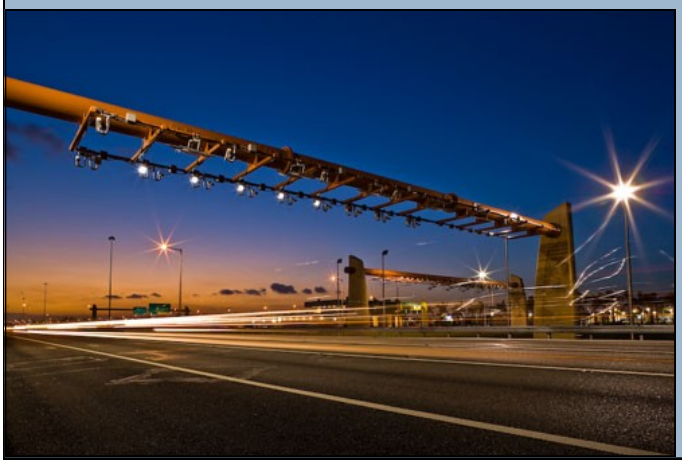
Transportation Authority Monitoring and Oversight

FISCAL YEAR 2010 REPORT

A Report by the
Florida Transportation Commission



FLORIDA TRANSPORTATION COMMISSION

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Jay Trumbull

Rick Scott
Governor

June 2, 2011

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 2010 Report*, which was adopted at our public meeting on May 20, 2011. This annual report is produced in fulfillment of the Commission's expanded oversight role, which resulted from the passage of HB985 in 2007 and HB1213 in 2009. That oversight encompasses the monitoring and oversight of 16 transportation authorities created under Chapters 343, 348 and 349, Florida Statutes. During the course of this review, we have found that many of the authorities have instituted "best practices" and have realized significant cost savings since being placed under FTC oversight.

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

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 2010 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 minutes of meetings, agendas, public meeting notices, conflict of interest disclosures, bond documents and audits. Commissioners and staff also attended public board meetings and conducted site visits with various authorities in order to obtain documentation and to gain firsthand knowledge of the workings and cultures of the individual authorities. With few exceptions or minor deviations, all of the authorities are operating in accordance with Florida Statutes and policies regarding ethics, conflicts of interest, open meetings and public records. With only one exception, authorities complied with the requirement to prepare audited financial statements and the continuing disclosure and debt service requirements contained in bond covenants.

Significant governance, compliance and financial issues continue to be noted for the Santa Rosa Bay Bridge Authority (SRBBA). That Authority entered into a lease-purchase agreement with the Florida Department of Transportation (Department) in 1996, whereby the Department maintains and operates the Garcon Point Bridge and remits tolls collected to the SRBBA as lease payments. SRBBA is currently in technical default on its bonds and, continued draws on the debt service reserve fund, based on current revenue forecasts, are projected to deplete the fund on July 1, 2011 (the next scheduled semi-annual bond payment), whereby SRBBA will be in default on its bonds. The Authority is not conducting regular meetings and the FTC finds there is inadequate governance in place. Currently, four of the seven positions on the SRBBA Board are vacant resulting in a lack of a quorum for scheduled meetings. No instances of Department non-compliance 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 2010 Findings and the Plan for FY 2011 that describes activities related to production of next year's (FY 2011) 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,

Garrett W. Walton

Garrett Walton, Chairman
Florida Transportation Commission

cc: Honorable Jack Latvala, Chairman, Senate Transportation Committee and Members
Honorable Donald Gaetz, Chairman, Senate Transportation, Tourism and Economic Development Appropriations Subcommittee and Members
Honorable J.D. Alexander, Chairman, Senate Budget Committee and Members
Honorable Mike Horner, Chairman, House Transportation and Economic Development Appropriations Subcommittee and Members
Honorable Denise Grimsley, Chairman, House Appropriations Committee and Members
Honorable Brad Drake, Chairman, House Transportation and Highway Safety Subcommittee and Members
Mr. Ananth Prasad, Secretary, Florida Department of Transportation
Mr. Jerry McDaniel, Director, Office of Policy and Budget, Executive Office of the Governor

Florida Transportation Commission

Transportation Authority Monitoring and Oversight

Fiscal Year 2010 Annual Report

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EXECUTIVE SUMMARY

"Active" Authorities under Florida Transportation Commission Oversight

Established Toll Authorities

Miami-Dade Expressway Authority (MDX) oversees, operates and maintains five expressways constituting 34 centerline-miles and 220 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).

Orlando-Orange County Expressway Authority (OOCEA) owns and operates 105 centerline-miles of roadway in Orange County. The toll facilities include: 22 miles of the Spessard 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, 5 miles of the John Land Apopka Expressway (SR 414).

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

Tampa-Hillsborough County Expressway Authority (THEA) owns the Selmon Expressway, a 15-mile limited access toll road. The original 14-mile, four-lane, at-grade facility crosses Hillsborough County from east to west through the City of Tampa and connects the Gandy Bridge with I-75. Elevated and at-grade reversible express lanes within the existing facility between Meridian Street and I-75 and the 1-mile extension from I-75 to Town Center Boulevard opened in 2006.

Transit Authorities

Central Florida Regional Transportation Authority (CFRTA, dba LYNX) provides public transportation services to the general public in the Orlando metropolitan area and throughout Orange, Seminole, and Osceola Counties in the form of fixed route bus service, paratransit service, flex service and carpools/vanpools.

Jacksonville Transportation Authority (JTA) provides public transportation services to the general public in the Jacksonville metropolitan area and throughout Duval County in the form of fixed route bus service, paratransit service, an automated people mover, trolleys and stadium shuttle service. JTA also implements highway projects pursuant to its role in the Better Jacksonville Plan.

South Florida Regional Transportation Authority (SFRTA, Tri-Rail) coordinates, develops, and implements a regional transportation system in South Florida that provides commuter rail service (Tri-Rail) and offers a shuttle bus system in Broward County for residents and visitors. Bus connections to Tri-Rail stations in Palm Beach, Miami-Dade and Broward counties are provided by Palm Tran, Miami-Dade Transit and Broward County Transit through fixed route service.

Emerging Authorities

Northwest Florida Transportation Corridor Authority (NFTCA) is not currently operating any facilities but has updated a 2010 Corridor Master Plan. The primary purpose of NFTCA is to improve mobility on the US 98 corridor in northwest Florida, enhance traveler safety, identify and develop hurricane evacuation routes, promote economic development along the corridor, and implement transportation projects to alleviate current or anticipated traffic congestion.

Southwest Florida Expressway Authority (SWFEA) is not operating any facilities. The express intention of SWFEA is to construct, operate, and maintain additional lanes on I-75 (tolled) within Lee and Collier counties. SWFEA instituted a temporary slow-down in activities due to the economic downturn and resulting reduction in traffic on I-75. In March 2011, the SWFEA Board approved a dissolution resolution and approved numerous motions to finalize all Board actions required to dissolve. As a result, there will be no future Board meetings.

Tampa Bay Area Regional Transportation Authority (TBARTA) is not currently operating any facilities. TBARTA was created for the purpose of improving mobility and expanding multimodal transportation options for passengers and freight throughout the seven-county Tampa Bay Region (Pasco, Citrus, Hernando, Hillsborough, Manatee, Pinellas and Sarasota counties). TBARTA has adopted a Regional Transportation Master Plan.

Figure 1: Active Authorities under Florida Transportation Commission Oversight.

Executive Summary

Background

The Florida Transportation Commission (Commission) was charged with an expanded oversight role as a result of provisions contained in House Bill (HB) 985 that was passed by the 2007 legislature. This legislation amended Section 20.23, Florida Statutes, requiring the Commission to monitor the transportation authorities established in Chapters 343 and 348, Florida Statutes. HB 1213, passed by the 2009 legislature, further expanded Commission oversight responsibilities to include the Jacksonville Transportation Authority (JTA), established in Chapter 349, Florida Statutes. In addition, HB 1271, passed by the 2010 legislature, created the Osceola County Expressway Authority under a new Part XI, of Chapter 348, Florida Statutes.

Of the 16 transportation authorities subject to Commission monitoring and oversight, 10 are actively pursuing or operating facilities and 6 are considered "inactive." The organization of each of the 10 active authorities, as presented in this fiscal year (FY) 2010 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 2009; however, several were refined and updated to assure the continued relevance of the measures and objectives.

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 2010, 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 the continuing disclosure and debt service coverage requirements contained in bond covenants. Detailed results for applicable

performance measures, operating indicators and governance criteria for each of the 10 transportation authorities are presented as individual chapters in this report.

Miami-Dade Expressway Authority (MDX) implemented cashless Open Road Tolling (ORT) on SR 924 in June 2010 and SR 874 and SR 878 in July 2010. Prior to ORT, SR 878 (Snapper Creek Expressway) was not tolled. MDX plans to convert its remaining two facilities to ORT by 2014. Tampa-Hillsborough County Expressway Authority (THEA) implemented All Electronic Tolling (AET) on the remainder of the Selmon Expressway in September 2010. THEA secured a private firm for toll collection services and partnered with MDX in the development and operation of a customer service center for video toll collection and violation enforcement that opened in June 2010. Significant cost savings are projected.

Significant governance, compliance and financial issues continue to be noted for Santa Rosa Bay Bridge Authority (SRBBA). The SRBBA Board does not currently have a quorum necessary to conduct business. Within the last six months, six Board members have resigned from the Board. SRBBA is currently in technical default on its bonds, and, based on current revenue forecasts, continued draws on the debt service fund are projected to deplete the fund on July 1, 2011 (the next scheduled semi-annual bond payment), whereby SRBBA will be in default on its bonds.

THEA and the Florida Department of Transportation (Department) entered into a Memorandum of Agreement (MOA) in October 2010 that revised the Lease-Purchase Agreement (LPA). Material terms of the MOA set a THEA repayment schedule for all long-term debt and allow THEA to: refund THEA bonds issued by the State Board of Administration (SBA); issue junior lien bonds; retain the Expressway System asset on final payment of SBA bonds and termination of the LPA; and, receive 20 percent of the "S" movement toll on the I-4 Connector.

Several authorities engaged in bonding activity. Orlando-Orange County Expressway Authority (OOCEA) issued $619 million in fixed rate Revenue Bonds in 2010 (Series 2010A in March and Series 2010C in November) to fund a portion of the projects in the Five-Year Work Plan. In addition, OOCEA issued $201 million in fixed rate Refunding Revenue Bonds, Series 2010B, in June to refund Series 1998 Bonds for a present value savings of $9.3 million. MDX issued $413 million in fixed rate Revenue and Refunding Revenue Bonds (Series 2010A and Series 2010B) in August 2010. Proceeds will primarily be used to partially fund Work Program projects and refund and defease Series 2000 and 2004A Bonds. In FY 2009, THEA recovered $75 million from a mediation settlement from claims that arose from design errors that became evident during construction of the Reversible Express Lanes project. In January 2011, THEA used $60 million from the settlement to partially defease outstanding THEA Revenue Bonds. By defeasing bonds, THEA will improve debt service coverage levels, maintain its credit rating, and enhance the potential to finance further projects.

Legislation was passed during a special session of the 2009 Florida Legislature that significantly impacts South Florida Regional Transportation Authority (SFRTA/Tri-Rail). House Bill 1B, signed into law by Governor Charlie Crist on December 16, 2009, amended Section 20.23, Florida Statues, and created the Florida Statewide Passenger Rail Commission (Rail Commission). The legislation also provides additional dedicated funding for Tri-Rail from the State Transportation Trust Fund, effective July 1, 2010 (FY 2011). The new Rail

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

Bay Area Commuter Services (BACS) merged with Tampa Bay Area Regional Transportation Authority 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. BACS has served District Seven since 1992 as a regional commuter assistance program agency with the purpose of promoting and encouraging transportation alternatives to the single occupant vehicle within the five-county area.

The Southwest Florida Expressway Authority (SWFEA) instituted a temporary slow-down in activities due to the economic downturn and resulting reduction in traffic on Interstate 75. Operating costs were reduced to minimum levels necessary to maintain the entity as active and in compliance with applicable laws and regulations. In June 2010, the Board voted that SWFEA does not have a viable project and to start the dissolution process. In March 2011, the SEFEA Board approved a dissolution resolution and approved numerous motions to finalize all Board actions required to dissolve the Authority. As a result, there will be no future Board meetings.

Conclusion

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

The Commission acknowledges with appreciation the assistance of the boards and staff of all transportation authorities for providing the resources necessary to conduct this review and to complete this report.

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

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INTRODUCTION

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Introduction

Background

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

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

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

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

Since July 2007, when House Bill (HB) 985 became law, a number of workshops and teleconferences have been held annually with the designated authorities to establish and fine tune

measures of performance, clarify objectives for the measures, and evaluate governance criteria. The meetings allowed for input from the authorities relating to organization, operations, revenues, financial provisions, and statutory requirements. Through these meetings, the Commission gained consensus and established performance measures for the authorities, recognizing toll authority measures would differ from transit authority measures. The Commission issued its first report on transportation authority oversight in March 2008, followed by a second and third annual report in March 2009 and May 2010.

Legislative Update

2009 Legislature

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

HB 1021, which also was approved by Governor Crist on May 27, 2009 and became effective on July 1, 2009, requires the members of each expressway authority, transportation authority, bridge authority, or toll authority, created pursuant to Chapters 348, 343, or 349, Florida Statutes, to "comply with the applicable financial disclosure requirements of s. 8, Art. II of the State Constitution." In addition to establishing more stringent financial disclosure requirements for the members of all authorities, active and inactive, established within Florida Statutes, HB 1021 repealed Chapter 343, Part III, Florida Statutes, that created the Tampa Bay Commuter Transit Authority and required all assets and liabilities of the Authority be transferred to the Tampa Bay Area Regional Transportation Authority (TBARTA). HB 1021 also amended Section 120.52(1), Florida Statutes. Any Transportation Authority created under Chapters 343, 348, or 349, Florida Statutes, is no longer an agency subject to Florida's Administrative Procedures Act. (Selected text from HB 1021 is presented in Appendix A.)

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

HB 1B, legislation passed during a special session of the Florida Legislature, was signed into law by Governor Crist on December 16, 2009. The legislation established a comprehensive framework for Florida's current and future passenger rail system that includes SunRail, Tri-Rail, and plans for high speed rail. It also provided additional funding for Tri-Rail in the form of a

dedicated source of revenue from the Transportation Trust Fund and the Department's Work Program, effective July 1, 2010.

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

2010 Legislature

During the 2010 legislative session, the omnibus transportation bill, HB 1271, was approved by Governor Crist on June 4, 2010 and became effective on July 1, 2010. Several provisions in the bill impacted, or may impact, operations and reporting responsibilities of toll and transit authorities in Florida. HB 1271 amended Section 212.055, Florida Statutes, authorizing counties within or under an Interlocal Agreement with a regional transportation or transit authority created under Chapters 343 or 349, Florida Statutes, to levy a discretionary sales surtax for transportation systems under certain conditions. The legislation also amended Sections 341.051 and 341.3025, Florida Statutes, requiring the use of universally accepted contactless fare media on new or upgraded public rail transit systems or public transit systems connecting to such rail systems and allows users to purchase fares at a single point of sale with coin, cash or credit cards. Section 343.64, Florida Statutes, was also amended and authorized the Central Florida Regional Transportation Authority (LYNX) to borrow up to $10 million in any calendar year to refinance all or part of the costs or obligations of the Authority. HB 1271, further amended various sections of the Tampa-Hillsborough County Expressway Authority Law, (Sections 348.50 through 348.70, Florida Statutes), and clarified the Authority's power to make and to issue bonds. In addition, HB 1271 created the Osceola County Expressway Authority under a new Part XI, of Chapter 348, Florida Statutes. The purposes and powers of the Authority are the same as those identified in the Florida Expressway Authority Act. Because the Authority is created under Chapter 348, Florida Statutes, it falls under the oversight of the Commission. (The relevant language from HB 1271 is detailed in Appendix A.)

In addition, Senate Bill (SB) 2470 was approved by Governor Crist on June 4, 2010, and became effective on July 1, 2010. SB 2470 created the Northeast Florida Regional Transportation Study Commission (NFRTSC). The Chairman of the Board of JTA serves as Chair of the NFRTSC and JTA provides staff support and other assistance to NFRTSC. By December 31, 2012, NFRTSC must submit a report to the Legislature making specific legislative recommendations for a regional transportation plan. (The relevant language from SB 2470 is detailed in Appendix A.)

Status of Authorities

Table 1 shows the status of the authorities subject to Commission monitoring and oversight, effective July 1, 2010.

Table 1
Status of Authorities

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

Transportation authorities created under Chapters 343, 348, and 349, Florida Statutes, subject to Commission oversight now total 16, and include 10 authorities that are actively pursuing or operating facilities and 6 authorities considered by the Commission as "inactive."

On July 1, 2009, pursuant to House Bill 1213, the Jacksonville Transportation Authority joined the nine Active Transportation Authorities subject to Commission oversight. On November 6, 2009, the Commission unanimously adopted the JTA recommended performance measures, objectives and operating indicators for the Authority's fixed route bus service, automated people mover (Skyway) and highway operations. Performance results were included in the Commission's FY 2009 Transportation Authority Monitoring and Oversight Report.

On July 1, 2010, pursuant to HB 1271, the newly created Osceola County Expressway Authority (OCEA) became subject to Commission oversight. The OCEA Board is to be comprised of six members. Three are to be appointed by the Osceola County Board of County Commissioners, two are to be appointed by the Governor, and the non-voting sixth member is the District Five Secretary of the Department. 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 the Authority. Various "start-up" challenges relating to funding, policies and procedures, administrative issues and statutory compliance were discussed. Osceola County has established a website for the Authority: www.osceola.org/osceola_expressway_authority/home.cfm. Although Osceola County is currently seeking applications for Board appointments, no appointments have been made by the county or the Governor and the Authority has not yet met.

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

Performance Measures and Operating Indicators

The Commission adopted the following revisions to FY 2010 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 2010 Changes to Performance Measures and Operating Indicators – "Established" Toll Authorities

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

Annual Operating, Maintenance and Administrative (OM&A) Forecast Variance – The performance objective was changed so that actual OM&A expenses should be less than 110 percent of the annual OM&A budget.

FY 2010 Changes to Performance Measures and Operating Indicators – Transit Authorities

Average Headway – The performance measure definition was changed to the average number of minutes it takes for a vehicle to complete its portion of the total route miles one time (based on a specific formula). The performance objectives were changed to less than 30 minutes for Central Florida Regional Transportation Authority (LYNX), South Florida Regional Transportation Authority (Tri-Rail) and Jacksonville Transportation Authority (JTA) - Bus, and less than 6 minutes for JTA - Skyway.

Revenue Miles between Safety Incidents – The performance objective was changed to represent a greater than five percent increase above actual FY 2009 results (LYNX and JTA only).

Governance

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

Ethics

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

Conflict of Interest

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

Audit

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

Public Records and Open Meetings

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

Procurement

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

Consultant Contract Reporting

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

Compliance with Bond Covenants

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

While annual reporting will be the main focus of the Commission's monitoring effort, authorities have been alerted that they are expected to notify the Commission, in a timely fashion, of any externally prompted audits or investigations. It is the Commission's intent to provide an annual report at one of its public meetings and to issue an annual document for distribution to the Governor and legislative leadership.

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

ESTABLISHED TOLL AUTHORITIES

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Established Toll Authorities

Introduction

There are numerous authorities in Florida that operate toll facilities and collect and reinvest toll revenues. Aside from Florida's Turnpike Enterprise (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 XI 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 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:

New Open Road Tolling Gantry - MDX.

- Background on the authority
- Performance measure results for fiscal year (FY) 2010
- Operating indicators for FY 2008 through FY 2010
- Governance assessment
- Summary

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 2010

Performance Measure	*Detail*	*Objective*
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. (.55)
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 the performance measures, the Commission established a set of operating indicators reported by each authority for the last five fiscal years. As with the performance measures, a summary is included in each authority's section of the report, with a full five-year accounting included in Appendix B. The 21 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 2010

Operating Indicator	*Detail*
Operations	
Growth in Value of Transportation Assets	Land Acquisition
	Infrastructure Assets
	Construction in Progress
	Total Value of Transportation Assets
Preservation of Transportation Assets	Renewal & Replacement of Infrastructure
	Routine Maintenance of Infrastructure
	Total Preservation Costs
Toll Collection Transactions	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 Secretary, all members must be residents of Miami -Dade County and each serves a four-year term and may be reappointed.

Table 4
Miami-Dade Expressway Authority
Current Board Members

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

MDX currently oversees, operates and maintains five expressways constituting approximately 34 centerline-miles and 220 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 revenue of $112 million in Fiscal Year (FY) 2010 based on 117 million transactions.

Highlights

- MDX implemented cashless ORT on SR 924 in June 2010 and SR 874 and SR 878 in July 2010. Prior to ORT, SR 878 (Snapper Creek Expressway) was not tolled. MDX plans to implement ORT on the remaining two MDX facilities by 2014.
- MDX met 15 of 16 applicable performance measure objectives. The measure not met was Safety.
- FY 2010 revenue decreased 1.0 percent over FY 2009 due to economic conditions adversely impacted by the housing market and rising unemployment.
- The Executive Director can approve a Supplemental Agreement (SA) for a single contract up to $2 million, and extend contract time, without prior approval of a Standing Committee or the MDX Board. The Executive Director is required to report all approved SA's to the Board on a monthly basis.
- In August 2010 (FY 2011), MDX issued approximately $413 million in Revenue and Refunding Revenue Bonds. Proceeds will primarily be used to partially fund Work Program projects and refund and defease Series 2000 and 2004A bonds.

