300	\$ 5,764,738	\$ 5,220,800	\$ 4,217,800
Initial Offers		\$ 22,096,248	\$ 7,587,422	\$ 4,020,640	\$ 3,377,800	\$ 4,294,500
Owners Appraisals		\$ -	\$ 13,551,210	\$ -	\$ 11,644,750	\$ 10,512,625
Final Settlements		\$ 30,577,263	\$ 20,594,598	\$ 7,566,819	\$ 9,534,609	\$ 8,131,141

Transportation Authority Monitoring and Oversight

Performance Measures Florida Transportation Commission 2012

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	2008	2009	2010	2011	2012
Growth in Value of Transportation Assets¹		\$ 107,703,469	\$ 107,634,490	\$ 107,565,514	\$ -	\$ -
Land Acquisition ¹		-	-	-	-	-
Infrastructure Assets ¹		107,703,469	107,634,490	107,565,514	-	-
Construction in Progress ¹		-	-	-	-	-
Preservation of Transportation Assets		\$ 123,611	\$ 98,387	\$ 135,305	\$ 159,514	\$ 195,817
Renewal & Replacement of Infrastructure		-	-	-	-	-
Routine Maintenance of Infrastructure		123,611	98,387	135,305	159,514	195,817
SHS Maintenance Condition Rating	90	N/A	N/A	N/A	N/A	N/A
Pavement Condition Rating						
SHS Lane Miles rated "excellent or good"	> 85%	100.0%	100.0%	100.0%	100.0%	100.0%
Bridge Condition Rating						
Bridge Structures rated "excellent or good"	> 95%	100.0%	100.0%	100.0%	100.0%	100.0%
SHS Bridge Structures with posted weight restrictions	0%	0.0%	0.0%	0.0%	0.0%	0.0%
Toll Collection Transactions						
Electronic Transactions	> 75% by 6/30/12	35.4%	35.1%	35.7%	36.2%	37.6%
Revenue from Electronic Transactions		32.2%	32.5%	33.0%	33.5%	34.0%
Annual Revenue Growth						
Toll & Operating Revenue		-0.5%	-8.4%	-3.8%	1.7%	7.4%
Revenue Variance						
Actual Revenue with "recovery of fines"		95.9%	96.0%	96.9%	96.1%	98.3%
Actual Revenue without "recovery of fines"	< 4% (96%)	95.9%	96.0%	96.9%	96.1%	98.3%
Safety						
Fatalities per 100 million vehicle miles traveled	> 10% below 5 yr. avg. (.49)	0.0	0.0	0.0	0.0	N/A
Customer Service						
Customers satisfied with level of service	> 90%	95.4%	94.6%	N/A	96.3%	N/A

Operations & Budget:

	Objective	2008	2009	2010	2011	2012
Consultant Contracts						
Final Cost % increase above Original Award	< 5%	N/A	N/A	N/A	N/A	N/A
Construction Contracts						
Completed within 20% above original contract time	≥ 80%	N/A	N/A	N/A	N/A	N/A
Completed within 10% above original contract amount	≥ 90%	N/A	N/A	N/A	N/A	N/A
Cost to Collect a Toll Transaction						
Cost to Collect a Transaction (net of exclusions)	< \$0.16	\$0.71	\$0.63	\$0.62	\$0.63	\$0.65
Operating Efficiency						
Toll Collection Expense as a % of Operating Expense		80.6%	84.3%	84.4%	59.4%	78.3%
Routine Maintenance Expense as a % of Operating Expense		9.5%	8.3%	11.9%	9.8%	15.1%
Administrative Expense as a % of Operating Expense		0.0%	0.0%	0.0%	0.0%	0.0%
Operating Expense as a % of Operating Revenue		27.3%	27.0%	26.9%	38.2%	28.3%
Annual OM&A Forecast Variance						
Actual OM&A Expenses to Annual Budget	< 110%	96.7%	82.4%	99.4%	95.1%	103.2%
Rating Agency Performance						
Operations & Maintenance Expense as a % of Total Revenue		24.6%	25.1%	26.0%	26.4%	26.4%

Applicable Laws:

	Objective	2008	2009	2010	2011	2012
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

Performance Measures Florida Transportation Commission 2012

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

Revenue Management & Bond Proceeds:

	Objective	2008	2009	2010	2011	2012
Debit Service Coverage						
Bonded/Commercial Debt ((Rev-Interest)- (Toll+Maint))/Comm Debt	> 1.5	0.59	0.52	0.47	0.43	0.44
Comprehensive Debt ((Rev-Interest)- (Toll+Maint))/All Debt	> 1.2	0.59	0.52	0.47	0.43	0.44
Authority Compliance with Bond Covenants for Debt Service Coverage	Yes	No	No	No	No	No

Underlying Bond Ratings from Agencies

S&P Bond Rating	B-	CC	CC	D	D
Moody's Bond Rating	B2	B3	Caa3	Ca	Withdrawn
Fitch Bond Rating	BB-	CCC	C	D	D

Property Acquisition:

	Objective	2008	2009	2010	2011	2012
Right-of-Way						
Agency Appraisals		\$ -	\$ -	\$ -	\$ -	\$ -
Initial Offers		\$ -	\$ -	\$ -	\$ -	\$ -
Owners Appraisals		\$ -	\$ -	\$ -	\$ -	\$ -
Final Settlements		\$ -	\$ -	\$ -	\$ -	\$ -

*Land Acquisition, Infrastructure Assets, and Construction in Progress amounts based on the Authority's Federal FY (October 1 through September 30). Beginning in FY 2011, this data is not available because neither an Audit or Accountant's Compilation was prepared. All other data based on the State FY (July 1 through June 30).

Transportation Authority Monitoring and Oversight

Performance Measures Florida Transportation Commission 2012

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	2008	2009	2010	2011	2012
Growth in Value of Transportation Assets		\$ 674,797,333	\$ 609,065,708	\$ 608,395,000	\$ 616,032,754	\$ 661,339,000
Land Acquisition		91,037,064	91,037,064	91,037,064	91,037,064	91,037,064
Infrastructure Assets		576,018,569	509,038,603	501,321,191	510,060,221	531,789,782
Construction in Progress		7,741,700	8,990,041	16,036,745	14,935,469	38,512,154
Preservation of Transportation Assets		\$ 3,530,188	\$ 4,022,050	\$ 3,523,872	\$ 3,264,976	\$ 4,011,944
Renewal & Replacement of Infrastructure		-	-	49,037	-	581,568
Routine Maintenance of Infrastructure		3,530,188	4,022,050	3,474,835	3,264,976	3,430,376
SHS Maintenance Condition Rating	90	87.7	90.0	91.5	92.0	94.0
Pavement Condition Rating						
SHS Lane Miles rated "excellent or good"	> 85%	100.0%	98.1%	100.0%	100.0%	100.0%
Bridge Condition Rating						
Bridge Structures rated "excellent or good"	> 95%	86.2%	86.2%	96.9%	96.9%	96.9%
SHS Bridge Structures with posted weight restrictions	0%	0.0%	0.0%	0.0%	0.0%	0.0%
Toll Collection Transactions						
Electronic Transactions	> 75% by 6/30/12	68.8%	72.0%	74.3%	80.0%	100.0%
Revenue from Electronic Transactions		70.1%	73.3%	75.0%	79.1%	100.0%
Annual Revenue Growth						
Toll & Operating Revenue		11.1%	-2.7%	-0.8%	1.1%	6.2%
Revenue Variance						
Actual Revenue with "recovery of fines"		95.6%	96.5%	96.8%	97.8%	97.5%
Actual Revenue without "recovery of fines"	< 4% (96%)	95.2%	96.2%	96.6%	97.7%	97.5%
Safety						
Fatalities per 100 million vehicle miles traveled	> 10% below 5 yr. avg. (.49)	1.699	0.000	0.000	0.000	N/A
Customer Service						
Customers satisfied with level of service	> 90%	95.4%	94.6%	N/A	96.3%	N/A