In 2007, MDX opened its first cashless Open Road Tolling (ORT) segment, a three-mile extension of its SR 836 corridor. Continuing its initiative to provide safer, faster mobility through the implementation of ORT, in 2009 MDX competitively contracted with a vendor and commenced project implementation for the In-lane and Host System and Account Management Toll Enforcement System (AMTES). In addition, MDX contracted for infrastructure modifications required for the system conversion to ORT for three of its five corridors. 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. Under the ORT completed environment, almost 100 percent of the users will pay a toll commensurate to the portion of the road they drive. It is expected that the remaining two MDX roadways will be converted to ORT by 2014.

Open Road Tolling Mainline Gantry

Pursuant to an MDX/Florida Department of Transportation Transfer Agreement, in December 1996 the Department transferred operational and financial control of the five roadways and certain physical assets to MDX including projects completed after the transfer. The Authority maintains, operates and improves the system with revenue generated from tolls collected on the system. MDX also received loans and advances from the Department's Toll Facility Revolving Trust Fund (TFRTF) and State Infrastructure Bank (SIB) to fund various projects. The following table indicates that approximately $47.7 million in outstanding debt is due to the Department as of June 30, 2010.

Table 5
Miami-Dade Expressway Authority
Long-Term Debt Payable to the Department
Year Ended June 30, 2010

Transaction	*(millions)*
Loans from Toll Facilities Revolving Trust Fund[1]	$6.1
Loans from State Infrastructure Bank[2]	$41.6
Total Due Department	$47.7

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 2010 results, as reported by MDX, are provided in the following table. Results for the last five fiscal years are included in Appendix B.

MDX met or exceeded 15 of the 16 applicable performance measure objectives (customer service measure is not applicable). The

Table 6
Miami-Dade Expressway Authority
Summary of Performance Measures
FY 2010

Performance Measure	*Detail*	*Objective*	*Actual Results*	*Meets Objective*
Operations				
SHS Roadway Maintenance Condition Rating	Condition rating of at least 90	90	90.9	✓
Pavement Condition Rating	% SHS lane miles rated "excellent or good"	> 85%	91.8%	✓
Bridge Condition - Rating	% bridge structures rated "excellent or good"	> 95%	98.4%	✓
Bridge Condition - Weight Restrictions	% SHS bridge structures with posted limit	0%	0.0%	✓
Electronic Toll Collection (ETC) - Transactions	Number of ETC transactions as % of total transactions	> 75% by 6/30/12	75.8%	✓
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 (.55)	0.56	X
Customer Service	% customers satisfied with level of service	> 90%	N/A	N/A
Operations and Budget				
Consultant Contract Management	Final cost % increase above original award	< 5%	2.1%	✓
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	$0.12	✓
Annual Operating, Maintenance and Administrative (OM&A) Forecast Variance	Actual OM&A to annual budget	< 110%	94.8%	✓
Applicable Laws				
Minority Participation[2]	M/WBE and SBE utilization as % of total expenditures (each agency establishes goal/target)	> 90%	100+%	✓
Revenue Management and Bond Proceeds				
Debt Service Coverage - Bonded/Commercial Debt	[(Rev - interest) - (toll operating & maintenance expense)] / commercial debt service expense	> 1.5	1.56	✓
Debt Service Coverage - Comprehensive Debt	[(Rev - interest) - (toll operating & maintenance expense)] / all scheduled debt service expense	> 1.2	1.40	✓
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 2009 data.
[2] Multiple goals established - see narrative in performance measure section.

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

Safety

The 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 2009 data. Accident fatalities on MDX facilities totaled six in CY 2009 and have decreased for the third consecutive year. MDX actual performance of 0.56 fatalities per 100 million VMT slightly exceeded the established objective of 0.55.

Roadway conditions and high crash locations continue to be assessed for safety improvements and are part of a systematic annual review. MDX further indicated that a number of safety improvement projects have been completed and more are planned at locations or segments experiencing higher numbers of crashes. System-wide striping, reflective pavement marker replacement, signage upgrades, resurfacing that includes high friction surface treatment in areas having higher numbers of crashes as well as guardrail improvements to protect all median openings have been completed or are currently underway.

MDX recently completed the installation of an Intelligent Transportation System (ITS) network on its five expressways that include fiber communications and surveillance equipment that provides for reduced accident detection times and quick incident clearance. Planned system-wide implementation of Dynamic Message Signs (DMS) that display traffic conditions will also improve traffic operations. Additionally, the Rapid Incident Scene Clearance (RISC) Program, that complements the 24 hours per day/seven days per week Road Ranger Program, continues to aid in avoidance of serious secondary accidents by reducing clearance times.

In addition to continuing roadway improvements, MDX launched a comprehensive yearlong campaign promoting driver awareness and safety that included Memorial Day and Fourth of July holiday print and radio spots and encouraged drivers to "Take the Pledge" for safe driving as detailed in the newly established MDX website www.mdxsafety.com. MDX has also continued to partner with local agencies, including the Florida Highway Patrol, for campaigns promoting seat belt usage as well as making drivers aware of the danger of distracted driving including the use of cell phones and PDA devices while driving. One specific promotion addressed drunken driving providing a "tow-to-go" option where drivers under the influence could call and get a free tow home.

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, the methodology utilized by the Authority, or differences between adopted performance measure objectives and those required in bond documents.

Customer Service

Historically, results from Florida's Turnpike Enterprise (Enterprise) Annual Customer Satisfaction Survey have been used to report MDX Customer Service performance. In an effort to reduce costs, the Enterprise is now conducting the survey every two years rather than every year. As a result, the Enterprise Customer Satisfaction Survey was not performed for FY 2010. However, the FY 2011 survey is currently being conducted and is expected to be completed in the spring of 2011.

Although the Enterprise maintains SunPass accounts and processes SunPass payments to the Authority, MDX oversees, operates and maintains its own toll facilities and equipment and provide for its own toll collection (cash and Toll-by-Plate) and Violation Enforcement. MDX indicated that, beginning in FY 2011, it will be performing its own customer satisfaction survey utilizing survey questions similar to those contained in the Enterprise survey.

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

The Commission adopted a new objective for the Annual Operating, Maintenance and Administrative (OM&A) Forecast Variance performance measure for FY 2010. The FY 2009 objective "actual OM&A expenses within plus or minus 10 percent of the annual OM&A budget" was changed to "actual OM&A expenses less than 110 percent of the annual OM&A budget." MDX met the FY 2010 objective at 94.8 percent.

Debt Service Coverage

Debt service coverage ratios, as standardized in the Commission's performance measure calculations, may differ significantly from the debt service coverage calculations required in MDX bond resolutions and related documents. The calculation of the ratio of net revenue to debt service for all bonds outstanding, as defined by MDX bond resolutions, is reported as 1.56 in the Supplementary Schedules section of the FY 2010 audited financial statements. For FY 2010, this is the same ratio reported in the performance measures table. Historically, these debt service coverage ratios have been significantly different due to investment income, contributions for capital projects and administrative expenses that are included in the MDX calculation, but are excluded in the performance measure calculation. In FY 2010, revenue for investment income and contributions for capital projects approximately offset administrative expenses thereby negating any differences. Even with the different methodology used to calculate debt service coverage, the Authority met all debt service coverage performance measure objectives.

Open Road Tolling signage.

Minority Participation

MDX Procurement Policy establishes a 25 percent goal for Minority and Disadvantaged Business Enterprise (MBE/DBE) participation. All solicitation and contract documents include language encouraging such participation, and certification is based on ethnicity/gender with participation measured in aggregate of its contracts. MDX reported achieving 29 percent (or $30 million) MBE/DBE participation based on capital and operating expenditures for FY 2010, thereby exceeding the 25 percent goal. MDX has also adopted a Small Business Enterprise (SBE) Participation Policy (certification based on a firm's annual revenues), which requires that not less than 10 percent of the Authority's total annual contract dollars awarded be committed to 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. MDX reported achieving 24 percent SBE participation commitment (or $39 million), thereby exceeding the 10 percent SBE participation commitment goal.

MDX continues to excel, achieving well above the required percentage of SBE participation due to its 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 Businesses attended by over 150 firms, both prime and subcontractors. This workshop provides a forum for networking and includes an educational/informational panel for the benefit of SBE/Minority 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 2010 operating indicators, as reported by MDX, are provided in Table 7. Also, to assist in trend analysis, FY 2008 and FY 2009 operating results are provided. Results for the last five fiscal years are included in Appendix B. It is important to note FY 2010 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 2009, infrastructure assets increased primarily due to completion of the SR 874 northbound on-ramp from Kendall Drive. In FY 2010 infrastructure assets decreased $6 million, despite additions of nearly $8 million in completed construction projects. The decrease in infrastructure is attributed to nearly $14 million in FY 2010 depreciation expenses.

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

The current approved FY 2011-2015 Work Program includes significant system capacity and operational improvements such as the reconstruction of the SR 874/Killian Parkway interchange; widening of the northern half of SR 874; reconstruction of the SR 874/SR 826 interchange; infrastructure improvements for ORT on SR 924, SR 874 and SR 878; construction of auxiliary lanes on SR 836 and reconstruction of the SR 836/SR 826 interchange. Through Joint Participation Agreements (JPAs), MDX has partnered with the Department to fund Section 2 of SR 826 for $60 million and the SR 836/SR 826 interchange for $200 million. MDX has also initiated several planning efforts to evaluate the feasibility of expanding the existing System by

Table 7
Miami-Dade Expressway Authority
Summary of Operating Indicators (in millions)
FY 2008 through FY 2010

Indicator	*Detail*	*Actual 08 Results (millions)*	*Actual 09 Results (millions)*	*Actual 10 Results (millions)*
Operations				
Growth in Value of Transportation Assets	Land Acquisition	$241.3	$250.6	$260.1
	Infrastructure Assets	$289.0	$324.3	$318.3
	Construction in Progress	$214.1	$280.1	$391.1
	Total Value of Transportation Assets	$744.4	$855.0	$969.4
Preservation of Transportation Assets	Renewal & Replacement of Infrastructure	$0.0	$0.0	$0.0
	Routine Maintenance of Infrastructure	$3.9	$4.6	$6.0
	Total Preservation Costs	$3.9	$4.6	$6.0
Toll Collection Transactions	Revenue from Electronic Transactions	62.8%	65.7%	68.2%
Annual Revenue Growth	Toll and Operating Revenue	40.7%	-2.5%	-1.0%
Operations and Budget				
Operating Efficiency	Toll Collection Expense as % of Operating Expense	38.9%	40.5%	35.8%
	Routine Maintenance Expense as % of Operating Expense	7.6%	8.3%	11.0%
	Administrative Expense as % of Operating Expense	10.8%	13.4%	10.9%
	Operating Expense as % of Operating Revenue	44.2%	48.9%	48.4%
Rating Agency Performance	Toll Operations and Maintenance Expense as % of Operating Revenue	20.5%	23.8%	22.7%
Property Acquisition				
Right-of-Way	Agency Appraisals	$1.4	$0.4	$2.2
	Initial Offers	$1.4	$0.5	$1.9
	Owners Appraisals	$3.0	$2.5	$1.9
	Final Settlements	$2.3	$1.3	$1.9
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.

extending SR 874 to the south, SR 836 to the southwest and SR 924 to the east and west. In addition, MDX has initiated studies of the conversion of the existing Miami Dade Transit busway along US 1 to an Express Managed Lane Facility, and the construction of a new facility from the western end of SR 112 north to connect to SR 924 and SR 836.

Preservation of Transportation Assets (Renewal and Replacement of Infrastructure)

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

Preservation of Transportation Assets (Routine Maintenance of Infrastructure)

The moderate increase in FY 2009 routine maintenance expenses from amounts reported in FY 2008 is primarily attributed to additional costs related to a new asset management contract and increased general engineering consultant support costs. FY 2010 routine maintenance expenses increased over FY 2009 levels by $1.4 million, or 30.9 percent, due to increases in roadway and plaza maintenance, ITS maintenance and structural inspections.

Toll Collection Transactions (Revenue from Electronic Toll Transactions)

As previously reported in the Performance Measures section of this chapter, the percentage of Electronic Toll Collection (ETC) transactions to total transactions increased from approximately 75 percent in FY 2009 to 76 percent in FY 2010. Total toll transactions in FY 2010 increased by 1.1 percent over FY 2009 levels. Cash transactions decreased by 3.0 percent while ETC transactions increased 2.5 percent. There is a direct correlation between electronic transactions and revenue. Specifically, the electronic toll rate is $0.25 less than the cash rate, thereby reducing overall revenue received as each cash customer moves to ETC.

Annual Revenue Growth (Toll and Operating Revenue)

FY 2010 revenue decreased 1.0 percent over FY 2009 levels. MDX attributed the decrease primarily to economic conditions adversely impacted by the housing market and rising unemployment. The significant revenue growth of 40.7 percent in FY 2008 is primarily attributed to the opening of new toll plazas on SR 836 at 97th Avenue, as well as new tolling points on the SR 836 Extension to 137th Avenue.

FY 2010 routine maintenance expenses increased 31 percent over FY 2009 due to increases in roadway and plaza maintenance, ITS maintenance and structural inspections.

FY 2010 toll collection costs decreased 13 percent over FY 2009 due to a new contract for toll plaza personnel and a decrease in SunPass processing and transponder costs.

Administrative expenses decreased 20 percent in FY 2010 as a result of reclassifying transponder costs to toll collection costs offset by a reduction in MDX indirect cost allocation.

Operating Efficiency and Rating Agency Performance

In general, FY 2010 results for operating indicators trended relatively close to FY 2009 results. FY 2010 toll collection costs decreased $3.0 million, or 13.3 percent, primarily due to a new contract for toll plaza personnel and a decrease in *SunPass* processing and transponder costs assessed to MDX by the Department's Turnpike Enterprise. The decrease in *SunPass* processing costs was the result of a change in the cost allocation

methodology utilized by the Enterprise to allocate costs to various toll authorities. The decrease in transponder costs is a result of inventory build-up of new *SunPass* Mini transponders (Sticker Tags) in FY 2009 to meet anticipated demand. This provided for a significant starting inventory for FY 2010. As previously noted, FY 2010 routine maintenance expenses increased $1.4 million, or 30.9 percent, due to increases in roadway and plaza maintenance, ITS maintenance and structural inspections. Administrative expenses decreased in FY 2010 by $1.5 million, or 20.2 percent, due primarily to the reclassification of transponder costs to toll collection costs, partially offset by a reduction in MDX indirect cost allocation. As previously noted, FY 2010 operating revenue decreased 1.0 percent over FY 2009 levels while FY 2010 operating expenses decreased 2.1 percent. This caused the overall expense ratio to decrease.

Right-of-Way

In FY 2010, MDX acquired parcels, totaling approximately $1.9 million through the Right-of-way Program. MDX policy requires total purchase costs to be within 25 percent of MDX appraised values (without litigation) for MDX Property Acquisition Committee approval. Any parcel settlements that exceed the 25 percent threshold must go to the MDX Governing Board for approval. Because MDX does not require the owner to conduct an appraisal, beginning with the MDX 2008 data submission, both written and oral offers and counter offers are being included in the reporting fields for Initial Offers and Owner Appraisals, respectively. If the owner does not make a counter offer but accepts an offer from MDX, MDX will enter the amount of the settlement in the Owner Appraisals field. This ensures that only the most accurate and meaningful data are provided and corrects any previous wrong impressions that MDX settled parcels for amounts significantly above Owner Appraisals.

Governance

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

Ethics and Conflicts of Interest

MDX provided a copy of its Code of Ethics policy that was last amended on June 23, 2009. The policy is applicable to Board Members, employees and consultants retained by MDX. Board Members and employees are also subject to compliance with Chapter 112, Part III, Florida Statutes (Code of Ethics for Public Officers and Employees). In the event of conflict between the Authority's policy and the provisions of Chapter 112, Florida Statutes, the more restrictive provisions shall control. The policy appears to be comprehensive and includes areas such as conflicts of interest, doing business, misuse of public position, gifts, post-service contact with MDX, Ethics Officer, ethics training and compliance hotline. According to MDX, no ethics or conflict of interest violations or investigations were reported during FY 2010. Commission staff reviewed the Authority's Board minutes and did not find any recorded instances of ethics or conflicts of interest violations or investigations. The meeting minutes did disclose instances where Board Members abstained from voting on agenda items due to voting conflicts. Conflict of interest documentation (State Commission on Ethics Form 8B - Memorandum of Voting Conflict for County, Municipal, and Other Local Public Officers) was included in the Board monthly meeting minutes summary. Commission staff also noted that in June 2010, MDX General

Counsel finished conducting one hour of annual ethics training, as required by the Authority's Code of Ethics, to MDX Board Members. Staff training was conducted in August 2009 and July 2010. Training addressed MDX Bylaws related to accountability, transparency and responsibility, anti-discrimination/anti-harassment policy, Government in the Sunshine, public records, voting conflicts and financial disclosure. In connection with the financial statement audit, Board Members and staff are also required to complete a questionnaire for related party transactions and fraud risk that is sent directly to the audit firm for evaluation. Commission staff reviewed the questionnaires provided by MDX and noted no reported instances of actual or suspected fraud.

Audits

MDX's Budget and Finance Committee assumes the role of the Audit Committee. According to the Authority, the Committee reviews monthly revenue reports and financial statements and requires staff to discuss at Committee 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 2010, audit results were presented to both the Committee and Board. The Committee is comprised of an elected Treasurer and MDX Board Members assigned by the Board Chair.

An annual independent audit of MDX's financial statements for the fiscal years ended June 30, 2010 and 2009 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 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 and provide assurance over the quality and accuracy of information provided to MDX. MDX indicated that the AMTEC commenced operations on June 7, 2010 (23 days before year end), and the Authority intends to ensure that an audit is completed annually beginning in FY 2011. Although MDX is subject to compliance with Sections 112.3187 through 112.31895, Florida Statutes (Whistle-blowers Act), the auditors also recommended that the Authority more effectively communicate the policy and provide a formal mechanism for employees to report concerns internally and have assurance that their concerns will be investigated and appropriately addressed without reprisals. MDX has taken the recommendation to the Budget and Finance Committee which concluded the process under Florida Statute is adequate to afford employees a vehicle to make whistle-blower complaints.

MDX General Counsel conducted one hour of ethics training for the MDX Board and staff in FY 2010.

The FY 2010 independent financial statement audit reflected an unqualified opinion.

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

Public Records and Open Meetings

MDX is operating under Chapter 119, Florida Statutes, relating to public records and has adopted procedures to process public records requests. 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 meeting minutes, provided by the Authority, showed that the minutes appear to be in compliance with statute. Beginning in 2010, a video of MDX Board meetings is provided on the Authority's website. MDX meeting agendas are also posted on the Authority's website. Pursuant to Section 189.417, Florida Statutes, MDX (an Independent Special District) is required to publish a schedule of its Board meetings in a newspaper of general paid circulation. Although meeting notices are posted on the Authority's website, in FY 2010 MDX failed to advertise the meetings as required under Section 189.417, Florida Statutes. MDX management indicated that the Authority will immediately begin advertising in the local newspaper in addition to the website. The Authority provided ethics training to Board Members and staff that included modules related to public records and public meetings law requirements and processes.

Procurement

The MDX Procurement Policy (amended June 23, 2009) 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 decision-making authority is not delegated to the Standing Committees but resides with the MDX Board of Directors. As such, in some instances the Awards Committee serves as the approving authority, and in other instances the Awards Committee makes recommendations to the MDX Board for procurement related actions. In any case, all matters presented to the Board for action are first presented to a Standing Committee for endorsement, whether procurement/contract related or otherwise. The applicable Awards Committee approves all Supplemental Agreements for: (1) amounts for a single contract, which are cumulatively greater than 20 percent of the original contract amount or $3 million, whichever is less; and, (2) contract time that involves changes to the original contract amount above the Executive Director's delegated authority up to $3 million.

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

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

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

Consultant Contract Reporting

MDX provided a list of all "General Consulting" contracts and those sub contracts that exceeded $25 thousand in FY 2010. As indicated in Table 8, 32 sub consultants were used by the general consulting firms for a total cost of $8.2 million in FY 2010.

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. As of June 30, 2010, total bonds in the principal amount of approximately $921 million remained outstanding. In August 2010 (FY 2011), MDX issued approximately $413 million in

Table 8
Miami-Dade Expressway Authority
Summary of General Consultant Sub Consultant Activity
FY 2010

Consulting Contract	*Description*	*Sub Consultants >$25 K ($000)*
EAC	**General Construction Management Consultant**	
AECOM U.S.A., Inc.	Transportation Management	$697
BCC Engineering, Inc.	Design Review and Permitting/Highway Design/Utilities/Construction & Contract Support	$1,023
Gamax Consulting, Inc.	Project/Program Controls	$184
HOLT Communications, Inc.	Public Involvement/Information	$167
HR Engineering, Inc.	Geotechnical Support	$39
Integrated Project System, LLC	Scheduling & Cost Estimates	$290
MACTEC Engineering & Consulting, Inc.	Geotechnical/Materials Testing Oversight	$70
Manual G. Vera & Associates, Inc.	Surveying/Mapping	$35
Pinnacle Consulting Enterprises, Inc.	Construction Engineering & Inspection/Surveying & Mapping/Construction Management	$43
R.J. Behar and Company, Inc.	Engineering	$109
Tamayo Engineering, LLC	Document Controls and Traffic Management Center Operations Support	$224
HNTB	**General Engineering Consultant**	
Bermello, Ajamil & Partners, Inc.	Public Involvement/Public Information	$335
BND Engineers, Inc.	Project Management	$329
Botas Engineering, Inc.	Design Services	$119
CH Perez & Associates Consulting Engineers, Inc.	Roadway/Traffic Studies/Signs & Paving/Surveying	$981
Consulting Engineering & Sciences, Inc.	Noise Analysis	$76
EV Services, Inc.	Public Involvement/Public Information	$82
Fernandez-Beraud, Inc.	Landscaping	$151
HDR Acquisition Services, Inc.	Right-of-Way Acquisition/Appraisals	$35
KPMG, LLP	Financial Analysis	$77
Nova Consulting, Inc.	Environmental Review & Permitting/Utilities	$67
Ribbeck Engineering, Inc.	Design Services	$188
Rodolfo Ibarra, P.E., P.A.	Utilities/Drainage Design/Administrative Support	$133
The Allen Group, LLC	Public Involvement/Public Information	$94
Terry Couture Communications Corp.	Public Involvement/Public Information	$77
VMS, Inc.	**Maintenance Management Consultant**	
American Lighting & Signalization, Inc.	Highway Lighting Maintenance	$376
AmRoad, LLC	Concrete Repairs, Striping, RPM's	$191
Remington Steel & Sign Corp.	Guardrail, Sign & Attenuator Repair	$444
Star Cleaning U.S.A., Inc.	Roadway Sweeping	$146
Techno Services, Inc.	Guardrail & Concrete Repairs	$168
Tenusa, Inc.	Landscaping	$1,202
Wilbur Smith Associates	**Traffic and Revenue Consultant**	
The Washington Economics Group, Inc.	Economic Development/Impact	$46
Total Sub consultants > $25 K		$8,198

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.

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

- Annual financial information and operating data were filed with the Securities and Exchange Commission (SEC) pursuant to Rule 15c2-12.
- An annual financial statement audit was performed.
- MDX utilizes a nationally recognized General Engineering Consultant (HNTB).
- An independent inspection and report concerning the condition of the Expressway System is required at least annually. An annual inspection report, dated July 2010, was provided by the Authority.
- Section 5.01(c) of the Bond Trust Indenture requires MDX to review its financial condition and determine whether net revenues for the year are sufficient to enable the Authority to comply with bond covenants specified in Section 5.01(b). The Determination resolutions were properly filed with the Trustee (Bank of New York).
- MDX utilizes a nationally recognized Traffic and Revenue Consultant (Wilbur Smith Associates).
- Debt service coverage ratio for FY 2010 exceeds 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 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, 2010. 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.

SR 836 Extension.

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 15 of the 16 applicable management objectives established for performance measures. The performance measure objective not met was for safety.

Operating indicator trend analysis showed that FY 2010 infrastructure assets decreased $6 million over FY 2009, despite additions of nearly $8 million in completed construction projects. The decrease in infrastructure is attributed to nearly $14 million in FY 2010 depreciation expenses. FY

2010 construction in progress increased $111 million primarily due to continued reconstruction of three interchanges, infrastructure improvements for ORT on SR 924 and construction of an auxiliary lane on SR 836. FY 2010 revenue decreased 1.0 percent over FY 2009 levels. MDX attributed this decrease to economic conditions adversely impacted by the housing market and rising unemployment. Routine maintenance costs for FY 2010 increased $1.4 million, or 30.9 percent, primarily due to increases in roadway and plaza maintenance, ITS maintenance and structural inspections. FY 2010 toll operations costs decreased $3.0 million, or 13.3 percent, over FY 2009 due to a new contract for toll plaza personnel and a decrease in *SunPass* processing and transponder costs assessed to MDX by the Department's Turnpike Enterprise. In addition, FY 2010 administration costs decreased $1.5 million, or 20.2 percent, primarily due to reclassifying transponder costs to toll collection costs, partially offset by a reduction in MDX indirect cost allocation.

In the area of governance, the FY 2010 independent financial statement audit reflected an unqualified opinion. Two recommendations for improvement were provided in the Auditor's Management Letter relating to an audit of the Account Management Toll Enforcement Center's third party service provider and improved communication of the MDX Whistleblower policy. For procurement, Commission staff noted that the Executive Director is authorized to approve a Supplemental Agreement for a single contract up to $2 million, and extend contract time without limits for those contracts with amounts not exceeding the Executive Director's delegated authority, without prior approval of a Standing Committee or the MDX Board. All Supplemental Agreements approved by the Executive Director are included as part of the monthly reporting to the Standing Committee and Board. Although Board meeting notices are posted on the Authority's website, in FY 2010 MDX failed to advertise the meetings pursuant to Section 189.417, Florida Statutes.

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 except for public meeting advertising as noted above.

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

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Orlando-Orange County Expressway Authority (OOCEA)

Background

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

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

Table 9
Orlando-Orange County Expressway Authority
Current Board Members

Name	*Affiliation*	*Position*
Walter A. Ketcham, Jr.	Grower, Ketcham, Rutherford, Bronson, Eide & Telan, P.A.	Chairman
Tanya J. Wilder	Teco Energy, Inc.	Vice Chairman
Teresa Jacobs	Orange County Mayor	Secretary-Treasurer
Mark Filburn	ZMG Construction, Inc.	Board Member
Noranne B. Downs, P.E.	District Five Secretary	Board Member

Highlights

- Construction and right-of-way acquisition continued for phase two of the John Land Apopka Expressway (SR 414).
- OOCEA met 15 of 16 applicable performance measure objectives. The measure not met was Minority Participation. Two measures not met last year (Safety and Debt Service Coverage - Bonded Debt) were met in Fiscal Year (FY) 2010.
- As a result of the April 2009 toll rate increase, FY 2010 revenue increased $47.2 million, or 22.7 percent, over FY 2009, despite a decrease of 1.5 percent in toll transactions.
- OOCEA issued $619 million in Revenue Bonds in 2010 (Series 2010A in March and Series 2010C in November) to fund a portion of the projects in the Five-Year Work Plan. In addition, $201 million in Refunding Revenue Bonds, Series 2010B, were issued in June to refund Series 1998 Bonds for a present value savings of $9.3 million.
- The FY 2010 independent financial statement audit reflected an unqualified opinion.
- OOCEA successfully implemented over 150 recommendations resulting from numerous audits and reviews over the past two fiscal years. Audits/reviews issued during, and subsequent to, FY 2010 include a Report from the Citizens' Advisory Committee, Governance Audit, Purchasing Spend Review, Change Management Review, Ethics Policy Compliance Review, Payment Card Industry Gap Assessment, TransCore Contract Review and 2010 Contracts Audit.
- In December 2010, the OOCEA Board approved the final alignment for the 26-mile Wekiva Parkway PD&E Study.
- In July 2010, OOCEA significantly amended its Code of Ethics policy to include recommendations contained in the Ethics Policy Compliance Review.

John Land Apopka Expressway, Phase II Construction.

Transportation (Department) are the two ex-officio members of the Board. At the January 2011 Board meeting, the new Mayor of Orange County, Teresa Jacobs, was elected Secretary-Treasurer, succeeding Mark Filburn.

OOCEA currently owns and operates 105 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 5 miles of the John Land Apopka Expressway (SR 414). The Authority reported toll revenue of $254 million in FY 2010 based on 288 million transactions.

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

The Wekiva Parkway (SR 429) is a proposed 26-mile toll road that would traverse Orange, Seminole and Lake Counties and complete the beltway around northwest metropolitan Orlando. OOCEA entered into Interlocal Agreements with Seminole and Lake Counties in August 2010 and October 2010, respectively that allows OOCEA to build, operate, maintain and collect tolls on the Wekiva Parkway. Seminole and Lake Counties subsequently approved the final road alignment within the respective county. On December 14, 2010, the OOCEA Board held a public hearing and approved the final alignment for the Wekiva Parkway Project Development and Environmental (PD&E) Study. It is anticipated that the Federal Highway Administration will approve the Finding of No Significant Impact (FONSI) in the summer of 2011, whereby advertising can begin for design contracts. An investment grade traffic and revenue study is currently underway to determine what OOCEA is capable of funding.

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

The Authority completed several major projects in FY 2010. The conversion of the Beachline Main Plaza to ORT features four Express Lanes (two in

each direction) and eight cash/receipt lanes (four in each direction). Nearly one mile of SR 408, between Crystal Lake Drive and Conway Road, was widened to five lanes in each direction and included construction of sound walls and a new pedestrian walkway across Lake Underhill. The $77 million project also included widening the Lake Underhill Bridge, widening the Crystal Lake Drive and Lake Underhill Road overpasses, and construction of a new Conway Road on-ramp to westbound SR 408.

In March 2010, OOCEA issued $335 million in fixed rate Revenue Bonds, Series 2010A, to fund a portion of the projects in the Five-Year Work Plan. In June 2010, OOCEA issued $201 million in fixed rate Refunding Revenue Bonds, Series 2010B, to refund the Junior Lien Revenue Bonds, Series 1998, realizing a present value savings of $9.3 million. Additionally, in November 2010, OOCEA issued $284 million in fixed rate Revenue Bonds, Series 2010C, to fund a portion of the projects in the Five-Year Work Plan. The Authority elected to use bond proceeds to cash fund the debt service reserve instead of obtaining insurance for the Series 2010A and Series 2010C Bonds.

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

Under the requirements of a Lease-Purchase Agreement between OOCEA and the Department, the Authority is reimbursed by the Department for a portion of the operating and maintenance costs of the Martin Andersen Beachline Expressway and the Spessard L. Holland East-West Expressway. The Authority records these reimbursements as advances because amounts are to be repaid to the Department from future toll revenues after all bonds are retired and all other financial obligations have been met. In addition, the Authority utilized funds from a State Infrastructure Bank (SIB) loan to acquire right-of-way for construction of the John Land Apopka Expressway. The following table indicates that approximately $263 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, 2010

Transaction	*(millions)*
Advances for Operating and Maintenance Expenses[1]	$214.2
Advances for Completion of East-West Expressway[1]	$14.0
Loans from State Infrastructure Bank[2]	$34.5
Total Due Department	$262.7

Source: OOCEA Notes to Audited Financial Statements and OOCEA Management.
[1] July 1, 2042 is the earliest date that System payments are anticipated to begin based on the requirements of the Lease-Purchase Agreement and current Bond Official Statement.
[2] To be repaid by FY 2018.

Performance Measures

Pursuant to the Florida Transportation Commission's (Commission) expanded role in providing oversight to specified authorities, the Commission conducts periodic reviews of each authority's operations and budget, acquisition of property, management of revenue and bond proceeds, and compliance with applicable laws and Generally Accepted Accounting Principles (GAAP). Consequently, the Commission, in concert with the authorities, developed performance measures and management objectives that establish best practices across the industry that will improve the overall delivery of services to the traveling and freight moving communities that are critical to the overall economic well-being and quality of life in Florida. FY 2010 results, as reported by OOCEA, are provided in Table 11. Results for the last five fiscal years are included in Appendix B.

Table 11
Orlando-Orange County Expressway Authority
Summary of Performance Measures
FY 2010

Performance Measure	*Detail*	*Objective*	*Actual Results*	*Meets Objective*
Operations				
SHS Roadway Maintenance Condition Rating	Condition rating of at least 90	90	92.0	✓
Pavement Condition Rating	% SHS lane miles rated "excellent or good"	> 85%	98.6%	✓
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	73.3%	✓ On Track
Revenue Variance	Variance from indicated revenue (without fines)	< 4%	2.8%	✓
Safety[1]	Fatalities per 100 million vehicle miles traveled	> 10% below 5 yr. avg (.55)	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%	-6.3%	✓
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%	94.6%	✓
Applicable Laws				
Minority Participation[2]	M/WBE and SBE utilization as % of total expenditures (each agency establishes goal/target)	> 90%	64.7%	X
Revenue Management and Bond Proceeds				
Debt Service Coverage - Bonded/Commercial Debt	[(Rev - interest) - (toll operating & maintenance expense)] / commercial debt service expense	> 1.5	1.74	✓
Debt Service Coverage - Comprehensive Debt	[(Rev - interest) - (toll operating & maintenance expense)] / all scheduled debt service expense	> 1.2	1.73	✓
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 2009 data.
[2] The Authority has a 15 percent goal for RFP's and ITN's and reported achieving 9.7 percent, or 64.7 percent of the goal.

OOCEA met or exceeded 15 of the 16 applicable performance measure objectives (customer service measure is not applicable). The performance measure objective the Authority did not meet (Minority Participation) is described below and includes trend data, explanations and any action plan that OOCEA has developed to assist in meeting the measure. Explanations are based on input from OOCEA management.

Minority Participation

OOCEA indicated that Invitations to Bid (ITB) and Requests for Proposal (RFP) documents reflect a 15 percent participation objective. If the Prime Contractor (Prime) indicates minority participation at 15 percent or more in the bid, it is considered in compliance with the Authority's Business Development policy objectives. If the Prime indicates participation below the 15 percent objective in the bid, the Authority will determine if the Prime applied good faith efforts, as outlined in the bid documents, to include minority participation on the project. Authority staff will then meet with the Prime to discuss the Authority's determination and secure a commitment for participation at a percentage agreed to by both the Prime and the Authority. For FY 2010, the Authority reported 9.7 percent minority participation, or 64.7 percent of the Authority's goal of 15 percent. This falls short of the FTC objective of greater than 90 percent of the Authority's goal. The participation was much lower than previous years due to a sharp decline in engineering and construction contracts in FY 2009. Because construction and engineering activity is anticipated to increase, minority participation percentages are expected to normalize in future years.

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

Presented below are examples of some of the notable performance measures where OOCEA met the objective. Explanations are provided to clarify the source of the data, the methodology utilized by the Authority, differences between adopted performance measure objectives and those required in bond documents or to identify those objectives that were met in FY 2010 but not met in FY 2009.

Electronic Toll Collection - Transactions

ETC transactions for OOCEA constituted 73.3 percent of total transactions during FY 2010, compared to 70.7 percent reported during FY 2009. OOCEA exceeded 75 percent ETC participation in January 2011, significantly ahead of the June 30, 2012 goal.

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 2009 data. Fatalities decreased from 12 in CY 2008 to eight in CY 2009, allowing the Authority to meet the Safety objective of less than 0.55 fatalities per 100 million VMT. OOCEA indicated that crashes on their 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.

Customer Service

Because of the size of the organization and the cost of conducting a survey, OOCEA indicated that they conduct customer service surveys every two years.

The 2008 Customer Opinion Survey was developed and conducted by JRD & Associates, Inc., and sets benchmarks moving forward. OOCEA is currently conducting a Customer Service Survey and expects to have survey results in late 2011.

Construction Contract Adjustments - Time and Cost

Construction contract performance measures are especially important to OOCEA because a large majority 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 five years.

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

The Commission adopted a new objective for the Annual Operating, Maintenance and Administrative (OM&A) Forecast Variance performance measure for FY 2010. The FY 2009 objective "actual OM&A expenses within plus or minus 10 percent of the annual OM&A budget" was changed to "actual OM&A expenses less than 110 percent of the annual OM&A budget." OOCEA met the FY 2010 objective at 94.6 percent.

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 significantly from the debt service coverage calculations required in the OOCEA bond resolutions and related documents. For example, the calculation of the composite debt service ratio, as defined by OOCEA bond resolutions, is reported as 1.80 in the Other Supplementary Information section of the FY 2010 audited financial statements. This compares to 1.74 as reported in Table 11.

In FY 2009, OOCEA failed to achieve the performance measure objective for Debt Service Coverage of greater than 1.50 with actual results of 1.47. FY 2010 debt service coverage was projected to come close to the bond covenant threshold of 1.2 and fall short of OOCEA Board policy of 1.3 debt coverage for planning purposes. As a result, on February 26, 2009, the Board approved the first toll rate increase in 19 years. Effective April 5, 2009, tolls increased by $0.25 at mainline plazas and most ramps (approximately 75 percent of toll collection sites were impacted). Additionally, a forward looking toll structure was approved that indexes to the Consumer Price Index (CPI) with a 3 percent floor beginning in FY 2013, and every five years thereafter. When indexing to the CPI, ETC customers will pay the exact CPI amount and cash customers will pay the amount rounded up to the nearest quarter. Primarily as a result of the April 2009 toll rate increase, debt service coverage increased from 1.47 in FY 2009 to 1.74 in FY 2010.

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 2010 operating indicators, as reported by OOCEA, are provided in the following table. Also, to assist in trend analysis, FY 2008 and FY 2009 operating results are provided. Results for the last five fiscal years are included in Appendix B.

Table 12
Orlando-Orange County Expressway Authority
Summary of Operating Indicators (in millions)
FY 2008 through FY 2010

Indicator	*Detail*	*Actual 08 Results (millions)*	*Actual 09 Results (millions)*	*Actual 10 Results (millions)*
Operations				
Growth in Value of Transportation Assets	Land Acquisition	$434.2	$529.4	$535.5
	Infrastructure Assets	$1,445.3	$1,798.5	$2,096.3
	Construction in Progress	$700.7	$492.2	$228.1
	Total Value of Transportation Assets	$2,580.3	$2,820.1	$2,859.9
Preservation of Transportation Assets	Renewal & Replacement of Infrastructure	$10.5	$1.3	$0.5
	Routine Maintenance of Infrastructure	$14.5	$13.7	$13.6
	Total Preservation Costs	$25.0	$15.0	$14.1
Toll Collection Transactions	Revenue from Electronic Transactions	67.0%	69.0%	71.8%
Annual Revenue Growth	Toll and Operating Revenue	1.1%	0.2%	22.7%
Operations and Budget				
Operating Efficiency	Toll Collection Expense as % of Operating Expense	40.6%	45.8%	44.0%
	Routine Maintenance Expense as % of Operating Expense	16.5%	19.5%	18.3%
	Administrative Expense as % of Operating Expense	6.4%	7.5%	7.0%
	Operating Expense as % of Operating Revenue	42.2%	33.8%	29.0%
Rating Agency Performance	Toll Operations and Maintenance Expense as % of Total Operating Revenue	24.1%	22.1%	18.1%
Property Acquisition				
Right-of-Way	Agency Appraisals	$22.1	$15.0	$5.8
	Initial Offers	$22.1	$7.6	$4.0
	Owners Appraisals	N/A	$13.6	N/A
	Final Settlements	$30.6	$20.6	$7.6
Revenue Management and Bond Proceeds				
Underlying Bond Ratings (Uninsured)	Standard & Poor's Bond Rating	A	A	A
	Moody's Bond Rating	A1	A1	A1
	Fitch Bond Rating	A	A	A

Note: Amounts in table may not sum exactly due to rounding.
N/A Information is not readily available. Data have not been previously collected in this format.

It is important to note FY 2010 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. Major additions to Infrastructure Assets in FY 2010 include completion of the widening of 2.3 miles of SR 408, a new interchange at SR 417 and Moss Park Road and a new interchange at SR 417 and Innovation Way.

Preservation of Transportation Assets (Renewal and Replacement of Infrastructure)

Costs for FY 2010 are reported at $0.5 million. As reported by OOCEA, this decrease of $0.8 million over FY 2009 is primarily due to projects starting later than anticipated and bids coming in lower than expected. The decrease in FY 2009 was planned in the Authority's Five-Year Work Plan.

Toll Collection Transactions (Revenue from Electronic Toll Transactions)

As previously reported in the Performance Measures section of this chapter, the percentage of ETC transactions increased from approximately 71 percent in FY 2009 to 73 percent in FY 2010. There is a direct correlation between electronic transactions and revenue associated with these transactions.

Annual Revenue Growth (Toll and Operating Revenue)

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. Subsequent activity for the first 6 months of FY 2011 has shown an increase in toll revenue of approximately 3.1 percent compared to FY 2010.

Operating Efficiency

In general, FY 2010 results for operating indicators trended slightly better than FY 2009 results. FY 2010 total operating expenses increased by $3.6 million, or 5 percent, over FY 2009 while total operating revenues increased by $47.2 million, or 23 percent. This resulted in an overall decrease in the ratio of operating expenses to operating revenues. The significant revenue increase is attributed to the April 2009 toll rate increase. Operations, Maintenance and Administration (OM&A) expenses for FY 2010 were on par with FY 2009. As previously noted, renewal and replacement expenses decreased $0.8 million in FY 2010.

FY 2010 Operating, Maintenance and Administration expenses were on par with FY 2009.

FY 2010 Renewal and Replacement expenses decreased $0.8 million, while depreciation expenses increased $2.4 million over FY 2009.

Total Operating Expenses increased $3.6 million, or 5 percent, over FY 2009 while total operating revenues increased $47.2 million, or 22.7 percent, due to the April 2009 toll rate increase.

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 2010 depreciation expenses increased by $2.4 million, or 16 percent, over FY 2009 primarily due to additional assets placed in service during FY 2010.

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 preferred methodology is to negotiate an agreement without tendering a first offer. In addition, agreement/settlement amounts as reported may include items other than land, such as non-business damages, attorney fees and costs, expert fees and costs, business damages, business loss relocation and fixtures that may not be in the appraised amount. The right-of-way acquisitions completed during FY 2010 for the John Land Apopka Expressway were impacted by costs not included in the appraisal, such as attorneys' fees, business damages and expert costs. The details of these impacts are included in a Right-of-Way (ROW) Acquisition Report, prepared by OOCEA's ROW Counsel.

Because the Wekiva Parkway final alignment was not approved until December 2010, limited right-of-way acquisition has occurred to date for this project. The right-of-way that has been acquired predominately involves the acquisition of the proposed conservation land associated with the Wekiva Protection Act. Those parcels include Pine Plantation, Neighborhood Lakes, and New Garden Coal. The Stanton Ridge subdivision was also acquired for use as future right-of-way. This parcel of property is located near the southern end of the Preferred Alignment Alternative in the City of Apopka. The parcel was being developed as a new residential subdivision containing in excess of 70 finished residential lots. The parcel could not be avoided because of its proximity to the intersection of the John Land Apopka Expressway and US Highway 441. All interested parties determined that it was in the public's best interest to acquire this parcel before the owner began selling new residences.

Governance

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

Ethics and Conflicts of Interest

OOCEA provided a copy of its Code of Ethics policy that was adopted by the Board on June 25, 2004 and amended on March 25, 2009 and July 28, 2010. 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.