Operations & Budget:

	Objective	2008	2009	2010	2011	2012
Consultant Contracts						
Final Cost % increase above Original Award	< 5%	N/A	-17.6%	N/A	N/A	1.3%
Construction Contracts						
Completed within 20% above original contract time	≥ 80%	N/A	100.0%	N/A	100.0%	100.0%
Completed within 10% above original contract amount	≥ 90%	N/A	100.0%	N/A	100.0%	100.0%
Cost to Collect a Toll Transaction						
Cost to Collect a Transaction (net of exclusions)	< \$0.16	\$0.17	\$0.18	\$0.16	\$0.10	\$0.11
Operating Efficiency						
Toll Collection Expense as a % of Operating Expense		38.2%	39.3%	36.6%	28.1%	31.5%
Routine Maintenance Expense as a % of Operating Expense		20.6%	23.2%	21.9%	22.9%	24.9%
Administrative Expense as a % of Operating Expense		16.0%	12.1%	13.6%	16.6%	19.7%
Operating Expense as a % of Operating Revenue		41.3%	43.1%	39.7%	35.2%	32.0%
Annual OM&A Forecast Variance						
Actual OM&A Expenses to Annual Budget	< 110%	92.5%	94.7%	92.1%	75.4%	91.0%
Rating Agency Performance						
Operations & Maintenance Expense as a % of Total Revenue		24.3%	26.9%	23.2%	18.0%	18.1%

Applicable Laws:

	Objective	2008	2009	2010	2011	2012
Minority Participation						
MWBE & SBE Utilization as a % of Total Expenditures	> 90% of agency target:	13.9%	28.0%	15.8%	8.8%	12.6%

Performance Measures Florida Transportation Commission 2012

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

Revenue Management & Bond Proceeds:

	Objective	2008	2009	2010	2011	2012
Debit Service Coverage						
Bonded/Commercial Debt ((Rev-Interest)- (Toll+Maint))/Comm Debt	> 1.5	1.28	1.13	1.16	2.00	2.00
Comprehensive Debt ((Rev-Interest)- (Toll+Maint))/All Debt	> 1.2	1.13	1.07	1.11	1.38	1.41
Authority Compliance with Bond Covenants for Debt Service Coverage	Yes	Yes	Yes	Yes	Yes	Yes
Underlying Bond Ratings from Agencies						
S&P Bond Rating		A-	A-	A-	A-	A-
Moody's Bond Rating		A3	A3	A3	A3	A3
Fitch Bond Rating		A-	A-	A-	A-	A-

Property Acquisition:

	Objective	2008	2009	2010	2011	2012
Right-of-Way						
Agency Appraisals		\$ -	\$ -	\$ -	\$ -	\$ -
Initial Offers		\$ -	\$ -	\$ -	\$ -	\$ -
Owners Appraisals		\$ -	\$ -	\$ -	\$ -	\$ -
Final Settlements		\$ -	\$ -	\$ -	\$ -	\$ -

Transportation Authority Monitoring and Oversight

Performance Measures Florida Transportation Commission 2012

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	2008	2009	2010	2011	2012
Average Headway (minutes)						
Average time for vehicle to complete its portion of total route miles one time	<30 Minutes	25.8	24.0	28.3	25.7	23.3
Operating Expense Per Revenue Mile						
Operating expense divided by revenue miles	<\$5.30	\$ 6.06	\$ 6.13	\$ 5.78	\$ 5.85	\$ 5.73
Operating Expense Per Revenue Hour						
Operating expense divided by revenue hours	<\$75	\$ 84.19	\$ 84.71	\$ 82.01	\$ 83.59	\$ 84.75
Operating Revenue Per Operating Expense						
Revenue generated through operation of the transit authority divided by operating expense	>30%	36.1%	37.6%	39.9%	43.3%	41.4%
Operating Expense Per Passenger Trip						
Operating expenses divided by annual ridership	<\$3	\$ 3.44	\$ 3.67	\$ 3.41	\$ 3.19	\$ 3.15
Operating Expense Per Passenger Mile						
Operating expenses divided by passenger miles	<\$0.47	\$ 0.57	\$ 0.61	\$ 0.63	\$ 0.61	\$ 0.58
Revenue Miles Between Safety Incidents						
Revenue miles divided by safety incidents	>5% above 2009 (124,513)	118,001	118,584	131,642	108,997	151,837
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	11,396	8,806	9,620	14,041	15,934
Revenue Miles versus Vehicle Miles						
Revenue miles divided by vehicle miles	>.90	0.90	0.88	0.88	0.89	0.90
Customer Service						
Average time from complaint to response	14 days	7	6	8	11	10
Customer complaints divided by boardings	<1 per 5,000 boardings	0.6	0.5	0.6	0.7	0.7
On-time Performance						
% trips end to end on time < 5 minutes late	>80%	85%	86%	83%	82%	79.7%

Reportable Indicators

	2008	2009	2010	2011	2012
Operating Expense Per Capita (Potential Customer)					
Annual operating budget divided by the service area population	\$ 59.08	\$ 56.76	\$ 46.78	\$ 46.84	\$ 47.23
Farebox Recovery Ratio					
Passenger fares divided by operating expenses	22.6%	23.1%	24.9%	28.7%	29.3%
Service Area Population					
Approximation of overall market size	1,536,900	1,536,900	1,805,921	1,837,359	1,878,762
Service Area Population Density					
Persons per square mile based on the service area population and size	605.6	605.6	711.5	723.9	740.0
Operating Expense					
Spending on operations, including administration, maintenance, and operation of service vehicles	\$ 90,795,044	\$ 87,231,880	\$ 84,482,228	\$ 86,069,842	\$ 88,727,930
Operating Revenue					
Revenue generated through the operation of the transit authority	\$ 32,818,381	\$ 32,842,406	\$ 33,730,496	\$ 37,238,587	\$ 36,771,242
Total Annual Revenue Miles					
Vehicle miles operated in active service (available to pick up revenue passengers)	14,986,072	14,230,128	14,612,279	14,714,555	15,487,372
Total Annual Revenue Hours					
Vehicle hours operated in active service	1,078,484	1,029,713	1,030,195	1,029,656	1,046,880
Total Revenue Vehicles					
Vehicles available to meet annual maximum service requirements	288	288	267	270	273
Peak Vehicles					
Vehicles operated to meet annual maximum (peak) service requirements	238	234	223	225	225

Performance Measures Florida Transportation Commission 2012

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

	2008	2009	2010	2011	2012
Ratio of Revenue Vehicles to Peak Vehicles (spare ratio)					
Revenue vehicles, including spares, out-of-service vehicles, and vehicles in/awaiting maintenance, divided by the number of vehicles operated in maximum service	17.4%	18.8%	16.5%	16.7%	17.6%
Annual Passenger Trips					
Passenger boardings on transit vehicles	26,427,067	23,747,795	24,780,704	26,996,158	28,184,740
Average Trip Length					
Average length of passenger trip, generally derived through sampling	6.0	6.0	5.4	5.2	5.4
Annual Passenger Miles					
Passenger trips multiplied by average trip length	158,562,402	142,486,770	133,815,802	140,380,022	152,197,596
Weekday Span of Service (hours)					
Hours of transit service on a representative weekday from first service to last service for all modes	23.3	23.3	23.0	23.0	23.0
Average Fare					
Passenger fare revenues divided by passenger trips	\$ 0.78	\$ 0.85	\$ 0.85	\$ 0.91	\$ 0.92
Passenger Trips Per Revenue Mile					
Passenger trips divided by revenue miles	1.76	1.67	1.70	1.83	1.82
Passenger Trips Per Revenue Hour					
Passenger trips divided by revenue hours	24.5	23.1	24.1	26.2	26.9
Passenger Trips Per Capita					
Passenger trips divided by service area population	17.2	15.5	13.7	14.7	15.0
Average Age of Fleet in Years					
Average age of fleet in years	3.8	3.6	4.1	4.4	5.7
Unrestricted Cash Balance - Financial Indicator					
End of year cash balance from financial statement	\$ 20,084,510	\$ 25,746,155	\$ 23,476,890	\$ 25,402,118	\$ 29,110,185
Weekday Ridership					
Average ridership on weekdays	82,825	75,810	79,035	85,473	92,319
Capital Commitment to System Preservation and System Expansion					
% of capital spent on system preservation	89%	84%	100%	73%	46%
% of capital spent on system expansion	11%	16%	0%	27%	54%
Intermodal Connectivity					
Number of intermodal transfer points available	5	6	5	5	5

Transportation Authority Monitoring and Oversight

Performance Measures Florida Transportation Commission 2012

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	2008	2009	2010	2011	2012
Average Headway (minutes)						
Average time for vehicle to complete its portion of total route miles one time	<30 Minutes	20.8	18.9	17.7	21.3	18.8
Operating Expense Per Revenue Mile						
Operating expense divided by revenue miles	<\$6.50	\$ 6.92	\$ 6.03	\$ 6.59	\$ 6.98	\$ 7.66
Operating Expense Per Revenue Hour						
Operating expense divided by revenue hours	<\$91.00	\$ 104.77	\$ 90.91	\$ 98.28	\$ 93.71	\$ 111.39
Operating Revenue Per Operating Expense						
All revenue generated through operation of the transit authority divided by operating expense	>20%	14.1%	18.3%	17.2%	18.4%	21.2%
Operating Expense Per Passenger Trip						
Operating expenses divided by annual ridership	<\$5.30	\$ 6.42	\$ 5.24	\$ 5.26	\$ 4.87	\$ 5.36
Operating Expense Per Passenger Mile						
Operating expense divided by passenger miles	<\$1.00	\$ 1.21	\$ 1.01	\$ 0.91	\$ 0.84	\$ 0.87
Revenue Miles Between Safety Incidents						
Revenue miles divided by safety incidents for bus	>5% above 2009 (227,975)	477,345	217,119	231,844	204,422	129,296
Revenue Miles Between Failures						
Revenue miles divided by revenue vehicle system failures. A failure is classified as the breakdown of either a major or minor element of the revenue vehicle's mechanical system	>10,500	8,302	8,327	12,292	14,124	26,488
Revenue Miles versus Vehicle Miles						
Revenue miles divided by vehicle miles	>.90	0.96	0.97	0.95	0.96	0.96
Customer Service						
Average time from complaint to response	14 Days	8	7	7	8	18
Customer complaints divided by boardings	<1 per 5,000 boardings	0.5	0.8	0.9	1.0	2.1
On-time Performance						
% trips end to end on time < 5 minutes late	>80%	80.0%	80.0%	81.1%	82.2%	66.0%

Reportable Indicators

	2008	2009	2010	2011	2012
Operating Expense Per Capita (Potential Customer)					
Annual operating budget divided by the service area population	\$ 77.61	\$ 63.10	\$ 64.43	\$ 50.93	\$ 69.67
Farebox Recovery Ratio					
Passenger fares divided by operating expenses	12.7%	15.4%	15.6%	16.8%	19.4%
Service Area Population					
Approximation of overall market size	850,962	850,962	853,300	1,065,219	838,815
Service Area Population Density					
Persons per square mile based on the service area population and size	3,516.4	3,516.4	3,080.5	1,160.4	1,893.5
Operating Expense					
Spending on operations, including administration, maintenance, and operation of service vehicles	\$ 66,045,992	\$ 53,695,432	\$ 54,979,921	\$ 54,251,641	\$ 58,440,315
Operating Revenue					
Revenues generated through the operation of the transit authority	\$ 9,281,644	\$ 9,837,889	\$ 9,435,655	\$ 9,986,689	\$ 12,386,243
Total Annual Revenue Miles					
Vehicle miles operated in active service (available to pick up revenue passengers)	9,546,900	8,901,889	8,346,395	7,768,038	7,628,436
Total Annual Revenue Hours					
Vehicle hours operated in active service	630,400	590,626	559,406	578,955	524,666
Total Revenue Vehicles					
Vehicles available to meet annual maximum service requirements	184	182	154	153	147
Peak Vehicles					
Vehicles operated to meet annual maximum (peak) service requirements	147	135	135	125	118

Performance Measures Florida Transportation Commission 2012

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

	2008	2009	2010	2011	2012
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	20.1%	25.8%	12.3%	18.3%	19.7%
Annual Passenger Trips					
Passenger boardings on transit vehicles	10,290,987	10,253,890	10,443,111	11,138,076	10,906,226
Average Trip Length					
Average length of passenger trip, generally derived through sampling	5.3	5.2	5.8	5.8	6.2
Annual Passenger Miles					
Passenger trips multiplied by average trip length	54,542,231	53,320,228	60,297,003	64,600,841	67,442,423
Weekday Span of Service (hours)					
Hours of transit service on a representative weekday from first service to last service for all modes	21.3	21.9	21.9	21.3	21.0
Average Fare					
Passenger fare revenues divided by passenger trips	\$ 0.82	\$ 0.81	\$ 0.82	\$ 0.82	\$ 1.04
Passenger Trips Per Revenue Mile					
Passenger trips divided by revenue miles	1.08	1.15	1.25	1.43	1.43
Passenger Trips Per Revenue Hour					
Passenger trips divided by revenue hours	16.3	17.4	18.7	19.2	20.8
Passenger Trips Per Capita					
Passenger trips divided by service area population	12.1	12.0	12.2	10.5	13.0
Average Age of Fleet in Years					
Average age of fleet in years	7.9	6.8	6.6	7.4	6.8
Unrestricted Cash Balance - Financial Indicator					
End of year cash balance from financial statement	\$ 6,536,357	\$ 11,005,843	\$ 1,890,958	\$ 4,966,717	\$ 7,555,815
Weekday Ridership					
Average ridership on weekdays	34,927	34,872	35,484	37,457	36,839
Capital Commitment to System Preservation and System Expansion					
% of capital spent on system preservation	34%	100%	100%	100%	100%
% of capital spent on system expansion	66%	0%	0%	0%	0%
Intermodal Connectivity					
Number of intermodal transfer points available	3	3	3	3	3