On March 25, 2009 the Board approved the formation of a Citizens' Advisory Committee (CAC) to provide recommendations on issues related to additional cost controls or sources of revenue, additional audits required and staffing of the Authority. Pursuant to a recommendation contained in the CAC report, the OOCEA Audit

Committee requested that an ethics audit be conducted to evaluate the current Code of Ethics policy against best practices and to review the Authority's compliance with the existing ethics policy. On July 28, 2010 the OOCEA Board accepted the 2010 Ethics Policy Compliance Review and amended the Code of Ethics policy to include recommendations contained in the report. The report only noted two exceptions in ethics policy compliance testing over a 12 month period ending February 28, 2010. In one instance an OOCEA vendor did not sign any acknowledgement that they read and understood the Authority's Code of Ethics. The other exception related to an untimely filing of Form 8B (Memorandum of Voting Conflict for County, Municipal, and Other Local Public Officers). Although the Board member appropriately abstained from a vote and filed the appropriate Form 8B, the form was filed 19 days after the vote when the filing requirement is within 15 days of the vote. A similar instance was noted during Commission staff review of Board meeting minutes and conflict of interest documentation. A Board member appropriately abstained from a vote on May 27, 2010 and filed the appropriate Form 8B on June 29, 2010. However, the form was filed 33 days after the vote. The Commission recommends that voting conflict of interest disclosures be filed in a timely manner.

The amended Code of Ethics Policy now includes a new 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 in May 2010. The Ethics Review does not require ethics refresher training for Board members since Board members develop, review and approve all Ethics Policies and Procedures. 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.

Commission staff reviewed the Authority's Board minutes and did not find any recorded instances of conflicts of interest or violations or investigations. The meeting minutes did disclose an instance where a Board member abstained from voting on a consent agenda item due to a voting conflict and OOCEA provided conflict of interest documentation.

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).

An annual independent audit of OOCEA financial statements for the fiscal years ended June 30, 2010 and 2009 was performed. The Independent Auditor's Report indicated that the financial statements were prepared in conformity with GAAP and received an unqualified opinion. The Independent Auditor's Report on Compliance and Internal Control over Financial Reporting did not identify any deficiencies in internal control that were considered material weaknesses, and the results of audit tests did not disclose instances of noncompliance required to be reported under Government Auditing Standards. The Independent Auditor's Report on Compliance with Bond Covenants indicated that, in connection with the audit, nothing came to the auditor's attention that caused them to believe that the Authority failed to comply with the terms, covenants, provisions, or conditions of Sections 5.2, 5.5 to 5.7, 5.9, 5.10, 5.12 and 5.17 of the bond resolutions as they relate to accounting matters. In the Independent Auditor's Management Letter, the auditors recommended that the Authority utilize the accounting system to automatically calculate depreciation of capital assets. OOCEA concurred with the recommendation and will take steps to implement depreciation calculations in the Eden capital asset module during FY 2011.

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.

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

	Implementation Status of Recommendations			
Audit/Review	*Completed*	*In Process/ Not Completed [1]*	*Did Not Concur (No Action)*	*Total*
Orange County Comptroller's Audit (October 2007)	74	1	6	81
Toll Revenue Review Report (April 2009)	26	1	-	27
Report of Citizens' Advisory Committee (July 2009)	20	4	-	24
Ethics Policy Compliance Review (June 2010)	12	1	-	13
TransCore Contract Review (November 2010)	2	1	-	3
2010 Contracts Audit (January 2011)	2	7	-	9
Total Number of Recommendations	136	15	6	157

[1] The status of recommendations in process/not completed by OOCEA as of February 4, 2011 is provided in Appendix C.

The following narrative provides a brief summary of various audits/reviews issued during, and subsequent to, FY 2010.

- Report of Citizens' Advisory Committee (July 2009) - As previously noted, on March 25, 2009 the Board approved the formation of a Citizens' Advisory Committee (CAC). The CAC consisted of six members approved by the Board with Senator Daniel Webster serving as Chairman. The committee was chartered to meet for 90 days and to provide recommendations to the Board on issues related to additional cost controls or sources of revenue, additional audits required and staffing of the Authority. The CAC Chairman organized committee assignments to address the Board's objectives and further developed them around the following major areas concerning OOCEA: repair integrity, reassess intent, and restore image. On July 24, 2009 the Board accepted the CAC report and adopted the Action Plan to address 24 recommendations contained therein. As described in Appendix C, 4 of the 24 recommendations for improvement remain in process.

- Governance Audit of Orlando Orange County Expressway Authority (October 2009) - The OOCEA Audit Committee authorized Vantage Consulting to conduct a governance audit to assess Board governance in relation to best practices and recommend enhancements to the Board for implementation. The audit included a review of structural design, including by-laws, committee responsibilities and reporting, code of conduct, and conformance with legal and regulatory requirements. The assessment included a review of the definition and delineation of responsibilities between Board and Management including practices relating to strategic planning, operating and capital budgets, long-term financial planning, oversight of capital projects, approval of expenditures, meetings and culture. Additionally, the audit assessed the sources of information on which the Board makes decisions, the processes by which the information reaches the Board and the tools and processes the Board utilizes for organizational performance monitoring.

  Overall, the auditors concluded that "OOCEA, with its current governance structure, functions in an acceptable if not perfect manner." The audit identified 17 findings and 13 recommendations for improvement. All recommendations for improvement have been implemented by the Authority.

- Purchasing Spend Review (February 2010) - Internal Audit performed an electronic analysis of expenditure data to identify and recover financial leakage to the extent it existed and to identify anomalies in the data and trends that may indicate opportunities for improvement in the purchase-to-payment process at OOCEA. Of the $1.3 billion of expenditures reviewed, Internal Audit noted and recovered true overpayments to only two vendors totaling approximately $4 thousand. The review identified six recommendations for improvement in the areas of purchase order close-outs, invoice review and approval, accounts payable automation and vendor master file maintenance. As described in Appendix C, all recommendations have been completed.

- Change Management Review (February 2010) - Internal Audit performed an Information Technology Change Management Review of OOCEA to evaluate the effectiveness of key controls related to change management, software development life cycle and segregation of duties. Key systems evaluated include the Advanced Revenue Collection System (ARCS) which is the electronic toll

collection application, and the TRIMS which is the customer support/account management application. The review identified nine recommendations for improvement. As described in Appendix C, all recommendations have been completed.

- 2010 Ethics Policy Compliance Review (June 2010) - Internal Audit performed an ethics audit to evaluate the current Code of Ethics policy against best practices and to review the Authority's compliance with the existing ethics policy. As previously noted in the Ethics and Conflicts of Interest section, the audit only noted two exceptions in ethics policy compliance testing over a 12 month period ending February 28, 2010. On July 28, 2010 the OOCEA Board amended the Code of Ethics policy to include recommendations contained in the report. The audit identified 13 recommendations for improvement. As described in Appendix C, 12 recommendations have been completed, and one recommendation for improvement is being accomplished through the 30-Year Master Plan update process this summer.

- Information Technology Audit (July 2010) - Internal Audit performed an audit from April to May 2010 to compare OOCEA's practices and procedures to the Payment Card Industry (PCI) Data Security Standard (DSS). 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 Statues. On July 9, 2010 the OOCEA Audit Committee approved the report.

- TransCore Contract Review (November 2010) - Carolyn Binder, CPA, LLC performed agreed-upon procedures to validate costs incurred under the TransCore software maintenance contract from April 1, 2010 through July 31, 2010. Three findings related to TransCore invoice preparation and processing were reported. The first finding and recommendation requests that Weekly Employee Status Reports are completed and submitted with the TransCore invoice. The second recommendation requests further documentation to resolve questioned time charged by a TransCore employee. The last recommendation required TransCore to correct an invoice error. As described in Appendix C, two recommendations have been completed, and one recommendation is in process.

- 2010 Contracts Audit (January 2011) - Internal Audit was asked to audit contracts for a sample of large engineering, maintenance, operations, and/or construction projects. Internal Audit was also asked to perform a review of potential fraud risk areas associated with vendor performance for selected contracts. The objectives of the audit were: to audit the accuracy of items billed to the Authority in accordance with contract terms and conditions; to identify and test key processes and controls around contract bidding and execution, budgeting, billing, project oversight, reporting, and supplemental agreement management; and, to perform data analytics and review the control environment around potential fraud scenarios specific to electronic toll collections and operations, E-PASS account management, and violation enforcement under the ACS contract. The audit resulted in nine recommendations for improvement. One recommendation was high in relative priority, one was medium in relative priority and seven were low in relative priority. As described in Appendix C, two recommendations have been completed and the remaining seven recommendations are in process.

The OOCEA Board and Management have instituted many reforms, both on their own and as a result of various audits and reviews, to improve operations, transparency and culture of the

Authority. In fact, the increase in internal audits as described above is a direct result of the Authority's actions to identify areas for improvement.

Public Records and Open Meetings

OOCEA is operating under Chapter 119, Florida Statutes, relating to public records. The Authority is subject to the provisions of Section 189.417, Florida Statutes and Chapter 286, Florida Statutes, for open meetings. In addition, OOCEA has adopted their own procedures for Board Meetings and Informal Proceedings. On January 27, 2010 the OOCEA Board approved updates to the Rules of Procedure for Board Meetings (Permanent Rule 1-1). 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

On September 23, 2009 the OOCEA Board adopted a revised Procurement Policy that strengthens the purpose of the policy, establishes five levels of procurement, establishes an owner direct purchase option, authorizes the Procurement Director as the approved signatory on all contracts, amendments and renewals and requires annual review of the Procedures Manual. Prior Board approval is required for:

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

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 2010. As indicated in Table 14, 13 sub consultants were used by the general consulting firms for a total cost of $1.1 million in FY 2010.

Table 14
Orlando-Orange County Expressway Authority
Summary of General Consultant Sub Consultant Activity
FY 2010

Consulting Contract	*Description*	*Sub Consultants >$25 K ($000)*
PBS&J	**General Engineering Consultant**	
HNTB Corporation	**Traffic and Revenue Consultant**	
Stantec Consulting, Inc.	Bond Issue Support/Traffic Survey	$92
Metric Engineering	**Systemwide CEI Services**	
PB Americas, Inc.	CEI Inspection	$149
Target Engineering Group	**Systemwide CEI Services**	
KCCS, Inc.	Toll Plaza Inspection	$86
Metric Engineering	CEI Inspection	$34
H. W. Lochner	ITS Inspection	$25
PB Americas, Inc.	CEI Inspection	$98
DRMP	**Design Consultant Services - ITS Components**	
EPG Engineering	Electrical Design	$33
Pegasus Engineering	**Design Consultant Services**	
Geodata Consultants	Survey	$48
Infrastructure Corp. of America	**Roadway and Bridge Maintenance Service**	
USA Services	Guardrail Repair	$162
All Florida Guardrail	Guardrail Repair	$202
Jericho Lawn	Landscape Services	$60
Advantage Hedging & Topping	Landscape Services	$32
EN Landscape & Design	Landscape Services	$120
Transfield, Inc. (VMS)	**Roadway and Facilities Maintenance**	
Infrastructure Corp. of America	**Facility Maintenance Service**	
Total Sub consultants > $25 K		$1,141

Compliance with Bond Covenants

In March 2010, OOCEA issued $335 million in fixed rate Revenue Bonds, Series 2010A, to fund some of the Authority's Work Plan projects. In June 2010, OOCEA issued $201 million in fixed rate Refunding Revenue Bonds, Series 2010B, to refund the Junior Lien Revenue Bonds, Series 1998, realizing a present value savings of $9.3 million. Additionally, in November 2010 (FY 2011), OOCEA issued $284 million in fixed rate Revenue Bonds, Series 2010C, to fund more Work Plan projects. Bonds are payable from and secured by a pledge of net revenue from the operation of the Expressway System. The Authority elected to use bond proceeds to fund debt service reserve requirements instead of insurance for the Series 2010A and Series 2010C Bonds. As of June 30, 2010, bonds in the principal amount of approximately $2.4 billion remain outstanding. The following areas were noted to be in compliance with bond covenants:

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

- OOCEA utilizes a nationally recognized General Engineering Consultant (PBS&J).
- OOCEA utilizes a nationally recognized Traffic and Revenue Consultant (HNTB). HNTB prepared a FY 2010 Traffic and Earnings Consultant's Annual Report for the Authority's Series 2010C Revenue Bonds.
- Debt service coverage ratios exceed bond requirements.

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 15 of the 16 applicable management objectives established for performance measures. The performance measure objective not met was for minority participation. Improvement was noted for the safety and debt service coverage (bonded/commercial debt) objectives. These objectives were not met in FY 2009 but were met in FY 2010.

Operating indicator trend analysis showed that FY 2010 infrastructure assets increased by $298 million primarily due to completion of the widening of 2.3 miles of SR 408, and the addition of two new interchanges on SR 417. Renewal and replacement costs decreased in FY 2010 primarily due to projects starting later than anticipated and bids coming in lower than expected. FY 2010 revenue grew by $47 million, or 23 percent, over FY 2009 levels despite a decrease of 1.5 percent in toll transactions. This is a result of a toll rate increase implemented on April 5, 2009, whereby tolls increased by $0.25 at mainline plazas and most ramps. The toll rate increase impacted approximately 3 months of FY 2009, whereas all 12 months of FY 2010 were impacted. Total operating expenses increased by 5 percent in FY 2010, primarily due to an increase in depreciation expenses due to additional assets placed in service in FY 2010.

In the area of governance, the OOCEA Board amended the Code of Ethics policy based on recommendations contained in the 2010 Ethics Policy Compliance Review conducted by Internal Audit. The FY 2010 independent financial statement audit reflected an unqualified opinion. The Authority is currently implementing recommendations for improvement provided in the Auditor's Management Letter relating to automated depreciation calculations within the Authority's accounting system.

OOCEA significantly increased the number of internal audits and reviews and has instituted many reforms based on recommendations contained therein. An outside consulting firm provides Internal Audit support services to OOCEA's Audit Committee and Board and independently verifies and reports the status of all audit/review recommendations. The status of all recommendations for OOCEA improvements that have not yet been implemented is provided in Appendix C. The following list identifies audits and reviews that were issued subsequent to FY 2009.

- Report of Citizens' Advisory Committee (July 2009) - Provided recommendations to the Board on issues related to additional cost controls or sources of revenue, additional audits required and staffing of the Authority
- Governance Audit of OOCEA (October 2009) - Assessed Board governance in relation to best practices and recommended enhancements to the Board for implementation

- Purchasing Spend Review (February 2010) - Analyzed expenditure data to identify and recover financial leakage and identified anomalies in the data and trends that may indicate opportunities for improvement in the purchase-to-payment process

- Change Management Review (February 2010) - Evaluated the effectiveness of key controls related to information technology change management, software development life cycle and segregation of duties

- 2010 Ethics Policy Compliance Review (June 2010) - Evaluated the Code of Ethics policy against best practices and reviewed the Authority's compliance with the existing ethics policy

- Information Technology Audit (July 2010) - Compared OOCEA's practices and procedures to the Payment Card Industry (PCI) Data Security Standard (DSS) - report is exempt from public records disclosure

- TransCore Contract Review (November 2010) - Validated costs incurred under the TransCore software maintenance contract

- 2010 Contracts Audit (January 2011) - Audited contracts for a sample of large engineering, maintenance, operations, and/or construction projects and performed a review of potential fraud risk areas associated with vendor performance for selected contracts.

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 public records, open meetings, bond compliance and other governance criteria established by the Commission. As previously noted, the Commission recommends that voting conflict of interest disclosures be filed in a timely manner.

The Commission recognizes OOCEA for its ongoing efforts to address operational findings and recommendations contained in the numerous audits and reviews of the Authority. The increase in internal audits is a direct result of OOCEA's actions to identify areas for improvement. The Commission 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.

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Santa Rosa Bay Bridge Authority (SRBBA)

Background

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

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. As indicated in the following table, the Board does not currently have a quorum necessary to conduct business.

Highlights

- SRBBA is in technical default on its bonds.
- Even with programmed toll increases, revenue is projected to be insufficient to make debt service payments.
- Continued draws on the debt service reserve fund are projected to deplete the fund on July 1, 2011 (the next scheduled semi-annual bond payment), whereby SRBBA will be in default on its bonds.
- SRBBA bonds are considered "non-investment grade." Two rating agencies further downgraded SRBBA bonds in FY 2010.
- Although administrative funding is provided to SRBBA, the Board did not meet for approximately one year.
- The SRBBA Board does not currently have a quorum necessary to conduct business. Within the last six months, six Board members have resigned from the Board.
- In November 2010, the Securities and Exchange Commission (SEC) requested numerous SRBBA documents and testimony from the Chairman and Vice Chairman.
- FY 2010 traffic and revenue decreased by 3.9 percent and 3.8 percent, respectively, due to the sluggish economy following the recession and impacts from the BP oil spill.
- On January 5, 2011 (FY 2011), the Authority implemented a toll rate increase of $0.25 on the Garcon Point Bridge, whereby the two-axle toll increased from $3.50 to $3.75.
- An independent financial statement audit was not performed.
- Required annual audit report was not filed with the Department of Financial Services.

Table 15
Santa Rosa Bay Bridge Authority
Current Board Members

Name	*Appointment*	*Position*
Vacant	Santa Rosa County BOCC	Chairman
Vacant	Governor	Vice Chairman
A. Morgan Lamb	Santa Rosa County BOCC	Secretary-Treasurer
Gerry Goldstein	Santa Rosa County BOCC	Board Member
Vacant	Governor	Board Member
Vacant	Governor	Board Member
James T. Barfield, P.E.	District Three Secretary	Ex-Officio

SRBBA owns the Garcon Point Bridge, a 3.5-mile bridge that spans Pensacola/East Bay between Garcon Point (south of Milton) and Redfish Point (between Gulf Breeze and Navarre) in southwest Santa Rosa County. The bridge and roadway segments that comprise this facility are designated as SR 281 and provide access to the Gulf Breeze peninsula from areas north and east of Pensacola Bay. On the south side of the bay, the road continues as a one-mile, two-lane highway that connects to US 98. On the north side of the bay, SR 281 connects to I-10 approximately 7.5 miles north of the toll plaza. Overall, the distance between US 98 and I-10 is 12 miles.

SRBBA oversaw the financing and construction of the Garcon Point Bridge and is the responsible party for all associated debt of the Authority. Construction of this two-lane facility was financed by Series 1996 Revenue Bonds. A portion of the cost of the project was also funded by loans totaling $7.5 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.

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.

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, 2010 was $23.0 million.

Table 16
Santa Rosa Bay Bridge Authority
Long-term Debt Payable to the Department (in millions)
Year Ended June 30, 2010

Transaction	*(millions)*
Advances for Operating, Maintenance and R&R Expenses	$15.1
Loan from Toll Facilities Revolving Trust Fund	$7.9
Total Due the Department	$23.0

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

Performance Measures

Pursuant to the Florida Transportation Commission's (Commission) expanded role in providing oversight to authorities, the Commission conducts periodic reviews of each authority's operations and budget, acquisition of property, management of revenue and bond proceeds, and compliance with applicable laws and Generally Accepted Accounting Principles (GAAP). Consequently, the Commission, in concert with the authorities, developed performance measures and management objectives that establish best practices across the industry to improve the overall delivery of services to the traveling and freight moving communities that are critical to the overall economic well-being and quality of life in Florida. FY 2010 results, as reported by the Department for SRBBA, are provided in Table 17. 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 performed in FY 2010, but will be conducted in FY 2011. 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 35.7 percent of total transactions during FY 2010 compared to 35.1 percent reported during FY 2009. 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 $322 thousand in FY 2010 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 2010 cost to collect a toll transaction of $0.62 decreased from $0.63 reported in FY 2009. 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 technical default on its bonds by failing to meet toll covenants set forth in Section 5.02(c) of the bond resolution relating to debt service coverage and reserve account requirements. One of the four coverage tests

Table 17
Santa Rosa Bay Bridge Authority
Summary of Performance Measures
FY 2010

Performance Measure	*Detail*	*Objective*	*Actual Results*	*Meets Objective*
Operations				
SHS Roadway Maintenance Condition Rating	Condition rating of at least 90	90	N/A	N/A
Pavement Condition Rating	% SHS lane miles rated "excellent or good"	> 85%	100.0%	✓
Bridge Condition - Rating	% bridge structures rated "excellent or good"	> 95%	100.0%	✓
Bridge Condition - Weight Restrictions	% SHS bridge structures with posted limit	0%	0.0%	✓
Electronic Toll Collection (ETC) - Transactions	Number of ETC transactions as % of total transactions	> 75% by 6/30/12	35.7%	X
Revenue Variance	Variance from indicated revenue (without fines)	< 4%	3.1%	✓
Safety[1]	Fatalities per 100 million vehicle miles traveled	> 10% below 5 yr. avg (.55)	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	$0.62	X
Annual Operating, Maintenance and Administrative (OM&A) Forecast Variance	Actual OM&A to annual budget	< 110%	99.4%	✓
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	0.47	X
Debt Service Coverage - Comprehensive Debt	[(Rev - interest) - (toll operating & maintenance expense)] / all scheduled debt service expense	> 1.2	0.47	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 2009 data.

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 2010 debt service of approximately $6.7 million, SRBBA withdrew approximately $2.2 million from the Debt Service Reserve Account to make required debt service payments.

The SRBBA Board previously recognized projected revenue shortfalls and adopted a program to increase toll rates every three years beginning in FY 2002, as recommended by the traffic and revenue consultants. Current revenue projections include the impacts of toll rate increases scheduled for FY's 2011, 2014, 2017 and 2020. 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. Although 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, no payments have been made and none are included in the forecasts.

Based on these revenue projections and escalating debt service requirements, it is forecasted that SRBBA revenues will be insufficient to make required debt service payments for the next 11 years (forecast period, Table 18). Additionally, continued draws on the Debt Service Reserve Fund are projected to deplete the fund on July 1, 2011 (FY 2011) when the next scheduled semi-annual bond payment is made, whereby SRBBA will be in default on its bonds.

In September 2010, Bank of New York Mellon, the Trustee for SRBBA's bonds, received a request from ACA Financial Guaranty Corp. (ACA), a Secondary Market Insurer of the bonds, to contact bondholders to determine if there is interest in creating an "Ad hoc" Bondholders/Insurer committee to investigate potential resolutions to the currently existing Events of Default. The committee would look at the possibility of restructuring the debt or a private sale of the facility. It appears that ACA was not able to obtain consent from 51 percent of the bondholders that is required to take any action.