Note: Beginning in FY 2009, JTA altered its cost allocation plan (overhead) to mirror FY 2004 practices that included engineering costs in the basis data for allocating overhead. This resulted in a decrease in expenses charged to bus operations and an increase in expenses charged to engineering.

Transportation Authority Monitoring and Oversight

Performance Measures Florida Transportation Commission 2012

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	2008	2009	2010	2011	2012
Average Headway (minutes)						
Average time for train to complete its portion of total route miles one time	<6 Minutes	3.5	3.5	3.4	3.5	5.6
Operating Expense Per Revenue Mile						
Operating expense divided by revenue miles	<\$23.00	\$ 27.32	\$ 30.49	\$ 32.74	\$ 34.65	\$ 34.88
Operating Expense per Revenue Hour						
Operating expense divided by revenue hours	<\$310.00	\$ 366.36	\$ 407.34	\$ 439.55	\$ 462.82	\$ 403.07
Operating Revenue Per Operating Expense						
All revenue generated through operation of the transit authority divided by operating expense	>15%	8.3%	7.2%	6.4%	5.0%	3.5%
Operating Expense Per Passenger Trip						
Operating expenses divided by annual ridership	<\$11.00	\$ 12.69	\$ 13.35	\$ 11.51	\$ 11.50	\$ 7.61
Operating Expense Per Passenger Mile						
Operating expense divided by passenger miles	<\$27.50	\$ 31.72	\$ 33.38	\$ 28.31	\$ 27.20	\$ 16.59
Revenue Miles Between Safety Incidents						
Revenue miles divided by safety incidents for bus	>5% above 2009 (41,348)	46,660	39,379	55,113	55,659	29,733
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	33,329	8,950	9,726	27,830	8,495
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	1	1	1	8	10
Customer complaints divided by boardings	<1 per 5,000 boardings	0.0	0.1	0.0	0.2	0.1
On-time Performance						
Successful cycles divided by scheduled cycles	>80%	98.0%	98.0%	98.2%	99.2%	99.3%

Reportable Indicators

	2008	2009	2010	2011	2012
Operating Expense Per Capita (Potential Customer)					
Annual operating budget divided by the service area population	\$ 7.49	\$ 7.06	\$ 6.34	\$ 6.61	\$ 7.42
Farebox Recovery Ratio					
Passenger fares divided by operating expenses	5.6%	5.1%	4.2%	3.2%	1.1%
Service Area Population					
Approximation of overall market size	850,962	850,962	853,300	874,673	838,815
Service Area Population Density					
Persons per square mile based on the service area population and size	3,516.4	3,516.4	3,080.5	1,796.0	1,893.5
Operating Expense					
Spending on operations, including administration, maintenance, and operation of service vehicles	\$ 6,374,693	\$ 6,004,260	\$ 5,413,928	\$ 5,785,721	\$ 6,221,789
Operating Revenue					
Revenues generated through the operation of the transit authority	\$ 529,465	\$ 431,327	\$ 345,453	\$ 289,978	\$ 216,360
Total Annual Revenue Miles					
Vehicle miles operated in active service (available to pick up revenue passengers)	233,300	196,896	165,338	166,977	178,399
Total Annual Revenue Hours					
Vehicle hours operated in active service	17,400	14,740	12,317	12,501	15,436
Total Revenue Vehicles					
Vehicles available to meet annual maximum service requirements	10	10	10	10	10
Peak Vehicles					
Vehicles operated to meet annual maximum (peak) service requirements	7	7	7	7	5

Performance Measures Florida Transportation Commission 2012

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						
		2008	2009	2010	2011	2012
Ratio of Revenue Vehicles to Peak Vehicles (spare ratio)						
Revenue vehicles, including spares, out-of-service vehicles, and vehicles in/awaiting maintenance, divided by the number of vehicles operated in maximum service		30.0%	30.0%	30.0%	30.0%	50.0%
Annual Passenger Trips						
Passenger boardings on transit vehicles		502,364	449,730	470,389	502,941	817,153
Average Trip Length						
Average length of passenger trip, generally derived through sampling		0.4	0.4	0.4	0.4	0.5
Annual Passenger Miles						
Passenger trips multiplied by average trip length		200,946	179,892	191,209	212,744	374,940
Weekday Span of Service (hours)						
Hours of transit service on a representative weekday from first service to last service for all modes		17.0	16.0	15.0	15.0	15.0
Average Fare						
Passenger fare revenues divided by passenger trips	\$	0.71	\$ 0.68	\$ 0.48	\$ 0.37	\$ 0.08
Passenger Trips Per Revenue Mile						
Passenger trips divided by revenue miles		2.15	2.28	2.85	3.01	4.58
Passenger Trips Per Revenue Hour						
Passenger trips divided by revenue hours		28.9	30.5	38.2	40.2	52.9
Passenger Trips Per Capita						
Passenger trips divided by service area population		0.6	0.5	0.6	0.6	1.0
Average Age of Fleet in Years						
Average age of fleet in years		9.6	10.6	11.6	12.6	13.6
Unrestricted Cash Balance - Financial Indicator						
End of year cash balance from financial statement	\$	4,893,359	\$ 4,629,892	\$ -	\$ 133,402	\$ -
Weekday Ridership						
Average ridership on weekdays		1,736	1,559	1,674	1,965	3,167
Capital Commitment to System Preservation and System Expansion						
% of capital spent on system preservation		34%	100%	100%	100%	100%
% of capital spent on system expansion		66%	0%	0%	0%	0%
Intermodal Connectivity						
Number of intermodal transfer points available		3	3	3	3	3

Note: Beginning in FY 2009, JTA altered its cost allocation plan (overhead) to mirror FY 2004 practices that included engineering costs in the basis data for allocating overhead. This resulted in a decrease in expenses charged to Skyway operations and an increase in expenses charged to engineering.

Transportation Authority Monitoring and Oversight

Performance Measures Florida Transportation Commission 2012

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	2008	2009	2010	2011	2012
Consultant Contracts						
Final Cost % increase above Original Award	< 5%	-7.1%	-1.3%	-5.2%	-11.1%	-0.4%
Construction Contracts						
Completed within 20% above original contract time	≥ 80%	100.0%	100.0%	100.0%	100.0%	100.0%
Completed within 10% above original contract amount	≥ 90%	100.0%	100.0%	100.0%	100.0%	100.0%

Applicable Laws:

	Objective	2008	2009	2010	2011	2012
Minority Participation						
M/WBE & SBE Utilization as a % of Total Expenditures	> 90% of agency target:	14.0%	14.3%	14.3%	14.6%	14.6%

Property Acquisition:

	Objective	2008	2009	2010	2011	2012
Right-of-Way						
Agency Appraisals		\$ 2,911,494	\$ 2,087,600	\$ 4,863,525	\$ 54,900	\$ 88,100
Initial Offers		\$ 2,677,544	\$ 1,566,300	\$ 4,863,525	\$ 54,900	\$ 88,100
Owners Appraisals		\$ 2,295,700	\$ 5,670,376	\$ 19,975,000	\$ -	\$ -
Final Settlements		\$ 4,355,659	\$ 3,842,275	\$ 7,888,325	\$ 65,900	\$ 88,100

Performance Measures Florida Transportation Commission 2012

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	2008	2009	2010	2011	2012
Average Headway (minutes)						
Average time for train to complete its portion of total route miles one time	<30 Minutes	22.4	26.6	30.6	28.7	27.6
Operating Expense Per Revenue Mile						
Operating expense divided by revenue miles	<\$18	\$ 17.06	\$ 15.12	\$ 15.56	\$ 16.96	\$ 17.51
Operating Revenue Per Operating Expense						
Revenue generated through operation of the transit authority divided by operating expenses	>25%	18.8%	22.3%	23.3%	23.0%	23.8%
Operating Expense Per Passenger Trip						
Operating expenses divided by annual ridership	<\$15	\$ 12.61	\$ 10.67	\$ 12.48	\$ 12.82	\$ 12.87
Operating Expense Per Passenger Mile						
Operating expenses divided by passenger miles	<\$0.45	\$ 0.40	\$ 0.37	\$ 0.43	\$ 0.43	\$ 0.46
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	17,742	64,826	96,413	68,570	117,762
Revenue Miles versus Vehicle Miles						
Revenue miles divided by vehicle miles	>.93	0.97	0.98	0.97	0.97	0.96
Customer Service						
Average time from complaint to response	14 days	11.0	32.0	29.0	13.8	12.3
Customer complaints divided by boardings	<1 per 5,000 boardings	0.3	0.6	0.9	2.0	2.6
On-time Performance						
% trips end to end on time < 6 minutes late	>80%	78.4%	73.4%	86.3%	89.7%	86.5%

Reportable Indicators

	2008	2009	2010	2011	2012
Operating Expense Per Capita (Potential Customer)					
Annual operating budget divided by the service area population	\$ 8.94	\$ 8.20	\$ 8.19	\$ 8.88	\$ 9.37
Farebox Recovery Ratio					
Passenger fares divided by operating expenses	17.9%	21.6%	22.9%	22.3%	23.2%
Service Area Population					
Approximation of overall market size	5,448,962	5,497,997	5,497,997	5,497,997	5,502,379
Service Area Population Density					
Persons per square mile based on the service area population and size	1,063	1,072	1,072	1,072	1,084
Operating Expense					
Spending on operations, including administration, maintenance, and operation of service vehicles	\$ 48,726,979	\$ 45,075,706	\$ 45,007,680	\$ 48,842,085	\$ 51,557,460
Operating Revenue					
Revenue generated through the operation of the transit authority	\$ 9,155,673	\$ 10,045,435	\$ 10,507,019	\$ 11,231,078	\$ 12,272,397
Total Annual Revenue Miles					
Vehicle miles operated in active service (available to pick up revenue passengers)	2,856,470	2,981,997	2,892,398	2,879,940	2,944,042
Total Annual Revenue Hours					
Vehicle hours operated in active service	76,620	87,315	96,240	96,960	97,198
Total Revenue Vehicles					
Vehicles available to meet annual maximum service requirements	47	47	47	45	50
Operating Expense Per Revenue Hour					
Cost of operating an hour of revenue service	\$ 635.96	\$ 516.24	\$ 467.66	\$ 503.73	\$ 530.44
Peak Vehicles					
Vehicles operated to meet annual maximum (peak) service requirements	34	34	34	38	40

Transportation Authority Monitoring and Oversight

Performance Measures Florida Transportation Commission 2012

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

	2008	2009	2010	2011	2012
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	27.7%	27.7%	27.7%	15.6%	20.0%
Annual Passenger Trips					
Passenger boardings on transit vehicles	3,863,684	4,223,350	3,606,055	3,810,823	4,005,967
Average Trip Length					
Average length of passenger trip, generally derived through sampling	31.7	29.0	29.0	29.5	28.1
Annual Passenger Miles					
Passenger trips multiplied by average trip length	122,478,783	122,477,150	104,575,595	112,381,170	112,727,911
Weekday Span of Service (hours)					
Hours of transit service on a representative weekday from first service to last service for all modes	19.0	19.0	19.5	19.5	19.5
Average Fare					
Passenger fare revenues divided by passenger trips	\$ 2.25	\$ 2.31	\$ 2.85	\$ 2.86	\$ 2.98
Passenger Trips Per Revenue Mile					
Passenger trips divided by revenue miles	1.35	1.42	1.25	1.32	1.36
Passenger Trips Per Revenue Hour					
Passenger trips divided by revenue hours	50.4	48.4	37.5	39.3	41.2
Passenger Trips Per Capita					
Passenger trips divided by service area population	0.71	0.77	0.66	0.69	0.73
Average Years Since Last Rebuild					
Locomotives (9)	6.2	7.2	8.2	9.2	10.2
Coaches (12)	7.2	8.2	9.2	10.2	11.2
Unrestricted Cash Balance - Financial Indicator					
End of year cash balance from financial statement	\$ 9,043,899	\$ 13,346,864	\$ 16,534,534	\$ 19,444,152	\$ 20,152,899
Weekday Ridership					
Average ridership on weekdays	13,228	14,430	12,139	12,900	13,587
Capital Commitment to System Preservation and System Expansion					
% of capital spent on system preservation	0%	0%	0%	0%	0%
% of capital spent on system expansion	100%	100%	100%	100%	100%
Intermodal Connectivity					
Intermodal transfer points available through Tri-Rail	18	18	18	18	18

APPENDIX C—OOCEA AUDIT FINDINGS

Executive Summary
Recommendations Summary
2010 Ethics Audit
2010 Contracts Audit
2011 Human Resources Process Review
2012 Right of Way Audit
2012 Toll Violations Audit



Prior Audit Recommendations Follow-Up
January 7, 2013

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Executive Summary

As part of the Fiscal Year 2013 Internal Audit plan, Internal Audit (IA) performed a review of open audit recommendations from prior audit reports to verify the implementation status reported by management. Open recommendations from the following audits were evaluated:

- 2010 Ethics Audit
- 2010 Contracts Audit
- 2011 Human Resources Process Review
- 2012 Right of Way Audit
- 2012 Toll Violation Audit

Internal Audit last reviewed the status of open audit recommendations in July 2012. Results were reported to the Audit Committee at that time.