Table 18
Santa Rosa Bay Bridge Authority
Debt Service Analysis

Fiscal Year	*Toll Revenue & Interest Earnings* [1]	*Debt Service Requirement* [2]	*Debt Service Shortfall*	*Debt Service Reserve Balance* [3]
2011	$4,587,000	$7,369,375	-$2,782,375	-$459,863
2012	$4,947,000	$7,734,375	-$2,787,375	-$3,247,238
2013	$5,188,000	$8,124,375	-$2,936,375	-$6,183,613
2014	$5,532,000	$8,869,375	-$3,337,375	-$9,520,988
2015	$5,777,000	$9,349,375	-$3,572,375	-$13,093,363
2016	$6,023,000	$9,834,375	-$3,811,375	-$16,904,738
2017	$6,372,000	$10,699,375	-$4,327,375	-$21,232,113
2018	$6,634,000	$11,204,375	-$4,570,375	-$25,802,488
2019	$6,904,000	$11,704,375	-$4,800,375	-$30,602,863
2020	$7,272,000	$12,574,375	-$5,302,375	-$35,905,238
2021	$7,570,000	$13,089,375	-$5,519,375	-$41,424,613

[1] Amounts based on toll revenue and interest forecasts.
[2] Debt service amounts as provided in the SRBBA, Series 1996, Official Statement.
[3] Proceeds from the Series 1996 Bond Issue originally funded the debt service reserve at $9.2 million.

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 2010 operating indicators are provided in the following table.

Also, to assist in trend analysis, FY 2008 and FY 2009 operating results are provided. Results for the last five fiscal years are included in Appendix B.

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

Table 19
Santa Rosa Bay Bridge Authority
Summary of Operating Indicators (in millions)
FY 2008 through FY 2010

Indicator	*Detail*	*Actual 08 Results (millions)*	*Actual 09 Results (millions)*	*Actual 10 Results (millions)*
Operations				
Growth in Value of Transportation Assets	Land Acquisition	N/A	N/A	N/A
	Infrastructure Assets	$106.3	$106.3	N/A
	Construction in Progress	N/A	N/A	N/A
	Total Value of Transportation Assets	$106.3	$106.3	N/A
Preservation of Transportation Assets	Renewal & Replacement of Infrastructure	N/A	N/A	N/A
	Routine Maintenance of Infrastructure	$0.1	$0.1	$0.1
	Total Preservation Costs	$0.1	$0.1	$0.1
Toll Collection Transactions	Revenue from Electronic Transactions	32.2%	32.5%	33.0%
Annual Revenue Growth	Toll and Operating Revenue	-0.5%	-8.4%	-3.8%
Operations and Budget				
Operating Efficiency	Toll Collection Expense as % of Operating Expense	80.6%	84.3%	84.4%
	Routine Maintenance Expense as % of Operating Expense	9.5%	8.3%	11.9%
	Administrative Expense as % of Operating Expense	0.0%	0.0%	0.0%
	Operating Expense as % of Operating Revenue	27.3%	27.0%	26.9%
Rating Agency Performance	Toll Operations and Maintenance Expense as % of Operating Revenue	24.6%	25.1%	26.0%
Property Acquisition				
Right-of-Way	Agency Appraisals	N/A	N/A	N/A
	Initial Offers	N/A	N/A	N/A
	Owners Appraisals	N/A	N/A	N/A
	Final Settlements	N/A	N/A	N/A
Revenue Management and Bond Proceeds				
Underlying Bond Ratings (Uninsured)	Standard & Poor's Bond Rating	B-	CC	CC
	Moody's Bond Rating	B2	B3	Caa3
	Fitch Bond Rating	BB-	CCC	C

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

(October 1 through September 30); therefore, balance sheet data for 2010 are not available. SRBBA dedicates all of its revenue to the payment of debt service on outstanding bonds and has no funds available to provide for administrative expenses, including the preparation of financial statements and engagement of an independent auditor. The Department's Inspector General's Office completes an annual Accountant's Compilation Report, which is limited in presentation and does not include disclosures required by GAAP (notes to the financial statements). The 2009 Compilation Report was issued in August 2010 and the 2010 Compilation Report was completed in April 2011.

It is important to note FY 2010 operating indicators that significantly differ from prior year trends.

Annual Revenue Growth (Toll and Operating Revenue)

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

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

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

Garcon Point Bridge

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

FY 2010 routine maintenance expenses increased $37 thousand, or 38 percent, over FY 2009 due to an increase in general maintenance on the facility.

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.

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). Two rating agencies further downgraded SRBBA bonds in FY 2010. Moody's downgraded the bonds from B1 to B2 in FY 2007, from B2 to B3 in FY 2009, and from B3 to Caa3 in FY 2010. 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 and further downgraded the bonds from CCC to C in FY 2010. Standard & Poors downgraded the bonds from B- to CC in FY 2009.

Governance

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

General Governance and Compliance Issues

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

Due to economic conditions and legal considerations, the Department significantly scaled back administrative support for SRBBA in January 2008 and stopped providing

administrative funding and an employee to assist with administrative duties. After pursuing legal 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. Although limited administrative support and funding was provided to SRBBA, the Board did not meet for approximately one year. During FY 2011, the Board met in August 2010, October 2010 and December 2010 and has not met since. The next Board meeting is scheduled for July 20, 2011.

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

As previously noted, the Board is comprised of seven members with four members constituting a quorum. An affirmative vote of at least four members is needed for any action taken by the Authority. Currently, there are four vacant positions on the SRBBA Board with three positions pending appointment by the Governor and one position pending appointment by the Santa Rosa County BOCC. Several scheduled Board meetings have been cancelled due to lack of quorum (July 2009, October 2009, January 2010, January 2011 and April 2011). Within the last six months, six members have resigned from the SRBBA Board.

View of Garcon Point Bridge.

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

- Pursuant to Section 7.19 of the bond resolution, SRBBA covenants to diligently enforce all provisions of the Lease-Purchase Agreement relating to the Department's obligations in connection with the System. During the Commission staff review, no instances of Florida Department of Transportation noncompliance with terms of the Lease-Purchase Agreement were noted. However, absent SRBBA Board review of the Department's compliance, interests of the Authority are not adequately protected. The following are Lease-Purchase Agreement provisions with which the Department complied:

- ◊ The Department prepared annual budgets for operations, maintenance and renewal and replacements.
- ◊ The Department conducted required bridge and roadway inspections.

- SRBBA did not comply with Section 5 of the Continuing Disclosure Agreement requiring a Material Event Notice be filed with the Trustee for any unscheduled draw on the Debt Service Reserve Account reflecting financial difficulties. On April 21, 2010, the RBBA Board approved the Trustee (Bank of New York Mellon) to resume the duties of Disseminating Agent.

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

Ethics

SRBBA has adopted the provisions of Chapter 112, Florida Statutes, related to ethics. Commission staff reviewed Board meeting minutes and, from that 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.

Audit

Pursuant to Section 7.11 of the bond resolution, SRBBA covenants that it will file with the Trustee an annual independent financial statement audit as well as quarterly financial statements, signed by the Chairman and prepared in accordance with GAAP. For several years, the Authority has not had an annual audit performed because funding has not been available for administrative expenses. All revenue of the Garcon Point Bridge is used to pay debt service on outstanding bonds. As noted earlier, the Department's Inspector General's Office completes an Annual Accountant's Compilation Report, which is limited in presentation but is in accordance with the requirements for "Statements for Accounting and Review Services" issued by the American Institute of Certified Public Accountants. However, this report does not include all disclosures required by GAAP and, therefore, does not meet the requirement established by the Commission or bond resolution. Pursuant to the Lease-Purchase Agreement amendment, the Department has elected not to fund administrative expenses related to an independent audit of SRBBA for FY 2010, but will continue to provide a Compilation Report through the Department's Inspector General's Office.

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

In addition, during the Commission review, it was noted that SRBBA filed an annual financial report and compilation report with the Department of Financial Services (DFS) for FY 2008 and FY 2009. However, the required independent annual financial audit report was not filed as required by Section 218.32, Florida Statutes. As a result, in July 2010, the Joint Legislative Auditing Committee (JLAC) requested SRBBA to provide the current status of the Authority's financial situation to determine if further state action is warranted. The JLAC had previously received correspondence from the Authority that they did not have funds to pay for the required audit. At the August 2010 meeting, the SRBBA Board authorized the Authority's attorney to respond to the request.

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 pending SRBBA bond default.

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

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

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

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 most recent minutes of Board meetings and meeting notices have 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.

Procurement

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

Consultant Contract Reporting

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

Compliance with Bond Covenants

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

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

Compilation Report and the Traffic Engineer's Annual Report for Enterprise Toll Operations.

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 was 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.

Summary

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

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

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. To date, the Board met three times in FY 2011 but does not currently have a quorum necessary to conduct business. Within the last six months, six members have resigned from the SRBBA Board.

SRBBA met or exceeded six 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. The Authority is in technical default on its bonds, and it is forecasted that SRBBA revenue will continue to be insufficient to make required debt service payments. Based on current revenue forecasts, that include the January 5, 2011 toll rate increase, continued draws on the debt service reserve fund are projected to deplete the fund on July 1, 2011 (FY 2011) when the next scheduled semi-annual bond payment is made, whereby SRBBA will be in default on its bonds.

Operating indicator trend analysis showed that FY 2010 toll revenue and toll transactions on the Garcon Point Bridge decreased by 3.8 percent and 3.9 percent, respectively, from FY 2009 levels. The decrease in traffic and revenue can partially be attributed to the sluggish economy following the

recession. Revenue was also negatively impacted by the BP oil spill. As previously noted, there are no administrative expenses reported for SRBBA because all revenue is used to pay debt service on outstanding bonds. Pursuant to the Lease-Purchase Agreement amendment, administrative support and funding provided by the Department are considered operational in nature and are included in operating costs reported by the Department and the Authority. Finally, the underlying bond ratings for SRBBA bonds are considered "non-investment grade." The ratings assigned to the bonds when originally issued were subsequently lowered due primarily to poor traffic and revenue performance relative to the original forecasts and draws on the debt service reserve to make required debt service payments. Two of the three rating agencies further downgraded SRBBA bonds in FY 2010.

In the area of governance, SRBBA has not had a required independent financial statement audit performed for several years. Although quarterly financial statements are being prepared, the statements are not being submitted to the Trustee as required in the bond resolution. Because the Board did not meet in over one year, required Board approval of the quarterly financial statements was not obtained. As a result of the SRBBA Board not meeting, the Authority did not enforce provisions of the Lease-Purchase Agreement relating to the Department's obligations in connection with the system. However, during the Commission's review, no instances of Department noncompliance were noted. In addition, SRBBA bond covenants require a Determination Resolution, and the Continuing Disclosure Agreement requires a Material Event Notice to be filed with the Trustee. The required Determination Resolution and Material Event Notice for July 2009, January 2010 and July 2010 were not properly filed. The Board did not review the June 2009 and December 2009 Traffic Consultant's recommendations for revisions to the toll schedule to enable the Authority to comply with Section 5.02 (c) of the bond resolution. It was also noted that public records requests and various correspondence was not always responded to by the Authority in a timely manner. Finally, in November 2010, the SEC requested numerous SRBBA documents and requested that the SRBBA Chairman and Vice Chairman testify before the SEC. Requested documents were provided and no further information regarding the SEC inquiry is available at this time.

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

Because the SRBBA Board is not meeting, Commission staff finds there is inadequate governance of the Authority. The Commission further recognizes that the Authority is projected to default on its bonds on July 1, 2011 and will continue to keep the Governor and Legislature apprised of the situation. The Commission will continue to monitor SRBBA and the operations of the Garcon Point Bridge and coordinate with the Department on any issues that arise. The Commission would like to acknowledge with appreciation the assistance of the Department and SRBBA in providing information necessary for completion of this report.

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Tampa-Hillsborough County Expressway Authority (THEA)

Background

The Tampa-Hillsborough County Expressway Authority (THEA) is an agency of the state of Florida and was created in 1963 pursuant to Chapter 348, Part IV, Florida Statutes, for the purposes of and having the power to construct, reconstruct, improve, extend, repair, maintain and operate the expressway system within Hillsborough County, Florida. THEA is reported as an Independent Special District of the state of Florida and subject to the provisions of Chapter 189, Florida Statutes (Uniform Special District Accountability Act of 1989) and other applicable Florida Statutes. The Authority is also authorized to issue revenue bonds to finance improvements or extension of the Expressway System. The 2009 Legislature revised Section 348.54, Florida Statutes, enabling THEA to issue their own revenue bonds without having to go through the Division of Bond Finance (DBF) of the State Board of Administration (SBA). The 2010 Legislature further amended and clarified various bond related provisions of the Tampa-Hillsborough County Expressway Authority Law.

The governing body of THEA consists of seven members. Four members are appointed by the Governor and serve four year terms. Serving as ex-officio members are: the Mayor of the City of Tampa, or the mayor's designate, who is Chair of the City Council; one member of the Board of County Commissioners of Hillsborough County, selected by such board; and, the District Seven Secretary of the Florida Department of Transportation (Department).

Table 20
Tampa-Hillsborough Expressway Authority
Current Board Members

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

THEA owns the Selmon Expressway (officially named the Lee Roy Selmon Crosstown

Highlights

- THEA implemented All Electronic Tolling (AET) on the remainder of the Selmon Expressway on September 17, 2010.
- The Authority secured a private firm for toll collection services and partnered with MDX in the development and operation of a customer service center for video toll collection and violation enforcement that opened in June 2010.
- THEA met 10 of 13 applicable performance measure objectives. The three measures not met were Cost to Collect a Toll Transaction and Debt Service Coverage - Bonded and Comprehensive Debt (Bond Covenant Compliance was met).
- Fiscal Year (FY) 2010 revenue decreased approximately one percent due to the sluggish economy following the recession.
- THEA and the Department entered into a Memorandum of Agreement (MOA) in October 2010 that revises the Lease-Purchase Agreement (LPA). Material terms of the MOA set a THEA repayment schedule for all long-term debt and allows THEA to: refund SBA issued bonds; issue junior lien bonds; retain the Expressway System asset on final payment of SBA bonds and termination of LPA; and, receive 20 percent of the "S" movement toll on the I-4 Connector.
- In January 2011 (FY 2011), the Authority used $60 million from a FY 2009 mediation settlement to partially defease outstanding THEA Revenue Bonds.

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.

Selmon Expressway Viaducts

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, are 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 $40 million in FY 2010 based on 32 million transactions. Significant projects in the Five-Year Work Program (FY 2011 through FY 2015) include deck replacement on various bridges, toll system conversion to All Electronic Tolling (AET), and resurfacing. These projects are being completed in partnership with the Department and Florida's Turnpike Enterprise (Enterprise) and are either pre-funded from the State Transportation Trust Fund (STTF) or THEA Bond Proceeds.

The REL have used 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 to the vehicle's owner. On September 17, 2010 the Authority converted the remainder of the Selmon Expressway to AET.

As a result of design errors that became evident during construction of the REL project, THEA incurred additional costs to complete the project. The Authority asserted claims against its builder's risk insurer and filed suit against the design engineers to recover the additional costs incurred. In FY 2009, the Authority recovered approximately $75 million from a mediation settlement, $70 million of which has been collected to date. THEA set aside $10 million of the settlement as a capital reserve fund to cover costs in excess of funds in the Department's Work Program for replacement of tolling systems on the Selmon Expressway. The Work Program assumed in-kind replacement of

existing technology; however, AET conversion is a different scope of work with significantly higher costs. Additionally, the THEA Board approved using $60 million of the settlement funds to partially defease current outstanding bonds. By defeasing bonds, THEA will improve debt service coverage levels, maintain and possibly improve its credit rating, provide a revenue margin to address construction impacts, reduce reliance on the Department for support, and enhance the potential to finance further projects.

Under the requirements of a Lease-Purchase Agreement between THEA and the Department, the Department agrees to pay, from sources other than revenues, the costs of operations, routine maintenance and renewals and replacements on the facility. Beginning in FY 2001, the Authority has reimbursed the Department for its annual operating and routine maintenance expenses pursuant to the adopted budget. Only renewal and replacement costs continue to be added to long-term debt. THEA is required to repay these Department advances from net toll revenues after all other obligations have been met. In addition, THEA has received funding through Department loans [STTF, Toll Facilities Revolving Trust Fund (TFRTF) and State Infrastructure Bank (SIB)] with specified repayment schedules. Table 21 indicates that as of June 30, 2010, approximately $203 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.

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 material terms of the MOA include a set repayment schedule for the Authority's long-term debt; confirmation of the Department's responsibility 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). Table 22 summarizes major provisions of the MOA.

Table 21
Tampa-Hillsborough Expressway Authority
Long-Term Debt Payable to the Department (in millions)
Year Ended June 30, 2010

Transaction	*(millions)*
Advances for Operating, Maintenance and R&R Expenses	$118.9
State Transportation Trust Fund Loans	$13.8
Loans from Toll Facilities Revolving Trust Fund	$14.5
Loans from State Infrastructure Bank	$55.5
Total Due Department	$202.7

Source: THEA Notes to Audited Financial Statements.

On January 14, 2011, a portion of THEA's Revenue Bonds, Series 2002 and Series 2005, in the principal amount of approximately $54 million, were defeased by SBA utilizing THEA settlement proceeds from the REL litigation. According to THEA, this defeasance increases bonding capacity of the Authority and provides an increased level of debt service coverage. THEA currently plans to issue approximately $70 million in Revenue Bonds in June 2011 to partially fund the Downtown Viaduct Widening project and the Gandy Connector project.

Table 22
Tampa-Hillsborough Expressway Authority
Revisions to Lease-Purchase Agreement (Memorandum of Agreement dated October 2010)
Summary of Major Provisions

Cost of Operations, Maintenance and other Applicable Costs
THEA is responsible for all Operation and Maintenance costs from this point forward. Any applicable costs incurred by the Department must be reimbursed by THEA within 60 days from the billing date.
Additional Programmed Projects and Additional Projects
Projects currently in the Department's Work Program remain. THEA is responsible for all other Renewal and Replacement costs in the future.
SIB Loans, TFRTF Loans and STTF Loans
A repayment schedule was established for THEA to repay all loans from the Department.
Long-Term Debt
A repayment schedule was established for THEA to repay all long-term debt owed to the Department.
1995 Joint Participation Agreement
The 1995 Joint Participation Agreement (JPA) between the Department and THEA was cancelled and terminated. As a result, THEA relinquished its claim to toll ownership of the I-4 Connector as defined in the JPA.
Crosstown Connector S-movement Toll
Compensation is provided to THEA for the I-4 Connector movement that would allow toll-free use of a portion of the Selmon Expressway.
Authority Bonds
The agreement recognizes the THEA option to issue bonds and establishes a process by which THEA would seek approval for bond issuance. Additionally, the agreement sets relations of prior bond issues to new bond issues and limits the Department's future responsibility under the Lease-Purchase Agreement.
Termination of the Department's Obligations under the Lease-Purchase Agreement
The agreement establishes the end date of the Lease-Purchase Agreement and the option of THEA ownership of the Selmon Expressway.

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 2010 results, as reported by THEA, are provided in Table 23. Results for the last five fiscal years are included in Appendix B.

THEA met or exceeded 10 of the 13 applicable performance measure objectives. The three performance measures the Authority did not meet are described below and include trend data, explanations and any action plans that THEA has developed to assist in meeting the measures. Explanations are based on input from THEA management.

Cost to Collect a Toll Transaction

THEA nearly met the cost to collect a toll transaction objective of less than 16.0 cents, with actual results of 16.1 cents reported in FY 2010. Historical results indicate that the cost to collect a

Table 23
Tampa-Hillsborough Expressway Authority
Summary of Performance Measures
FY 2010

Performance Measure	*Detail*	*Objective*	*Actual Results*	*Meets Objective*
Operations				
SHS Roadway Maintenance Condition Rating	Condition rating of at least 90	90	91.5	✓
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	74.3%	✓ On Track
Revenue Variance	Variance from indicated revenue (without fines)	< 4%	3.4%	✓
Safety[1]	Fatalities per 100 million vehicle miles traveled	> 10% below 5 yr. avg (.55)	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%	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	$0.16	X
Annual Operating, Maintenance and Administrative (OM&A) Forecast Variance	Actual OM&A to annual budget	< 110%	92.1%	✓
Applicable Laws				
Minority Participation	M/WBE and SBE utilization as % of total expenditures (each agency establishes goal/target)	> 90%	103.1%	✓
Revenue Management and Bond Proceeds				
Debt Service Coverage - Bonded/Commercial Debt	[(Rev - interest) - (toll operating & maintenance expense)] / commercial debt service expense	> 1.5	1.16	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 2009 data.

toll transaction for THEA was $0.14 in FY 2005 and increased by $0.01 each year to reach $0.18 in FY 2009. Toll collection costs (net of exclusions) for FY 2010 decreased by approximately 10.8 percent over FY 2009, while toll transactions increased by 0.5 percent. The decrease in toll collection costs is primarily attributed to a decrease in Enterprise Work Program charges for data center operations, and a decrease in transponder costs and property insurance. In FY 2010, the Enterprise performed toll collection services for THEA facilities. As such, the Authority had limited ability to control toll collection costs.

Recognizing the high toll collection costs, THEA successfully partnered with MDX in a joint procurement for private toll collection services. In December 2009, the THEA Board approved an Interlocal Agreement with MDX and a Supplemental Agreement with MDX/Electronic Transactions Consultants Corp. (ETCC) for THEA to join MDX in the development and operation of a customer service center for video toll collection and violation enforcement. ETCC 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. As previously noted, the Authority employed AET on all THEA facilities on September 17, 2010. Significant cost savings are projected.