This review was completed on January 7, 2013, and consisted of meetings with management to determine the status of open audit recommendations and performing testing of management's response, status, and explanation for all recommendations deemed "Completed" or "In Process." If a recommendation was noted "Not Done," no testing was performed by Internal Audit. 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 July 23, 2012, no further work was performed and the recommendation was not included for review in this report.

Testing performed included inquiry with the employees responsible for completing the recommendations and obtaining documentation evidence to confirm management's reported status and explanation. In instances where the evidence obtained did not agree with management's status, discussions with management were held and the differences were resolved.

There were no instances where management and Protiviti did not come to an agreement on the status of a recommendation.

Recommendations Summary

Audit	Open as of July 23, 2012	New Recommendations	Completed Since July 23, 2012	In Process / Not Done as of January 7, 2013*	Past Due
2010 Ethics Audit	1	0	0	1	1
2010 Contracts Audit	1	0	0	1	0
2011 Human Resources Process Review	3	0	3	0	0
2012 Right of Way Audit	2	0	1	1	1
2012 Toll Violations Audit	9	0	7	2	1
Total	16	0	11	5	3

*Five recommendations are classified as "In Process." Three of the open recommendations are "Past Due."

Ethics Audit
June 2010 Recommendations
Status of Recommendations

Internal Audit Recommendation	Management Response	Management Status at January 7, 2013	Management Verification / Explanation	Testing Results	Due Date	IA Evaluation of Management's Status
5. Mission, Vision, and Core Values The existing vision and mission statements of the Authority do not reference ethics, core values or integrity to help make ethical values and standards integral to all company operations and planning. Ethical standards should be integral to the organization and not simply an "add on" to be considered after important decisions have been made.	Concur	In Progress (Past Due)	The Authority has done many things to improve the ethical standards of the organization. The Ethics Policy has been strengthened by the Board in the past two years and has been added to the Authority's web site. Board members and staff receive regular ethics training in accordance with the Ethics Policy and a hotline has been set up so that anyone can anonymously report an ethics violation. All non-payroll checks are posted to the Authority's website. Ethics standards are an integral part of the organization. The Board will consider ethics references in the vision and mission statements through the master plan development process over the next twelve months.	No testing performed as recommendation has not been implemented as of the date of our testing.	Original: 8/31/10 Revised: 7/31/12 Revised: 12/31/13	Concur

**Contracts Audit
January 2011 Recommendations
Status of Recommendations**

Internal Audit Recommendation	Management Response	Management Status at January 7, 2013	Management Verification / Explanation	Testing Results	Due Date	IA Evaluation of Management's Status
7. b) The Authority should utilize CSC Manager and CSC Supervisor passwords, rather than PINs, to approve adjustment transactions in TRIMS (passwords are required to be changed on a regular basis by the system).	Concur	b) In Progress	b) The change to a password based approval key would be a fairly significant change to the existing system. The current system is currently being reviewed for back office consolidation with Florida's other toll agencies. Making these changes now may be waste of valuable IT resources if the current system were to be disposed of in the near term. The Authority will make this requirement a part of the back office consolidation effort currently underway.	No testing performed as recommendation has not been implemented as of the date of our testing.	b) 12/31/13	Concur

Human Resources Process Review
September 2011 Recommendations
Status of Recommendations

Internal Audit Recommendation	Management Response	Management Status at January 7, 2013	Management Verification / Explanation	Testing Results	Due Date	IA Evaluation of Management's Status
5. Employees should be required to sign and date the form and return it to the Manager of HR as an acknowledgement that they received the handbook.	Concur	Complete	The Employee Handbook has been updated in PDF format for new employees. Cost saving policy initiatives are being considered by management, so the printing of the Handbook will be printed and distributed once these issues have been evaluated.	Per inquiry with Neel Long, Director of Human Resources, the revised Employee Handbook was distributed to each employee in October 2012. Each employee was required to acknowledge receipt of the handbook by signing the Addendum to the handbook. This will be required for new employees as well. Audit selected fifteen of 57 full-time permanent employees and obtained the signed "Addendum" to verify existence. No exceptions noted.	b) Original: 6/30/12 Revised: 3/31/13	Concur
7. The Authority should continue to update employee job descriptions when hiring for a position, but also should start reviewing and updating job descriptions annually as part of the performance appraisal process. In addition, HR should review and sign the job descriptions to control the risk of inappropriate job description changes that could lead to a pay increase request.	Concur	Complete	The Authority will continue to update employee job descriptions when hiring for a position, but will also start reviewing and updating job descriptions annually as part of the performance appraisal process. HR will review and sign the updated job descriptions. As of 7/23/2012, the Authority is currently undergoing performance evaluations which includes reviewing and updating job descriptions. The Manager of HR has provided a due date of 12/31/2012.	Per inquiry with Neel Long, Director of Human Resources, employee job descriptions were revised by the Directors of each department during the 2012 performance evaluation process and will be included with all future employee performance appraisals. Audit noted the job description file is kept electronically by Neel Long. Based on review of the documents, the job descriptions were last modified on August 1, 2012. Additionally, Neel Long confirmed that Directors of each department do not have access to the folder where the job descriptions are kept and are aware of the requirement to notify him in order to make any changes to a job description.	Original: 6/30/12 Revised: 12/31/12	Concur
9. Thirty-four states have implemented IPP for worker safety and health protection. Florida is not one of those states. However, as a best practice, the Authority should consider developing an IPP to include the following elements: management leadership, worker participation, hazard identification, hazard prevention and control, education and training, and program evaluation and improvement.	Concur	Complete	The Authority will develop IPP that includes management leadership, worker participation, hazard identification, hazard prevention and control, education and training, and program evaluation and improvement.	Per inquiry with Neel Long, Director of Human Resources, the IPP is in its draft version and was under review by the Operations Department at the time of inquiry. Audit inspected the draft version of the IPP and noted the inclusion of topics such as management accountability, training, environmental protection, emergency action plan, and safe work practices. Neel Long expects the final IPP to be presented to Max Grumit, Executive Director, by February for comments and/or approval. Audit determined the recommendation to consider developing an IPP is complete.	Original: 12/31/12	Concur

Transportation Authority Monitoring and Oversight

Right of Way Audit February 2012 Recommendations Status of Recommendations

Internal Audit Recommendation	Management Response	Management Status at January 7, 2013	Management Verification / Explanation	Testing Results	Due Date	IA Evaluation of Management's Status
1. Recordkeeping: Completeness and Retention: (A) Management should update the policy to accurately reflect a comprehensive list of all documentation that management believes should be maintained onsite. Additionally, checklists should be created and continually updated to help management verify completeness of records and files for each acquired parcel within a given project. (B) Management should determine an appropriate timeline after a parcel case is closed by which to receive (or request if applicable) all pertinent case documents from external legal counsel. (C) The file custodian should create a complete master listing of all parcels to be acquired as determined at the beginning of a new construction project. This master list should be updated to reflect any files closed during the project that did not culminate in an acquisition and be described by a related closing memo.	Concur	In Progress (Past Due)	Completeness of files and timeliness of receipt is an important part of Chapter 119 compliance. Consistency of record keeping is also important to ensure that the public and the Authority have access to key information related to property acquisition. Management will update the Property Acquisition and Disposition Procedures manual to reflect the desired list of documentation and the timeframe for provision of the same. Management will work with outside counsel to create appropriate checklists and incorporate them into the files. Management will review the current purpose and usage of the electronic database and determine if any changes are warranted.	The updates to the Property Acquisition and Disposition Procedures Manual and the creation of right of way checklists have been postponed. Per inquiry with Dyana Petro, Assistant General Counsel, the Authority is in the process of selecting a new Right of Way Counsel. Once the counsel has been selected, the Authority will move forward with the recommendation.	Original: 6/30/12 Revised: 1/1/13 Revised: 6/30/13	Concur
2. Recordkeeping of Conflict of Interest forms: (A) Waivers or explanations for non-significant third parties or consultants should be completed or documented by in-house legal counsel for related parties or consultants to which a COI form was not received. (B) The COI log / tracker should be reviewed quarterly by the assistant general counsel to ensure all COI forms are returned. (C) Deputy Ethics officer should continue the current process to follow up on all stated conflicts.	Concur	Complete	Management will review the need for an update to the current ethics policy to determine whether changes to the conflict of interest policy (only in relation to the acquisition of real property) are warranted. Key considerations would be the exclusion of consultants / vendors whose services to the Authority are not of the kind that could reasonably be seen to create a conflict of interest.	Per inquiry with Dyana Petro, Assistant General Counsel, general counsel decided to revise the wording of the conflict of interest policy to the following: "OOCEA Board members, employees, and consultants in a position to influence Authority decisions shall refrain from relationships that may adversely affect their judgment in dealing with OOCEA business." The revised policy excludes non-significant third parties (e.g., all vendors and consultants with no influence over Authority decisions). Therefore, a waiver or explanation for non-significant third parties is no longer necessary. Audit obtained the updated policy and confirmed that the changes were made and were appropriate. Additionally, Dyana explained that the change in wording would create a secondary process of identifying consultants that can influence Authority decisions, allowing the Authority to ensure that the third parties that are sent the conflict of interest documents are relevant. This will also improve the tracking process of the completed conflict of interest documents.	Original: 6/30/12 Revised: 1/1/13	Concur

**Toll Violations Audit
March 2012 Recommendations
Status of Recommendations**

Internal Audit Recommendation	Management Response	Management Status at January 7, 2013	Management Verification / Explanation	Testing Results	Due Date	IA Evaluation of Management's Status
1. Improve Process to follow-up on license plates identified as unreadable. Management should determine if it is reasonable to complete an additional layer of review over unreadable images. Management should consider implementing a process to decrease the error rate over incorrectly identified unreadable images, i.e., review 100% of unreadable images. Additionally, management should consider appointing a Toll Operations & QC Specialist to complete a monthly review of the QC audit report summary kept by the VES Supervisor. The QC audit report should be reviewed to analyze the overall error rate, alongside individual image review clerks' error rates, month over month. Management should work with ACS to ensure the 98% license plate image review accuracy threshold is being met.	Concur	Complete	The Authority will look to determine if additional review of unreadable images is cost effective and practical to implement while also considering the current level of progress on the state wide back office consolidation. The Authority will complete a cost benefit analysis of the potential additional revenue that may be available to be generated by such a process. The Authority will also look to determine if significant progress on back office consolidation has been made and if implementation should be accepted, deferred or rejected at that time.	Per inquiry with David Wynne, Director of Toll Operations, a cost-benefit analysis was performed regarding an additional layer of review over unreadable images. Audit obtained the analysis completed by Dave Wynne and noted the Summary Findings stated there would not be a prudent business case for providing an additional layer of review and the potential recovered revenue each month would not exceed the additional expense on the cost center. Audit reviewed the assumptions and calculations within the cost-benefit analysis and found them reasonable and appropriate.	10/1/12	Concur
2. Implement a control to review and approve voided UTNs. Management should appoint a Toll Operations & Quality Control Specialist to complete a monthly Quality Control audit over voided UTNs. The Quality Control audit should include a judgmentally selected sample of all voided UTNs during the month to verify proper justification for each voided UTN. Additionally, the policy should be updated to reflect any repercussions for voiding a UTN without proper documentation and/or justification.	Concur	Complete	The Toll Operations/Quality Control Specialist will perform a monthly audit to ensure proper reasoning and documentation is being used to void UTNs. A Toll Operations/Quality Control Specialist was hired on June 25th and is currently undergoing training. The monthly audit regarding support to void UTNs should be completed prior to the established deadline.	Per inquiry with David Wynne, Director of Toll Operations, the UTN audit performed by Wideline Dorvil, QC Specialist, was implemented beginning September 2012 and is completed on a monthly basis. Audit obtained the September 2012 Voided UTN Audit and noted findings included transactions that should have been removed from a UTN and other transactions that should not have been removed from a UTN. The QC Specialist provides the audit report to the VES Department, which then provides responses to the findings and uses the report to assist in coaching employees.	9/1/12	Concur
3. Implement a control to check completeness of UTN and UTC files sent to AXIS for printing. Appoint an individual to review each file sent to AXIS for completeness. Additionally, as a completeness check, verify the number of UTNs and UTCs printed and mailed by AXIS, against the file originally sent to AXIS. This check can be performed by reconciling the total transactions processed (as detailed on the AXIS vendor invoices to the Authority) to the transaction totals in the data files originally sent from the Authority to AXIS. Any discrepancies should be reported to the Manager of VES & Special Projects.	Concur	Complete	The Toll Operations/Quality Control Specialist will perform a monthly audit to ensure the UTNs and UTCs generated by OOCEA match the number processed and mailed by OOCEA's printing contractor. A Toll Operations/Quality Control Specialist was hired on June 25th and is currently undergoing training. The monthly audit regarding UTN/UTC accuracy should be completed prior to the established deadline.	Per inquiry with David Wynne, Director of Toll Operations, the monthly UTN and UTC Print Services Reconciliation is performed by Wideline Dorvil, QC Specialist. Audit obtained the December 2012 reconciliation, the UTN and UTC File, and the AXIS invoice. Audit agreed the transaction totals in the UTN and UTC data files and the details from the AXIS invoice to the reconciliation. Audit noted the presence of various notes clarifying reasons for variances as well as general information regarding AXIS printing policies and procedures.	9/1/12	Concur