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

Although THEA debt service coverage was in compliance with bond covenants, THEA did not meet the performance measure objectives for Debt Service Coverage established by the Commission. Debt service coverage ratios, as standardized in the Commission performance measure calculations, differ significantly from the debt service coverage calculations required in THEA bond resolutions and related documents. THEA's Revenue Sufficiency Certification letter, prepared by Wilbur Smith Associates and adopted by resolution of the Board on January 24, 2011, provides actual and projected debt service coverage pursuant to bond resolutions. For FY 2010, bond covenants require "gross" debt service coverage of 1.30, and actual was reported as 1.54. Correspondingly, the FY 2010 "net" debt service coverage requirement is 1.00, and actual was reported as 1.07. THEA includes all revenue generated from the system (i.e., lease and investment revenue) when calculating debt service ratios. On January 14, 2011, THEA used $60 million of the REL settlement funds to defease $54 million in current bond principle, which will improve THEA's current financial position, including increasing debt service coverage ratios, reducing long term debt obligations, and strengthening credit ratings.

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

THEA did meet or exceed the following performance measure objectives. Explanations are provided to identify those objectives that were met in FY 2010 but not met in FY 2009, or to clarify the source of the data or the methodology utilized by the Authority.

Bridge Condition Rating

For FY 2006 through FY 2009, THEA did not met the objective of greater than 95 percent of bridge structures rated excellent or good with identical results of 86.2 percent reported for each of these years. In FY 2010, THEA achieved the performance measure objective with actual results of 96.9 percent. The Department conducts bridge inspections for the Authority and in FY 2010 identified 7 of the 65 THEA bridges that improved

from the rating of fair to excellent or good. The bridge improvements are based on four bridge decks that were replaced and three bridge decks that have been repaired and are in the process of being replaced.

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 2009 data. Accident fatalities on THEA facilities totaled zero in CY 2009. Only five other fatalities have been reported on THEA facilities during the five-year reporting period, one in CY 2006 and four 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 over 60 percent of accidents on toll facilities. As part of THEA's AET construction, 1,288 feet of new median-barrier will be installed to prevent median-crossover accidents. This is one of the significant cost items THEA paid from the REL settlement funds.

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).

Public Art at Brandon Parkway and Lakewood Avenue

For FY 2009 and FY 2010, THEA met or exceeded the established performance measure objective of 90 for the roadway maintenance condition rating. Through a competitive procurement process, THEA contracted with an asset maintenance contractor to provide routine maintenance services on THEA facilities and to maintain a minimum roadway maintenance condition rating of 90. The terms of the Lease-Purchase Agreement relating to maintenance responsibilities of the Selmon Expressway were modified, and the new contractor, Transfield Services North America, Inc. (formerly VMS) started providing routine maintenance services on THEA facilities on January 9, 2009. THEA estimates cost savings of approximately $1.4 million over 4.5 years while increasing the roadway maintenance condition rating standard to 90. The Department continues to conduct bridge inspections for the Authority.

Electronic Toll Collection - Transactions

ETC transactions for THEA constituted 74.3 percent of total transactions during FY 2010, while ETC revenues accounted for 75.0 percent of total revenues. Based on actual FY 2010 performance and the Authority's full implementation of AET on its facilities in September 2010, THEA is "on track" to achieve greater than 75 percent ETC

participation by June 30, 2012. THEA's AET conversion program included an extensive marketing plan to encourage cash customers to become *SunPass* customers. The marketing plan also focused on communicating the safety aspects of conversion whereby motorists will no longer stop to pay tolls.

Customer Service

Historically, 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 is now conducting the survey every two years rather than every year. As a result, the Enterprise Customer Satisfaction Survey was not performed for FY 2010. However, the FY 2011 survey is currently being conducted and is expected to be completed in the spring of 2011. Although the Enterprise maintains *SunPass* accounts and processes *SunPass* payments to the Authority, THEA now oversees, operates and maintains its own toll facilities and equipment and provides for its own video toll collection and violation enforcement. THEA indicated that, beginning in FY 2011, it will be performing its own customer satisfaction survey utilizing survey questions similar to those contained in the Enterprise survey.

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

The Commission adopted a new objective for the Annual OM&A Forecast Variance performance measure for FY 2010. The FY 2009 objective "actual OM&A expenses within plus or minus 10 percent of the annual OM&A budget" was changed to "actual OM&A expenses less than 110 percent of the annual OM&A budget." THEA met the FY 2010 objective at 92.1 percent.

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 2010, 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 103.1 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 2010 operating indicators, as reported by THEA, are provided in Table 24. Also, to assist in trend analysis, FY 2008 and FY 2009 operating results are provided. Results for the last five fiscal years are included in Appendix B.

It is important to note FY 2010 operating indicators that significantly differ from prior year trends.

Table 24
Tampa-Hillsborough Expressway Authority
Summary of Operating Indicators (in millions)
FY 2008 through FY 2010

Indicator	*Detail*	*Actual 08 Results (millions)*	*Actual 09 Results (millions)*	*Actual 10 Results (millions)*
Operations				
Growth in Value of Transportation Assets	Land Acquisition	$91.0	$91.0	$91.0
	Infrastructure Assets	$576.0	$509.0	$501.3
	Construction in Progress	$7.7	$9.0	$16.0
	Total Value of Transportation Assets	$674.8	$609.1	$608.4
Preservation of Transportation Assets	Renewal & Replacement of Infrastructure	$0.0	$0.0	$0.1
	Routine Maintenance of Infrastructure	$3.5	$4.0	$3.5
	Total Preservation Costs	$3.5	$4.0	$3.5
Toll Collection Transactions	Revenue from Electronic Transactions	70.1%	73.3%	75.0%
Annual Revenue Growth	Toll and Operating Revenue	11.1%	-2.7%	-0.8%
Operations and Budget				
Operating Efficiency	Toll Collection Expense as % of Operating Expense	38.2%	39.3%	36.6%
	Routine Maintenance Expense as % of Operating Expense	20.6%	23.2%	21.9%
	Administrative Expense as % of Operating Expense	16.0%	12.1%	13.6%
	Operating Expense as % of Operating Revenue	41.3%	43.1%	39.7%
Rating Agency Performance	Toll Operations and Maintenance Expense as % of Operating Revenue	24.3%	26.9%	23.2%
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.

Growth in Value of Transportation Assets

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

Preservation of Transportation Assets (Routine Maintenance of Infrastructure)

Costs for FY 2009 are reported at $4.0 million. THEA indicated that this increase of $0.5 million, or 14 percent, over FY 2008 is primarily attributed to a one-time cost to raise the maintenance condition rating of the roadway from 80 to 90 under a new private asset maintenance contract that began in January 2009. FY 2010 routine maintenance expenses decreased by $0.5 million, or 14 percent, over FY 2009 primarily due to a decrease in expenses related to bridge inspections. As previously noted, THEA estimates an overall cost savings of $1.4 million over 4.5 years under the new asset maintenance contract.

Toll Collection Transactions (Revenue from Electronic Toll Transactions)

As previously reported in the Performance Measures section of this chapter, the percentage of electronic toll collection transactions increased from approximately 72 percent in FY 2009 to 74 percent in FY 2010. There is a direct correlation between electronic transactions and revenue associated with these transactions. Specifically, in FY 2010 the electronic toll rate was $0.25 less than the cash rate, thereby reducing toll revenue received as each customer moved to ETC.

Annual Revenue Growth (Toll and Operating Revenue)

Although FY 2008 transactions decreased by approximately three percent over FY 2007, revenues increased by 11 percent primarily as a result of a full year of higher tolls from the January 1, 2007 toll rate increase (i.e., partial year of toll rate increase in FY 2007). FY 2009 and FY 2010 revenue decreased approximately three percent, and one percent, respectively. The decline is primarily attributed to the economic recession and the sluggish economy following the recession.

FY 2010 routine maintenance expenses decreased 14 percent over FY 2009 due to a decrease in expenses related to bridge inspections.

FY 2010 toll collection costs decreased 15 percent over FY 2009 due to a decrease in Enterprise charges for data center operations, and a decrease in transponder costs and property insurance.

Operating Efficiency

In general, FY 2010 results for operating indicators trended slightly better than FY 2009 results. FY 2010 total operating expenses decreased by $1.5 million, or 8 percent, over FY 2009 while operating revenues decreased by $0.3 million, or 1 percent. FY 2010 total toll collection expenses decreased by $1.0 million, or 15 percent, primarily due to a decrease in Enterprise Work Program charges for data center operations, and a decrease in transponder costs and property insurance. As previously noted, FY 2010 routine maintenance expenses decreased $0.5 million, or 14 percent, primarily due to a decrease in expenses related to bridge inspections. FY 2010 amounts reported in the other expense categories were not significantly different than amounts reported in FY 2009.

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

This operating indicator decreased from 26.9 percent in FY 2009 to 23.2 percent in FY 2010 as a result of expenses decreasing at a greater rate than revenues. The 14 percent, or $1.5 million, decrease in FY 2010 toll operations and maintenance expenses exceeded the 1 percent, or $0.3 million, decrease in operating revenue.

Right-of-Way

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

Underlying Bond Ratings

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

Governance

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

Ethics and Conflicts of Interest

THEA provided a copy of its Code of Ethics and Conflict of Interests Policy that was last amended and adopted by the Board on March 26, 2007. THEA policy recognizes that the provisions of Chapter 112, Part III, Florida Statutes (Code of Ethics for Public Officers and Employees) apply to Board members as well as certain Authority employees and also makes those provisions applicable to all Authority employees. In the event of conflict between the Authority policy and the provisions of Chapter 112, Florida Statutes, the more restrictive provisions shall control. The policy appears to be comprehensive and includes areas such as purpose and scope of the policy, standards of conduct, conflicts of interest, voting conflicts of interest, financial disclosures and political activities. According to THEA, no ethics or conflict of interest violations were reported or investigated in the last 12 months (calendar year 2010). 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 conflicts 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, 2010 and 2009 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.

Public Records and Open Meetings

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

The FY 2010 independent financial statement audit reflected an unqualified opinion.

In FY 2010, THEA General Counsel conducted training on Sunshine, Ethics, and Public Records Laws and Polices for the THEA Board and staff.

THEA is subject to the provisions of Section 189.417, Florida Statutes, Chapter 286, Florida Statutes and THEA Meeting Policy for open meetings. A review of agendas and Board meeting minutes, as posted on the Authority's website www.tampa-xway.com, showed that the agendas and minutes appear to be in compliance with statute and policy. Commission staff also reviewed a "Public Notice of 2010 Meeting Schedule" published in the *St. Petersburg Times,* and it appears that required notice of public meetings is in compliance with THEA policy and Florida Statutes. Pursuant to THEA policy, General Counsel continues to update Board members and employees on developments in Sunshine, Ethics and Public Records Law and Policies. In FY 2010, General Counsel held individual sessions with each Board member to ensure understanding of their obligations. In addition, a staff meeting was

utilized as a workshop/discussion group on Sunshine, Ethics and Public Records Laws and Policies.

Procurement

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

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

Consultant Contract Reporting

THEA provided a list of all "General Consulting" contracts and those sub contracts that exceeded $25 thousand in FY 2010. As indicated in Table 25, two sub consultants were used by the general consulting firms for a total cost of $1.1 million in FY 2010.

Compliance with Bond Covenants

THEA last issued $327 million in Revenue Bonds, Series 2005, in August 2005. Bonds are payable from and secured by a pledge of gross revenues of the Expressway System. Bond proceeds were used to refund the Series 1997 bonds, pay off the principal of STTF loans, and finance a portion of the Reversible Express Lanes Project. As of June 30, 2010, bonds in the principal amount of approximately $378.5 million remain outstanding from the 2002 and 2005 Series. As previously

Table 25
Tampa-Hillsborough Expressway Authority
Summary of General Consultant Sub Consultant Activity
FY 2010

Consulting Contract	*Description*	*Sub Consultants >$25 K ($000)*
HNTB Corporation	**General Engineering Consultant**	
Kissinger Campo & Associates Corp.	PD&E Management & Civil Design Services	$1,019
Nodarse & Associates, Inc.	Geotechnical Consultant	$54
VMS, Inc.	**Roadway Maintenance**	
Traffic Control Devices	**ITS & ITS Maintenance**	
Wilbur Smith Associates	**Traffic and Revenue Consultant**	
Total Sub consultants > $25 K		$1,073

noted, on January 14, 2011 (FY 2011), a portion of the Series 2002 and Series 2005 Revenue Bonds, in the principal amount of $54 million, were defeased by SBA utilizing THEA settlement proceeds.

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 2010 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 completed the 2009 biennial inspection report. The 2011 biennial inspection report will be completed by the end of the 2011.
- THEA utilizes a nationally recognized Traffic Engineering firm (Wilbur Smith Associates) as required by bond covenants. The Traffic Engineers are required to provide an annual Traffic and Revenue Report to the Authority. The 2009 Traffic and Revenue Update Study was completed in September 2009. The 2010 Traffic and Revenue Report is in publication and will be available by the end of March 2011. Wilbur Smith Associates is currently in the process of completing an investment grade traffic and revenue study for inclusion in a potential future THEA bond issue.
- Section 5.08(E) of the bond covenants requires THEA to review its financial condition and determine whether pledged funds are sufficient to comply with bond covenants specified in Section 5.08(B) and, by resolution, make a determination with respect thereto and file with the State Board of Administration. The Determination Resolution was adopted by the Board on January 24, 2011.

Selmon REL Gantry.

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 10 of the 13 applicable management objectives established for performance measures. The three performance measure objectives not met include: cost to collect a toll transaction; debt service coverage - bonded/ commercial debt; and, debt service coverage - comprehensive debt. Some performance measures not met in the areas of finance and operations result from finance and business rules as defined in the existing Lease-Purchase Agreement and are not entirely under the Authority's control. Improvement was noted for the bridge condition rating and safety objectives in FY 2010.

Operating indicator trend analysis showed that infrastructure assets decreased by $67 million in FY 2009 due to a reduction in additional REL project costs related to design errors that were capitalized. In FY 2009 THEA recovered approximately $75 million from a mediation settlement related to the design errors that became evident during construction of the REL project. In January 2011 (FY 2011), the Authority utilized $60 million from the settlement to defease a portion of the THEA Revenue Bonds, Series 2002 and Series 2005. FY 2010 total operating expenses decreased by $1.5 million, or 8 percent, over FY 2009 primarily due to decreases in toll collection and routine maintenance. FY 2010 routine maintenance expenses decreased by 14 percent over FY 2009 due to a decrease in expenses related to bridge inspections. FY 2010 toll collection expenses decreased by $1.0 million, or 15 percent, due to a decrease in Enterprise Work Program charges for data center operations, and a decrease in transponder costs and property insurance. FY 2010 revenue decreased approximately one percent over FY 2009, primarily due to the sluggish economy following the recession.

In the area of governance, the FY 2010 independent financial statement audit reflected an unqualified opinion. No recommendations for improvement were noted in the Auditor's Management Letter.

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

The Commission recognizes THEA's efforts in securing private toll collection services and implementing All Electronic Tolling on the entire Expressway System in order to reduce costs. The Commission encourages THEA to continue to develop and pursue action plans to help meet established performance measure objectives. The Commission acknowledges with appreciation the assistance of the THEA Board and staff in providing the resources necessary to conduct this review and to complete this report.

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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 active 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

Passengers Boarding Tri-Rail Train at Boca Raton Station.

- Performance measures results for FY 2010
- Operating indicators for FY 2008 through FY 2010
- 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

JTA Trolley.

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 26, 27 and 28.

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

Table 26
Florida Transportation Commission
Transit Authority Performance Measures
Bus, Automated Guideway and Rail
FY 2010

Performance Measure	*Detail*
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.

Table 27
Florida Transportation Commission
Transit Authority Operating Indicators
Bus, Automated Guideway and Rail
FY 2010

Operating Indicator	*Detail*
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.

[1]Operating indicator specific to SFRTA.

Table 28
Florida Transportation Commission
Transit Authority Performance Measures and Operating Indicators
JTA Highway Operations
FY 2010

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

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Central Florida Regional Transportation Authority (CFRTA/LYNX)

Background

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

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

By law, CFRTA must develop and adopt a plan for the development of the Central Florida Commuter Rail that includes CFRTA's plan for the development of public and private revenue sources, funding of capital and operating costs, the service to be provided, and the extent to which counties within the area of operation of the Authority are to be served. An Interlocal Governance Agreement establishing the creation of the Central Florida Commuter Rail Commission (CFCRC) was approved and recorded in July 2007. The CFCRC consists of a five-member governing

Highlights

- In May 2010, LYNX became the first transit authority in the nation to build, produce and utilize its own B-20 Biodiesel fuel blend for its bus fleet conversion.
- The Board selected John Lewis to serve as the new CEO of LYNX, effective December 1, 2010 [Fiscal Year (FY) 2011].
- 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, Revenue Miles Between Failures and Revenue Miles Versus Vehicle Miles.
- LYNX achieved the new performance measure objective for average headway of less than 30 minutes with a 28 minute headway.
- LYNX purchased 31 new flex and paratransit vehicles and installed 92 new bus shelters in FY 2010.
- Construction of the Osceola Square Mall Transfer Station was completed in FY 2010.
- The FY 2010 independent financial statement audit reflected an unqualified opinion.
- The FTA's FY 2010 Triennial Review of LYNX indicated that no deficiencies were found in 19 of the 24 areas examined. Deficiencies were noted in the areas of Satisfactory Continuing Control, Procurement, Buy America, Drug and Alcohol Program and ARRA.

board: Chairman Buddy Dyer, Mayor of the City of Orlando, Vice Chairman Teresa Jacobs, Mayor of Orange County, Commissioner Carlton Henley of Seminole County, Volusia County Council Chairman Frank Bruno, and Commissioner Brandon Arrington of Osceola County. Pursuant to an Interlocal Operating Agreement, the duties of the governing board are in an advisory capacity to the Florida Department of Transportation (Department) for the first seven years of system operation and will include assisting the Department with policy direction as the Department moves forward with planning, design, construction, and implementation of the system. After the first seven years of operation, the Department will turn the system over to the governing board. 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.

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.

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

CFRTA, the governing body of LYNX, consists of five voting members. The chairs of the county commissions of Seminole, Orange, and Osceola Counties, or another member of the commission designated by the county chair, 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 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 29
Central Florida Regional Transportation Authority
Current Board Members

Name	*Appointment*	*Position*
Carlton Henley	Seminole County Commissioner	Chairman
Brandon Arrington	Osceola County Commissioner	Vice-Chairman
Buddy Dyer	Mayor of Orlando	Secretary
Teresa Jacobs	Orange County Mayor	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). In July 2010, Linda Watson resigned her position as CEO of LYNX and the Board approved Edward Johnson (Chief Administrative Officer) to serve as the interim CEO. After numerous interviews, the Board selected John Lewis to serve as the new CEO, effective December 1, 2010.

LYNX provides transportation services to the general public in the Orlando metropolitan area and throughout Orange, Seminole, and Osceola Counties in the form of fixed route bus service, paratransit service, flex service and carpools/ vanpools. LYNX also provides morning and afternoon express bus service from Lake and Volusia Counties. LYNX operates within a service area of 2,500 square miles that is home to more than 1.8 million residents. The amended FY 2010

annual operating budget totaled approximately $115 million, a decrease of 4.6 percent from the previous year, while annual passenger boardings increased to 24.8 million, representing 1.0 million more boardings, a 4.3 percent increase from the previous year. Peak service vehicles totaled 223, a reduction of 11 vehicles from FY 2009.

LYNX receives significant financial support from its funding partners. For FY 2010, the Orange County Commission approved $34.8 million for LYNX (a 12.4 percent decrease from FY 2009), the Seminole County Commission approved $4.4 million (a 5.0 percent decrease), and the Osceola County Commission approved $4.6 million (a 5.5 percent decrease).

In FY 2010, LYNX purchased 31 new flex and paratransit vehicles utilizing American Recovery and Investment Act (ARRA) funds received through a grant application with the Federal Transit Administration (FTA). A total of 92 new bus shelters were installed and approximately 200 sites were reviewed for potential installations in order to provide comfort and safety to awaiting customers. Design for the construction of the Kissimmee Intermodal Center was advanced to 100 percent and the project is waiting on the purchase of the property as a part of the larger commuter rail project. Construction of the Osceola Square Mall Transfer Center was completed. Development and integration of "smart" systems technology to improve customer satisfaction, communications, and fare collection systems moved forward. LYNX participated in the Federal Job Access Reverse Commute (JARC) program. In May 2010, LYNX became the first transit authority in the nation to build, produce and utilize its own B-20 Biodiesel blend for bus fleet conversion.

On July 28, 2010, the Board ratified the Transit Development Plan (TDP) update, containing capital and service improvements necessary to meet projected demands for public transportation throughout Central Florida from FY 2011 through 2020. The FY 2011 through 2020 TDP is currently posted on the Authority's website www.golynx.com.

LYNX Central Station at night.

Planned improvements going forward, as outlined in the TDP and the CFRTA Strategic Plan, include service expansion and improvement of fixed route service, paratransit service, and commuter services provided through the LYNX Mobility Assistance Program (MAP). Improvements included replacing fixed route service with the more efficient flex-bus service, implementing new and more frequent service from Orlando International Airport to the area attractions using private funds, and restructuring service in Seminole County to eliminate circuitous routes and replace a poor performing route with flex-bus service. The aggressive marketing and communications program that is already in place will continue to focus on educating the community about available services.

Unless otherwise indicated, all statistics, performance measures, and operating indicators in the next two sections of this document refer only

to LYNX fixed route service and do not include LYNX paratransit services, flex services or commuter services.

Performance Measures

Pursuant to the Florida Transportation Commission's (Commission) expanded role in providing oversight to 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 and freight moving communities that are critical to the overall economic well-being and quality of life in Florida. FY 2010 results, as reported by LYNX, are provided in Table 30. Results for the last five fiscal years are included in Appendix B. The Authority noted errors in data previously reported to the Commission, primarily related to operating expenses and operating revenues. As a result, data for FY 2006 through FY 2009 was restated to reflect actual performance.

LYNX was an active participant in the development of performance measures and in establishing objectives to measure its performance. Every attempt was made to ensure that the objectives that were selected would be a true measure of each of the Authority's effectiveness and efficiency in various areas. LYNX performance data used for this report represent information collected during FY 2010, which spans from October 1, 2009 through September 30, 2010 (LYNX reports on a federal fiscal year). LYNX was successful in achieving 6 of the 12 objectives for performance. Each measure is discussed in terms of achievement of the objective, prevailing trends, and future corrective action.

Average Headway

The Commission, with the assistance of the Authorities, adopted a new definition, objective and formula for the average headway performance measure for FY 2010. The FY 2009 objective "average headway of all routes less than 60 minutes" was changed to "average time for vehicle to complete its portion of total route miles one time less than 30 minutes." Performance results prior to FY 2010 were restated to reflect the change and to provide appropriate trend data for comparison.

In FY 2010, LYNX achieved the performance measure objective for average headway of less than 30 minutes with actual results of 28.3 minutes. This was an increase of 4.3 minutes, or 18 percent, over FY 2009. Although LYNX has achieved the average headway objective in the last five years (reporting period), LYNX management indicated that a further reduction of the average headway would require a significant financial investment on the part of the Authority, which currently operates in the absence of a dedicated funding source. LYNX has focused its efforts on working with local elected officials, state legislators, local business leaders and grassroots groups to educate the public regarding transit and the need for dedicated funding. Operating 10 to 15 minute headways on major corridors with small vehicles circulating through neighborhoods and feeding into workforce routes was identified as a long-term goal.

As a customer convenience, in addition to fixed route service, LYNX operates flex services called PickUpLine (PUL) in a number of defined areas within the LYNX service area. PUL service operates

Table 30
Central Florida Regional Transportation Authority
Summary of Performance Measures
FY 2010[1]

Performance Measure	*Detail*	*Objective*	*Actual Results*	*Meets Objective*
Average Headway	Average time for vehicle to complete its portion of total route miles one time	<30 minutes	28	✓
Operating Expense per Revenue Mile	Operating expenses divided by revenue miles	<$5.30	$5.78	X
Operating Expense per Revenue Hour	Operating expenses divided by revenue hours	<$75	$82.01	X
Operating Revenue per Operating Expense	Revenue generated through operation of the transit authority divided by operating expenses	>30%	39.9%	✓
Operating Expense per Passenger Trip	Operating expenses divided by annual ridership	<$3	$3.41	X
Operating Expense per Passenger Mile	Operating expenses divided by passenger miles	<$0.47	$0.63	X
Revenue Miles between Safety Incidents	Annual revenue miles divided by safety incidents	>124,513	131,642	✓
Revenue Miles between Failures	Revenue miles divided by revenue vehicle system failures[2]	>10,500	9,620	X
Revenue Miles versus Vehicle Miles	Revenue miles divided by vehicle miles[3]	>.90	0.88	X
Customer Service	Average time from complaint to response	14 days	8 days	✓
Customer Service	Customer complaints divided by boardings	<1 per 5,000 boardings	0.6	✓
On-time Performance	% trips end to end on time "less than 5 minutes late"	>80%	83%	✓

[1] Fiscal Year 2010 represents 12 months of data from October 1, 2009 through September 30, 2010.

[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.

on a schedule at one fixed point, a LYNX fixed-route transfer point, where a vehicle can connect individuals with the broader network of transit services. PUL service provides curb-to-curb service to any address within a defined service area. Passengers who want to use the PUL service to go anywhere within the PUL service area can call to make a reservation at least two hours ahead of their requested pick up time.

Operating Expense per Revenue Mile

An evaluation of the relationship between operating expenses and revenue miles provides a measure of the general cost efficiency of the service provided over distance. The LYNX operating cost per revenue mile of $5.78 exceeded the objective of $5.30 by $0.48 (9.1 percent), but was significantly less than the five year high of $6.13 reported in FY 2009.

LYNX failed to achieve this performance objective, along with three other operating expense-related objectives (per revenue hour, per passenger trip and per passenger mile) in FY 2010. Containment of operating expenses will be crucial for LYNX moving forward. LYNX management indicated that some specific expenses that negatively impact total expenses remain outside of the control of the Authority, such as high mileage buses that generate excessive maintenance costs, and fuel. LYNX identified the following activities to reduce operating costs moving forward:

- Restructuring service to eliminate low productivity service
- Raising fares in January 2009 to increase revenue
- Increasing recruitment efforts for bus operators and mechanics to reduce overtime costs
- Re-cutting runs (rescheduling operators' shifts) for improved efficiency and reducing overtime
- Replacing 34 high mileage transit buses during FY 2010 to reduce maintenance costs
- Continually reviewing fuel prices and considering "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 14 corridors to provide better service.

LYNX reported a decrease in fuel-related expenses due to a slight decline in the fuel price, which when combined with reduced consumption tied to service cuts, resulted in a decrease in fuel costs totaling $863 thousand in FY 2010.

The Amalgamated Transit Union (ATU) contract for operations expired in September 2009 and new provisions will be negotiated for salary and wages to control costs. LYNX and ATU have yet to agree on a new contract as of this date but hope to resume negotiations this summer. LYNX also implemented staff reductions in March 2009 to help reduce expenses.

Operating Expense per Revenue Hour

An evaluation of the relationship between operating expenses and revenue hours also provides a measure of the general cost efficiency of the service provided over time. LYNX operating cost per revenue hour of $82.01 exceeded the objective of less than $75.00 per hour by $7.01 (9.3 percent), but was less than the five year high of $84.71 reported in FY 2009.

Operating Revenue per Operating Expense

The relationship between operating revenue and operating expense provides a measure of the effective use of income. Unlike the two previous objectives, where the goal was to achieve a lower cost per revenue mile or revenue hour, the target for this objective is to increase the percentage of revenue derived from fares and other revenue sources. LYNX achieved this performance measure objective with a 40 percent ratio of revenue to operating expenses. This exceeds the 30 percent objective by 33 percent. Growth in FY 2010 was slightly above the FY 2009 rate of 37.6 percent.

LYNX increased its fare structure in January 2009 (FY 2009) and raised the full fare rate by $0.25 (14 percent) to $2.00. For the nine months of FY 2009 following the fare increase, LYNX realized an

11.3 percent decrease in ridership, and a 3.9 percent decrease in revenue compared to the comparable prior year period. These decreases were attributed to the fare increase and service reductions. For FY 2010, ridership increased 4.3 percent while revenue increased 2.7 percent over FY 2009.

Operating Expense per Passenger Trip

An evaluation of the relationship between operating expenses and passenger trips provides a measure of the general cost efficiency of the service provided. The LYNX operating cost per passenger trip of $3.41 exceeded the objective of less than $3.00 by $0.41 (13.7 percent), but was less than the five year high of $3.67 reported in FY 2009. Cost efficiency can be improved by decreasing operating expenses or increasing ridership.

Operating Expense per Passenger Mile

An evaluation of the relationship between operating expenses and passenger miles also provides a measure of the general cost efficiency of the service provided. LYNX operating cost per passenger mile of $0.63 exceeded the objective of less than $0.47 by $0.16, but was less than the five year high of $0.61 reported in FY 2009.

LYNX Biodiesel Bus Wrap.

Although LYNX nearly met this performance objective in FY 2006 ($0.49), the Authority failed to achieve this objective for the last five years. LYNX indicated that improvement in performance for this objective would be difficult based on operating costs associated with long distance travel that is required to maintain system connectivity for a widely dispersed passenger base within a service area of 2,500 square miles. Nonetheless, efforts on the part of LYNX to eliminate inefficient services throughout the service area by reducing inefficient interlining between routes, placing additional buses along routes that were deficient in meeting their on-time performance and focusing on primary corridors should positively impact this area of performance moving forward.

Revenue Miles between Safety Incidents

The span of revenue miles between incidents is a measure of safe customer service. Significant revenue miles between safety incidents results in infrequent exposure of customers to safety hazards. 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 FY 2009 objective "greater than 10 percent above the average of the last 5 years" was changed to "greater than 5 percent above 2009 actual results."

The new FY 2010 objective for revenue miles between safety incidents was established at greater than 124,513 miles. LYNX achieved the new objective with 131,642 revenue miles between safety incidents (5.7 percent above the target).

Revenue Miles between Revenue Vehicle System Failures

The span of revenue miles between revenue vehicle system failures (defined as the breakdown of either a major or minor element of the revenue vehicle's mechanical system) is a measure of maintenance effectiveness in keeping the fleet in good condition. A significant number of revenue miles between revenue vehicle system failures can serve to reinforce customer confidence in on-time bus performance. LYNX failed to achieve the performance measure objective of greater than 10,500 revenue miles between revenue vehicle system failures with 9,620 revenue miles between failures reported in FY 2010. This compares favorably to the 8,806 revenue miles between failures reported in FY 2009.

LYNX management indicated that failure to achieve this performance objective in FY 2010 was due to failures resulting from new engine emissions technology. The category with the largest amount of failures throughout the year was engines (approximately 25 percent). The LYNX fleet has 139 of the 265 buses equipped with 2007 or 2010 technology which include combinations of, a Diesel Particulate Filter, Diesel Oxidation Catalyst and Diesel Exhaust Fueled technology for lower emissions. LYNX continues to hold monthly meetings and work closely with the engine manufacturer to address the problems associated with the new low emissions equipment. In September 2009, LYNX met with representatives of Corporate Cummins and Gillig Corporation to discuss the ongoing problems. An action plan was developed, and revised several times. LYNX is now working with Cummins on the fourth engine calibration and the fifth Field Service Campaign to correct problems related to new technology. LYNX received warranty parts and service from Cummins valued at $551 thousand in calendar year 2010 in an effort to correct these problems.

The average age of the LYNX fleet is now 4.1 years, which includes the bulk of vehicles with the new emission standards. Cummins engines manufactured between 2007 and 2010 all adhere to the new standards. LYNX maintenance technicians are starting to get past this new "learning curve" in technology and recently have experienced improved performance in this area.

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

Revenue Miles versus Vehicle Miles

The relationship between revenue miles and vehicle miles provides a measure of the effectiveness of fleet assignment given that vehicle miles include non-revenue miles, such as deadhead miles (from operations facility to start of a route and vehicle miles from the end of the route to the operations facility). LYNX fell slightly below the performance measure objective of greater than 0.90 with 0.88 for FY 2010.

LYNX's ongoing efforts to eliminate inefficient fixed route services throughout the service area by reducing unproductive interlining between routes, focusing on primary corridors, replacing poor performing fixed-route buses with small vehicle flex routes (PUL), and opening the new Osceola County Operations Facility in December 2010, should provide improvements in this area of performance in the future.

Customer Service – Average Time from Complaint to Response

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

Customer Service – Number of Complaints per Boarding

LYNX also achieved the performance objective of less than one complaint per 5,000 boardings with 0.6 complaints.

On-time Performance

LYNX did achieve the on-time performance objective of greater than 80 percent of trips end-to-end on-time with 83 percent on-time performance. On-time is defined as less than five minutes late arriving at a fixed route schedule time point.

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 2010 operating indicators, as reported by LYNX are provided in Table 31. In order to observe current trends, operating indicators for FY 2008 and FY 2009 are also provided. Results for the last five fiscal years are included in Appendix B. The Authority noted errors in data previously reported to the Commission, primarily related to operating expenses and operating revenues. As a result, data for FY 2006 through FY 2009 was restated to reflect actual performance.

FY 2010 operating expenses decreased $2.7 million, or 3.2 percent, while operating revenues increased $0.9 million, or 2.7 percent, over FY 2009. Although LYNX logged 1.0 million, or 4.3 percent, more passenger trips, the average trip length decreased by 0.6 miles to 5.4 miles in FY 2010. As a result, passenger miles fell by 8.7 million to 133.8 million (a decrease of 6.1 percent). FY 2010 revenue miles increased by 382 thousand, or 2.7 percent, while revenue hours remained static from FY 2009. The farebox recovery ratio increased from 23.1 percent in FY 2009 to 24.9 percent in FY 2010, while the average fare of $0.85 remained the same. Based on the 2010 Census data, service area population increased 0.3 million, or 17.5 percent, while operating expense per capita decreased from $56.76 to $46.78.

FY 2010 operating expenses decreased 3.2 percent while operating revenues increased 2.7 percent over FY 2009.

Although passenger trips increased 4.3 percent in FY 2010, average trip length decreased resulting in a 6.1 percent decrease in passenger miles.

FY 2010 revenue miles increased 2.7 percent, while revenue hours remained static.

The farebox recovery ratio increased from 23.1 percent in FY 2009 to 24.9 percent in FY 2010, while the average fare of $0.85 remained the same.

The average age of the fleet increased from 3.6 to 4.1 years and the operating spare ratio decreased from 18.8 percent to 16.5 percent (below 20 percent) allowing the Authority flexibility in terms of providing expanded service in the future. From a financial perspective, LYNX decreased its unrestricted cash balance $2.3 million (from $25.7 to $23.5 million) and committed all capital investment to system preservation (100 percent).

Table 31
Central Florida Regional Transportation Authority
Summary of Operating Indicators
FY 2008 through FY 2010

Operating Indicator	*Detail*	*Actual 08 Results*	*Actual 09 Results*	*Actual 10 Results*
Operating Expense per Capita (Potential Customer)	Annual operating budget divided by service area population	$59.08	$56.76	$46.78
Farebox Recovery Ratio	Ratio of passenger fares[1] to total operating expenses	22.6%	23.1%	24.9%
Service Area Population	Approximation of overall market size	1,536,900	1,536,900	1,805,921
Service Area Population Density	Persons per square mile based on service area population and size	605.6	605.6	711.5
Operating Expense	Spending on operations, including administration, maintenance, and operation of service vehicles	$90,795,044	$87,231,880	$84,482,228
Operating Revenue[2]	Revenue generated through operations of transit authority	$32,818,381	$32,842,406	$33,730,496
Total Annual Revenue Miles	Miles vehicles operated in active service[3]	14,986,072	14,230,128	14,612,279
Total Annual Revenue Hours	Hours vehicles operated in active service	1,078,484	1,029,713	1,030,195
Total Revenue Vehicles[4]	Vehicles available to meet annual maximum service requirement	288	288	267
Peak Vehicles	Vehicles operated to meet annual maximum (peak) service requirements	238	234	223
Ratio of Revenue Vehicles to Peak Vehicles[5] (spare ratio)	Revenue vehicles, including spares, out-of-service vehicles, and vehicles in/awaiting maintenance, divided by the number of vehicles operated in maximum service	17.4%	18.8%	16.5%
Annual Passenger Trips[6]	Passenger boardings on transit vehicles	26,427,067	23,747,795	24,780,704
Average Trip Length	Average length of passenger trip, generally derived through sampling	6.0	6.0	5.4
Annual Passenger Miles	Passenger trips multiplied by average trip length (in miles)	158,562,402	142,486,770	133,815,802
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
Average Fare	Passenger fare revenues divided by passenger trips	$0.78	$0.85	$0.85
Passenger Trips per Revenue Mile	Passenger trips divided by revenue miles	1.76	1.67	1.70
Passenger Trips per Revenue Hour	Passenger trips divided by revenue hours	24.5	23.1	24.1
Passenger Trips per Capita	Passenger trips divided by service area population	17.2	15.5	13.7
Average Age of Fleet	Age of fleet (in years) average	3.8	3.6	4.1
Unrestricted Cash Balance	End of year cash balance from financial statement	$20,084,510	$25,746,155	$23,476,890
Weekday Ridership	Average ridership on weekdays	82,825	75,810	79,035
Capital Commitment to System Preservation	% of capital spent on system preservation	89.5%	83.5%	100.0%
Capital Commitment to System Expansion	% of capital spent on system expansion	10.5%	16.5%	0.0%
Intermodal Connectivity	Intermodal transfer points available	5	6	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, auxillary 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.

Intermodal Connections

LYNX currently provides five intermodal connections that include connections to one airport, 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 Plaza Superstop is located within the shopping complex and connects links serving Casselberry, Lake Mary, Longwood, Maitland, Orlando, north Orange County, Sanford, Seminole County and Winter Park.

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

Circulator Connections

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

Park & Ride Connections

- Clermont Park & Ride (Highway US 27)
- Saxson Boulevard Park & Ride (I-4 & Saxson Boulevard)
- Colonial Center Park & Ride (I-4 & H.E. Thomas Parkway)

Governance

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

Ethics and Conflict of Interest

On January 19, 2009, the LYNX 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 that no ethics or conflict of interest violations were registered or investigated in FY 2010.

Audit

LYNX has established an Oversight and 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. Primary functions of the Oversight and 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 Oversight and 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 years ended September 30, 2010 and 2009 was performed. The Independent Auditor's Report (dated March 22, 2011) 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 one item related to the Federal Transit Administration (FTA) Job Access-Reverse Commute and New Freedom Programs. LYNX did not identify to subrecipients the requirement to register in the Central Contractor Registration (CCR) and, although agreements established with each subrecipient included information required to substantiate payment, subrecipient agreements did not include notification of federal funding, the Catalog For Domestic Assistance (CFDA) number or information regarding compliance audit requirements. LYNX concurred with the auditor's recommendations and is currently amending subrecipient contracts, obtaining CCR information and enhancing procedures to ensure compliance.

The United States Code, Chapter 53 of Title 49, requires the FTA of the United States Department of Transportation (USDOT) to perform reviews and evaluations of Urbanized Area Formula Grant

LYNX Busline.

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. FTA completed a desk review in the FTA Region IV Office on November 16, 2009, followed by a site visit to LYNX on June 30 and July 1, 2010. The final FY 2010 Triennial Review Report indicated that no deficiencies were found with FTA requirements in 19 areas. The report did identify deficiencies in the areas of Satisfactory Continuing Control, Procurement, Buy America, Drug and Alcohol Program and ARRA as described below:

- Satisfactory Continuing Control - LYNX leases space in its South Street transit facility to the City of Orlando and also stores and maintains Road Ranger vehicles in the LYNX Operations Center. LYNX was required to obtain approval from the FTA Regional Office for the incidental use of these facilities. On October 1, 2010, LYNX received approval from the FTA to lease space to the City of Orlando at its South Street facility. On October 27, 2010, LYNX received approval from the FTA to allow LYNX's operation base to be used for parking and servicing of vehicles under the Road Ranger program.

- Procurement and American Recovery and Reinvestment Act (ARRA) - Two of the six files examined for FTA funded procurements did not contain documentation that an independent cost estimate (ICE) was prepared prior to solicitation. Because one of the contracts is being funded with an ARRA grant, the finding was also made under the ARRA area as well as procurement. The FTA requested that LYNX revise its procurement procedures to ensure that ICEs are prepared prior to the solicitation phase of its FTA assisted procurements and that documentation of the ICE is retained in the procurement files. LYNX indicated that the requirement for an ICE is part of the Procurement Checklist utilized for all procurements by LYNX. An ICE was not done for general engineering services prior to the issuance of a request for proposal since the scope of work did not clearly define a specific outcome or deliverable. Instead, all work performed under the contract utilize Task Orders which are supported by ICEs. LYNX also indicated, that prior to the contract award, a price analysis was done to determine that the fee schedule was fair and reasonable.

- Buy America - Federal funds may not be obligated unless steel, iron, and manufactured products used in FTA funded projects are produced in the United States (unless a waiver is granted). Rolling stock must have 60 percent domestic content and final assembly must take place in the United States. The LYNX procurement file for the purchase of buses from Gillig did not include an in-plant

inspectors report to verify that the 60 percent domestic content and final assembly requirements were met. Following the site visit, LYNX found the missing inspector's report and submitted it to the FTA. LYNX modified the contract with Gillig to ensure the contractor submits the on-site inspection report directly to Procurement.

- Drug and Alcohol Program - Grantees receiving Urbanized Area Formula Program, Non-Urbanized Area Formula Program, or Capital Investment Program funds must have a drug and alcohol testing program in place for all safety-sensitive employees. Random testing of 25 percent of safety-sensitive employees is required for drugs and 10 percent testing is required for alcohol. The review indicated that LYNX's random testing rate was below the required level and that LYNX must develop and implement a plan for calendar year 2010, and subsequent years, to ensure that required testing rates are achieved. LYNX indicated that the number of safety-sensitive employees used in the Triennial Review was not accurate and provided updated data for the number of employees and the number of tests administered. As required, LYNX implemented a plan that will ensure that LYNX reaches the required drug and alcohol testing requirements for 2010 and beyond.

LYNX submitted a formal response to the FTA findings on August 27, 2010, and continued to work with FTA to resolve open items. On March 15, 2011, FTA advised LYNX that corrective actions taken by the Authority had satisfactorily resolved all findings and that the report is closed.

Public Records and Open Meetings

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

On January 19, 2006, LYNX established Administrative Rule 2, Board Governance (Bylaws). On July 28, 2010, 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."

Pursuant to Section 189.417, Florida Statutes, LYNX (an Independent Special District) is required

to publish a schedule of its Board meetings in a newspaper of general paid circulation. Although meeting notices are posted on the Authority's website and at the main administration building, LYNX failed to advertise Board meetings as required under Section 189.417, Florida Statues. LYNX has subsequently corrected the oversight and the appropriate advertisement ran in the Orlando Sentinel newspaper on May 4, 2011.

The Commission reviewed agendas, minutes of meetings and notices of public meetings available on the LYNX website, and except for Board meeting advertising as noted above, it appears that LYNX is operating within procedure and statute.

LYNX Operations Center.