Transportation Authority Monitoring and Oversight

Toll Violations Audit March 2012 Recommendations Status of Recommendations

Internal Audit Recommendation	Management Response	Management Status at January 7, 2013	Management Verification / Explanation	Testing Results	Due Date	IA Evaluation of Management's Status
4. Management should work with the court system to agree on a record keeping method and timely notification system to provide the Authority with information regarding their toll violators which have made payments through the court system. Until a process is established between the Authority and court system, management should consider maintaining an up-to-date tracking system of all outstanding LTCs that have gone to the court and update it as soon as the Authority becomes aware that a decision has been reached at the court level.	Concur	In Progress	The Authority will continue as it has in the past to work with the clerk of the court to obtain the needed information and will also attempt to create a manual tracking process in the event an electronic process cannot be accomplished as it would require assistance from the clerk of the court office. Consideration of the current level of progress on the state wide back office consolidation should also be taken into account before moving forward. Director of Toll Operations will facilitate a meeting with the Clerk of Court to determine if we can get the needed information. If the needed information can be obtained then we will discuss implementing system changes required to facilitate this process with IT.	No testing performed as recommendation has not been implemented as of the date of our testing. The Clerk of Court data that is submitted to the Authority regarding UTC payments includes customer information, but the ability to merge the data files into TRIMS is pending IT development.	3/1/13	Concur
5. Process improvement: Consider the cost/benefit of working with the Florida Turnpike Enterprise and/or other state agencies to acquire the appropriate system access/licensing to enable look up of toll violators regardless of state or tag type. The potential increase in revenue associated with this opportunity is estimated to exceed \$851,000 annually as depicted in the background section of this report.	Concur	Complete	The Authority will continue to negotiate with the Florida Turnpike (FTE) on obtaining the needed information. Director of Toll Operations will continue the discussion with FTE. If negotiations prove futile we will move forward with the current agreement in hand. As of July 26, 2012, the Director of Toll Operations, David Wynne, has obtained verbal agreement from the Executive Director of the Florida Turnpike Enterprise that they will incorporate a license look up system.	Audit obtained the Memorandum to the Board titled "The Vehicle License Plate Services Agreement with FDOT" and confirmed through inspection that the agreement will allow the Authority to submit out of state and in state exception license plate data to FDOT to obtain registered owner information for toll collection and violation enforcement. The memorandum is to be presented to the Authority Board at the February 2013 Board meeting. Audit determined the recommendation to consider a licensing agreement is complete.	12/31/12	Concur

Toll Violations Audit
March 2012 Recommendations
Status of Recommendations

Internal Audit Recommendation	Management Response	Management Status at January 7, 2013	Management Verification / Explanation	Testing Results	Due Date	IA Evaluation of Management's Status
6. Process improvement: Management should determine if it is cost beneficial and within the business objectives of the Authority to turn over delinquent violators to a collection agency. The Authority should consider if the UTC is outstanding with the court. Additionally, the Authority should implement a policy containing a time and dollar threshold of how long a UTN or UTC violator should be outstanding before the Authority pursues collections, as well as, a dollar amount the UTN or UTC must reach prior to sending it to collections.	Concur	In Progress (Past Due)	The Authority will investigate enhancing its collection efforts on unpaid tolls to determine if it is cost beneficial and in the best interest of the Authority. Director of Toll Operations will facilitate a review of potential revenue to be collected, possible collection rates, industry practices, legal ramifications and consideration of community perception.	No testing performed as recommendation has not been implemented as of the date of our testing. Per inquiry with David Wynne, Director of Toll Operations, a consultant was hired by the Authority to report on industry debt collection practices and the report is pending.	Original: 1/1/13 Revised: 3/31/13	Concur
8. Process improvement: Management should determine if and when it is necessary to create and formulate a plan to upgrade the software in all express lanes to the ORT software in an attempt to standardize express lane software for consistency and improvement of the overall process.	Concur	Complete	The Authority will move forward in regards to completing the technology upgrade of its remaining express lanes to the ORT standard configuration. Director of Toll Operations will prepare a scope of work and anticipated cost estimate for the upgrade of these lanes. In the event funds are available in the work plan the project could commence and be completed by the due date. If funds are not available it would need to be deferred until 9/1/13. Consideration of the current level of progress on the state wide back office consolidation should also be taken into account before moving forward.	Per inquiry with David Wynne, Director of Toll Operations, the Authority has made a decision to install a new toll system over the next two years. Therefore, the recommendation to upgrade the ORT software in the express lanes is not necessary at this time. Per David Wynne, the latest ORT standard configuration will be part of the installation of the new system.	3/1/13	Concur

Transportation Authority Monitoring and Oversight

Toll Violations Audit March 2012 Recommendations Status of Recommendations

Internal Audit Recommendation	Management Response	Management Status at January 7, 2013	Management Verification / Explanation	Testing Results	Due Date	IA Evaluation of Management's Status
9. Process improvement: Consider the cost/benefit of upgrading ramp cameras to stay on par with the technology of other state agencies. Consider the impact of using the most up to date technology to capture the maximum number of violators.	Concur	Complete	<p>The Authority will continue to work on upgrading its camera system to current technology.</p> <p>Director of Toll Operations will prepare a scope of work and anticipated cost estimate for the upgrade of these lanes. In the event funds are available in the work plan the project could commence and be completed by the due date. If funds are not available it would need to be deferred until 9/1/13. Consideration of the current level of progress on the state wide back office consolidation should also be taken into account before moving forward.</p> <p>The funds have been approved for the Fiscal Budget of 2013. The Director of Toll Operations is currently working on creating a schedule to obtain the upgrades.</p>	Per inquiry with David Wynne, Director of Toll Operations, the Authority has made a decision to install a new toll system over the next two years. Therefore, the recommendation to upgrade the camera system is not necessary at this time. Per David Wynne, an upgraded camera system will be part of the installation of the new system.	3/1/13	Concur
11. Process improvement: Work with ACS to come to an agreement to develop specific coaching/disciplinary actions for pre-set number of times that a review clerk does not meet the accuracy threshold. Additionally, management should consider instituting a reward or incentive program for consistently well-performing individuals. Implementing clearly defined disciplinary action guidelines would motivate image review clerks to increase accuracy, in turn increasing revenue due to better disposition of images. Management should consider the cost/benefit of increasing the sample size of images reviewed for each image review clerk during the monthly QC audits.	Concur	Complete	<p>The Authority will work with the current contractor on reviewing and updating the image review audit and its associated coaching and disciplinary action plan. As a part of this plan the Authority will look to see if it is feasible to implement an incentive plan regarding image review production and accuracy.</p> <p>Manager of VES and Special Projects will prepare a review and recommended changes to the image review audit and its associated coaching and disciplinary action plan. In addition discussion will be had with the contractor regarding a potential incentive plan for image review staff.</p>	Per inquiry with Dave Wynne, Director of Toll Operations, a Performance Management Plan and Performance Recognition Plan were developed for Image Review Clerks. Audit obtained the details regarding each of the plans and noted that the Performance Management Plan includes a verbal warning, remedial training, and a final warning prior to termination. Additionally, the Performance Recognition Plan identifies top performers and rewards them with gift cards and lunches on a monthly basis. Per Johanna Rodriguez, VES Supervisor, the sample size of the VES QC image review audit was increased from 90 to 120 images per image review clerk. Wideline Dorvil, QC Specialist, conducts a second monthly QC image review audit of 120 images per IRC for additional accuracy reporting.	9/1/12	Concur



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