Procurement

On July 28, 2010, 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, 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, with a term, including options, of not more than five years. Minor contracts may be approved by the CEO or delegated by the CEO to the Chief Financial Officer (CFO) and/or the Chief Administrative Officer (CAO) (value of $150 thousand or less), any Senior Officer (value of $50 thousand or less), the Procurement/Contracts Manager (value of $25 thousand or less), Contract Administrator/Buyer (value of $5 thousand or less), or to other LYNX employees (purchases of $2,500 or less) and must 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, CAO and the CFO and include contracts that do not exceed $180 thousand in the aggregate, where the term does not exceed 12 months. If the Level 1 contract is less than $150 thousand, the CEO can further delegate authority to approve the contract pursuant to the rules governing minor contracts. Level 2 consists of those contracts that exceed $180 thousand but are less than $300 thousand or have a term greater than 12 months. The CEO may approve Level 2 contracts provided that the

contracts receive prior approval of the Authority's General Counsel; however, the CEO may not delegate approval authority for Level 2 contracts. Level 3 contracts include all bus advertising contracts that fall outside of Levels 1 and 2. Level 3 contracts must be approved by the Board, reviewed by the General Counsel, and approval authority may not be delegated. In addition, if the bus advertising contract involves a bus trade, which refers to a transaction involving a bus advertising contract where LYNX provides third party advertising in exchange for payment in kind, the bus trade must be approved by the CEO. A summary of new advertising contracts is required to be provided as information items to the Board at its next meeting. In addition, the Authority delineated limitations on advertising content as specified in Section 4.4.6 C.

LYNX Operations Maintenance Center.

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 fuel purchases (Oil Price Information Service (OPIS) pricing, spot market pricing and future contracts). 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 Procurement/Contracts Manager 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 Statues 287.055, or any successor provision thereof (the "Consultants Competitive Negotiations Act") or to 40 U.S.C. 541, where applicable. In addition, Administrative Rule 6, Dispute Resolution, requires that the Authority notify the FTA of any protests related to procurements involving federal funds and keep the FTA informed of the status of any such protests.

Disadvantaged Business Enterprise Policy

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

Consultant Contract Reporting

LYNX provided a list of all "General Consulting" contracts and those sub contracts that exceeded $25 thousand in FY 2010. As indicated in Table 32, seven sub consultants were used by the general consulting firms for a total cost of approximately $369 thousand in FY 2010.

Compliance with Bond Covenants

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

Table 32
Central Florida Regional Transportation Authority
Summary of General Consultant Sub Consultant Activity
FY 2010

Consulting Contract	*Description*	*Sub Consultants >$25k*
Earth Tech Consulting Services, aka, AECOM	**Architecture & Engineering**	
Buholtz Professional Engineering	Electrical & Design Services	$41,285
HHCP Architects	Architectural Services	$54,648
WBQ Design & Engineering	Civil Engineering Services	$44,120
Reynolds Smith & Hills	**Transportation/Transit Planning**	
Runways Transportation Group	Transit Planning/Service Analysis	$34,142
Sharon Greene & Associates	Planning Financial Analysis	$58,669
Data Transfer Solutions	**Transportation & Financial Planning**	
Tindale-Oliver & Associates	Transit Planning/Service Analysis	$69,638
Akerman Senterfitt	**Legal Counsel**	
Baker Hostetler	Legal Services	$66,256
Total Sub Consultants >$25k		$368,758

Loans Payable

On August 16, 2001, the Authority entered into a State Infrastructure Bank Loan Agreement (SIB #1), allowing draws of up to $7,958,991 for the construction of the LYNX Central Station. The loan matures in 2011. It was non-interest bearing until October 1, 2006 and bears an interest rate of 5 percent, thereafter. On June 9, 2004, the Authority entered into another SIB Loan (SIB #2), allowing draws of up to $7,600,000 for the construction of the new Operating Base Facility. This loan matures in 2016, was non-interest bearing until October 1, 2007, and bears an interest rate of 2 percent, thereafter. On August 14, 2006, the Authority entered into another SIB Loan (SIB #3), allowing draws of up to $7,140,000 for the acquisition of rolling stock, including paratransit vehicles. The allowable amount of $7,140,000 for SIB #3 was executed in FY 2006. This loan matures in 2013, was non-interest bearing until October 1, 2008, and bears an interest rate of 1 percent, thereafter. In FY 2010, SIB #3 was restructured to defer the annual payments until FY 2013. Loans payable activity at September 30, 2010 and 2009 is as follows:

Table 33
Central Florida Regional Transportation Authority
Loans Payable
September 30, 2010

Loan	*Beginning Balance*	*Payments*	*Ending Balance*	*Amounts Due Within One Year*
SIB #1	$ 1,169,048	$ 962,641	$ 206,407	$ 206,407
SIB #2	$ 6,076,425	$ 707,963	$ 5,368,462	$ 722,122
SIB #3	$ 5,669,165	$1,414,143	$ 4,255,022	$ -
Total	$12,914,638	$3,084,747	$ 9,829,891	$ 928,529

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

Summary

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

LYNX actively participated in and cooperated with the Commission's review, and the Commission relied heavily on documentation and clarifications provided by LYNX management. The Authority noted errors in data previously reported to the Commission, primarily related to operating expenses and operating revenues. As a result, data for FY 2006 through FY 2009 was restated to reflect actual performance.

LYNX met or exceeded 6 of the 12 fixed route objectives established for performance measures. The six fixed route measures that require improvement include: operating expense per revenue mile, operating expense per revenue hour, operating expense per passenger trip, operating expense per passenger mile, revenue miles between failures, and revenue miles versus vehicle miles. 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 2010 operating expenses

decreased 3.2 percent, while operating revenues increased 2.7 percent over FY 2009. Although passenger trips increased 4.3 percent over FY 2009, average trip length decreased by 0.6 miles, resulting in a decrease of 6.1 percent in passenger miles. Revenue miles increased 2.7 percent in FY 2010, while revenue hours remained static. The farebox recovery ratio increased from 23.1 percent in FY 2009 to 24.9 percent in FY 2010, while the average fare of $0.85 remained the same.

In the area of governance, the FY 2010 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 noted one item related to the Federal Transit Administration (FTA) Job Access-Reverse Commute and New Freedom Programs. LYNX is currently amending subrecipient contracts, obtaining Central Contractor Registration and enhancing procedures to ensure compliance.

The FTA FY 2010 Triennial Review of LYNX indicated that no deficiencies were found with FTA requirements in 19 of the 24 areas examined. The report did identify deficiencies in the areas of Satisfactory Continuing Control, Procurement, Buy America, Drug and Alcohol Program and ARRA. On March 15, 2011, FTA advised LYNX that corrective actions taken by the Authority had satisfactorily resolved all findings and that the report is closed.

Although meeting notices are posted on the Authority's website and at the main administration building, LYNX failed to advertise Board meetings pursuant to Section 189.417, Florida Statutes. LYNX has subsequently corrected the oversight and the appropriate advertisement ran in the Orlando Sentinel newspaper on May 4, 2011.

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 except for public meeting advertising as noted above.

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 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."

Highlights

- JTA met or exceeded 9 of the 12 objectives established for performance measures for bus. The three measures not met were Operating Expense per Revenue Mile, Operating Expense per Revenue Hour and Ratio of Operating Revenue to Operating Expense.
- JTA met or exceed 4 of the 4 applicable performance measures for Highways.
- JTA's Skyway met or exceeded 6 of the 12 performance measures. The six measures not met include: Operating Expense per Revenue Mile, per Revenue Hour, per Passenger Trip, and per Passenger Mile; Ratio of Operating Revenue to Operating Expense; and, Revenue Miles Between Failures.
- JTA Chairs and provides staff support and other assistance to the Northeast Florida Regional Transportation Study Commission (NFRTSC). The NFRTSC, created by the 2010 Legislature, must submit a regional transportation report to the Legislature by December 31, 2012.
- The FY 2009 independent financial statement audit reflected an unqualified opinion.

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 34). 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 34
Jacksonville Transportation Authority
Current Board Members

Name	*Appointment*	*Position*
Michael Cavendish	Governor's Appointee	Chairman
Edward E. Burr	Governor's Appointee	Vice-Chairman
Cleve E. Warren	Mayor's Appointee	Treasurer
Alan Mosley	District Two Secretary	Secretary
Steve Diebenow	Mayor's Appointee	Board Member
Donna L. Harper	Governor's Appointee	Board Member
Ava L. Parker	Mayor's Appointee	Board Member

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

Four 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.

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.

JTA employees are covered under two union contracts. Bus operators are covered under a contract with Amalgamated Transit Local Union No. 1199. This contract is currently in an indefinite extension period as the parties continue to negotiate the terms of a new agreement. Mechanics operate under a three-year contract

with the International Association of Machinist and Aerospace Workers Local Union No. 759, which is in effect until November 6, 2011.

Better Jacksonville Plan

JTA entered into Interlocal Agreements (ILA) with the City of Jacksonville (the City) in 2000 for the purpose of constructing the roadway and infrastructure projects of the Better Jacksonville Plan (the Plan), as defined in the ILAs. Pursuant to these agreements, JTA pledged its Charter County Transportation 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 Plan. All bonds are revenue obligations, and there is no guarantee by JTA or the City, nor any other JTA revenues or assets pledged for the bonds.

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

Beach Boulevard Bridge Arches.

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 (NFRTSC). The Chairman of the Board of JTA, serves as the Chair of the NFRTSC. 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 NFRTSC to carry out its duties. By December 31, 2012, the NFRTSC is required to submit a report to the Governor, and Legislature detailing its findings and making specific legislative recommendations including a regional transportation plan. Additional information may be obtained from the NFRTSC website www.northfloridartsc.com.

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.

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 2010, which spans from October 1, 2009 through September 30, 2010 (JTA reports on a federal fiscal year). FY 2010 data used throughout this report represent unaudited data. The JTA Board's Finance Committee is scheduled to review the FY 2010 Audited Financial Statements in April 2011.

Performance Measures—Bus

JTA was successful in achieving 9 of the 12 objectives for performance. FY 2010 results, as reported by JTA, are provided in Table 35. 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

The Commission, with the assistance of the Authorities, adopted a new definition, objective and formula for the average headway performance measure for FY 2010. The FY 2009 objective "average headway of all routes less than 60 minutes" was changed to "average time for vehicle to complete its portion of total route miles one time less than 30 minutes." Performance results prior to FY 2010 were restated to reflect the change and to provide appropriate trend data for comparison.

In FY 2010, JTA achieved the performance measure objective for average headway of less than 30 minutes with actual results of 18 minutes. This was approximately 1 minute less than FY 2009 results and was consistent with the average headway of 18 minutes reported from FY 2006 through FY 2009. 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 2010 operating expenses increased by $1.3 million, or 2.4 percent, over FY 2009. JTA failed to achieve three operating expense-related objectives (per revenue mile, per revenue hour and operating revenue ratio) in FY 2010. Ongoing containment of operating expenses will be crucial for JTA moving forward.

JTA management indicated that a "non-recurring" charge of approximately $1.1 million, for a pending claim, is included in FY 2010 operating expenses that are reported in the Authority's financial

statements and the National Transit Data Base (NTD) and are used as a base to calculate various performance measures and operating indicators. The Authority does not consider this one-time charge reflective of normal operational characteristics. If the $1.1 million were not included in FY 2010 operating costs, performance results would improve in the five expense-related performance measures for bus and JTA would have met the operating expense per revenue mile objective.

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

Table 35
Jacksonville Transportation Authority
Summary of Performance Measures - Bus
FY 2010[1]

Performance Measure	*Detail*	*Objective*	*Actual Results*	*Meets Objective*
Average Headway	Average time for vehicle to complete its portion of total route miles one time	<30 minutes	18	✓
Operating Expense per Revenue Mile	Operating expenses divided by revenue miles	<$6.50	$6.59	X
Operating Expense per Revenue Hour	Operating expenses divided by revenue hours	<$91	$98.28	X
Operating Revenue per Operating Expense	Revenue generated through operation of the transit authority divided by operating expenses	>20%	17.2%	X
Operating Expense per Passenger Trip	Operating expenses divided by annual ridership	<$5.30	$5.26	✓
Operating Expense per Passenger Mile	Operating expenses divided by passenger miles	<$1.00	$0.91	✓
Revenue Miles between Safety Incidents	Annual revenue miles divided by safety incidents	>227,975	231,844	✓
Revenue Miles between Failures	Revenue miles divided by revenue vehicle system failures[2]	>10,500	12,292	✓
Revenue Miles versus Vehicle Miles	Revenue miles divided by vehicle miles[3]	>.90	0.95	✓
Customer Service	Average time from complaint to response	14 days	7	✓
Customer Service	Customer complaints divided by boardings	<1 per 5,000 boardings	0.90	✓
On-time Performance	% trips end to end on time "less than 5 minutes late"	>80.0%	81.1%	✓

[1] Fiscal Year 2010 represents 12 months of unaudited data from October 1, 2009 through September 30, 2010.

[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.

and related factors. JTA's operating cost per revenue mile of $6.59 exceeded the objective of less than $6.50 by $0.09 (1.4 percent). Although JTA achieved this objective in FY 2009 with $6.03 reported, an increase in FY 2010 operating costs (2.4 percent) coupled with a decrease in annual revenue miles (6.2 percent) caused JTA to fall short of achieving the objective in FY 2010. However, JTA's system redesign (reduced revenue miles) resulted in an improvement in the operating expense per passenger mile efficiency measure, while improving average headway by 6.3 percent.

JTA Bus.

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 $98.28 exceeded the objective of less than $91.00 by $7.28 (8.0 percent). Although JTA achieved this objective in FY 2009 with $90.91 reported, an increase in FY 2010 operating costs (2.4 percent) coupled with a decrease in annual revenue hours (5.3 percent) caused JTA to fall short of achieving the objective in FY 2010. However, JTA's system redesign (reduced revenue hours) resulted in an improvement in the operating expense per passenger mile efficiency measure, while improving average headway by 6.3 percent.

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 17.2 percent fell short of the objective of greater than 20 percent. This compares to 18.3 percent reported in FY 2009. The decline in FY 2010 is attributed to a 4.1 percent decrease in operating revenue combined with a 2.4 percent increase in operating expenses.

Operating Expense per Passenger Trip

An evaluation of the relationship between operating expenses and passenger trips provides a measure of the general cost efficiency of the service provided. JTA's operating cost per passenger trip of $5.26 achieved the objective of less than $5.30 by $0.04. JTA also achieved this objective in FY 2009 with $5.24 reported.

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 $0.91 reported in FY 2010. Although JTA did not achieve this objective in FY 2009 with $1.01 reported, an increase in FY 2010 operating costs (2.4 percent)

was not significant enough to offset an increase in annual passenger miles (13.1 percent) due to its system redesign efforts, allowing JTA to show significant improvement in this measure.

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 JTA for FY 2010. The FY 2009 objective "greater than 10 percent above the average of the last 5 years" was changed to "greater than 5 percent above 2009 actual results."

The new FY 2010 objective for revenue miles between safety incidents was established at greater than 227,975 miles. JTA achieved the new objective with 231,844 revenue miles between safety incidents (1.7 percent above the target).

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 12,292 revenue miles between failures reported in FY 2010 (17.1 percent above the target). This compares to 8,327 reported in FY 2009. The marked improvement in FY 2010 is attributed to a major overhaul program of JTA's 2004 revenue vehicles, resulting in a 36.5 percent reduction in failures (679 versus 1,069), in spite of a 6.2 percent decline in revenue miles.

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 2010 with 0.95, 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. The average response time to customer complaints was seven days in FY 2010.

Customer Service – Number of Complaints per Boarding

JTA achieved the performance objective of less than one complaint per 5,000 boardings with a ratio of 0.90 complaints. JTA management indicated that a new customer relations management system was initiated in April 2010 and believes that operator unfamiliarity with this new system has resulted in the reporting of customer suggestions as customer complaints.

On-time Performance

JTA achieved the on-time performance objective of greater than 80.0 percent of trips end-to-end on-time with 81.1 percent on-time performance. On-time is defined as less than five minutes late.

Operating Indicators—Bus

The Commission, in concert with the authorities, developed operating indicators that provide meaningful operational and financial data that supplement performance measures in evaluating and monitoring organizational performance. The Commission did not establish objectives or goals for these indicators, as various authorities have unique characteristics. FY 2010 operating indicators for bus, as reported by JTA, are provided in Table 36. In order to observe current trends, operating indicators for FY 2008 and FY 2009 are also provided. Results for the last five fiscal years are included in Appendix B.

FY 2010 operating expenses increased 2.4 percent while operating revenues decreased 4.1 percent over FY 2009.

Despite a reduction in revenue hours and miles, JTA maintained weekday ridership with the same weekday span of service.

Passenger trips increased 1.8 percent in FY 2010, and average trip length increased resulting in a 13.1 percent increase in passenger miles.

Based on the operating indicators presented, JTA maintained weekday ridership of approximately 35 thousand with less revenue service hours. JTA logged fewer revenue miles than in FY 2009 (a 6.2 percent decrease). Operating expenses increased (by 2.4 percent), while operating revenue decreased (by 4.1 percent). Because JTA logged more passenger trips (a 1.8 percent increase), and the average trip increased from 5.2 miles to 5.8 miles, passenger miles significantly increased (by 13.1 percent). The farebox recovery ratio slightly increased to 15.6 percent, while the average fare slightly increased from $0.81 to $0.82 (a 1.2 percent increase). The service area population slightly increased while passenger trips per capita increased from 12.0 to 12.2 in FY 2010. The cost per capita increased 2.1 percent (from $63.10 to $64.43).

JTA Community Shuttle.

The average age of the fleet was 6.6 years. JTA's operating spare ratio was 12.3 percent as of year-end FY 2010; however, JTA management indicated that the operating spare ratio is currently 17.1 percent. From a financial perspective, JTA decreased its unrestricted cash balance from $11.0 million in FY 2009 to $1.9 million in FY 2010. JTA committed all of its capital investment to system preservation (100 percent). JTA provides three intermodal connections.

Table 36
Jacksonville Transportation Authority
Summary of Operating Indicators - Bus
FY 2008 through FY 2010

Operating Indicator	*Detail*	*Actual 08 Results*	*Actual 09 Results*	*Actual 10 Results*
Operating Expense per Capita (Potential Customer)	Annual operating budget divided by service area population	$77.61	$63.10	$64.43
Farebox Recovery Ratio	Ratio of passenger fares[1] to total operating expenses	12.7%	15.4%	15.6%
Service Area Population	Approximation of overall market size	850,962	850,962	853,300
Service Area Population Density	Persons per square mile based on service area population and size	3,516	3,516	3,081
Operating Expense	Spending on operations, including administration, maintenance, and operation of service vehicles	$66,045,992	$53,695,432	$54,979,921
Operating Revenue[2]	Revenue generated through operations of transit authority	$9,281,644	$9,837,889	$9,435,655
Total Annual Revenue Miles	Miles vehicles operated in active service[3]	9,546,900	8,901,889	8,346,395
Total Annual Revenue Hours	Hours vehicles operated in active service	630,400	590,626	559,406
Total Revenue Vehicles[4]	Vehicles available to meet annual maximum service requirement	184	182	154
Peak Vehicles	Vehicles operated to meet annual maximum (peak) service requirements	147	135	135
Ratio of Revenue Vehicles to Peak Vehicles[5] (spare ratio)	Revenue vehicles, including spares, out-of-service vehicles, and vehicles in/awaiting maintenance, divided by the number of vehicles operated in maximum service	20.1%	25.8%	12.3%
Annual Passenger Trips[6]	Passenger boardings on transit vehicles	10,290,987	10,253,890	10,443,111
Average Trip Length	Average length of passenger trip, generally derived through sampling	5.3	5.2	5.8
Annual Passenger Miles	Passenger trips multiplied by average trip length (in miles)	54,542,231	53,320,228	60,297,003
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
Average Fare	Passenger fare revenues divided by passenger trips	$0.82	$0.81	$0.82
Passenger Trips per Revenue Mile	Passenger trips divided by revenue miles	1.08	1.15	1.25
Passenger Trips per Revenue Hour	Passenger trips divided by revenue hours	16.3	17.4	18.7
Passenger Trips per Capita	Passenger trips divided by service area population	12.1	12.0	12.2
Average Age of Fleet	Age of fleet (in years) average	7.9	6.8	6.6
Unrestricted Cash Balance	End of year cash balance from financial statement	$6,536,357	$11,005,843	$1,890,958
Weekday Ridership	Average ridership on weekdays	34,927	34,872	35,484
Capital Commitment to System Preservation	% of capital spent on system preservation	34%	100%	100%
Capital Commitment to System Expansion	% of capital spent on system expansion	66%	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.

Performance Measures—Skyway

JTA was successful in achieving 6 of the 12 objectives for performance. FY 2010 results, as reported by JTA, are provided in Table 37. Results for the last five fiscal years are included in Appendix B.

Average Headway

The Commission, with the assistance of the Authorities, adopted a new definition, objective and formula for the average headway performance measure for FY 2010. The FY 2009 objective "average headway of all routes less than 10 minutes" was changed to "average time for train to complete its portion of total route miles one time less than 6 minutes." Performance results prior to FY 2010 were restated to reflect the change and to provide appropriate trend data for comparison.

JTA Skyway at Sunset.

In FY 2010, JTA achieved the performance measure objective for average headway of less than 6 minutes with actual results of 3.4 minutes. This was virtually the same as actual results reported for FY 2006 through FY 2009. 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 2010 operating expenses decreased by $590 thousand, or 9.8 percent, over FY 2009, primarily as a result of reductions in off-peak service hours. Although significant improvement was noted, JTA failed to achieve five operating expense-related objectives (per revenue mile, per revenue hour, operating revenue ratio, per passenger trip and per passenger mile) in FY 2010. JTA expense containment initiatives included reduced personnel and utilities associated with reduced service hours. Further efforts will be focused on utilization improvement; traditional fixed route costs would be reduced by terminating routes at Skyway stations for urban core travel. The associated cost savings will be realized in the fixed route (bus) system.

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 $32.74 exceeded the objective of less than $23.00 by $9.74 (42.3 percent). A 9.8 percent reduction in operating costs was insufficient to offset the 16.0 percent decrease in annual revenue miles. This resulted in an increase in operating cost per revenue mile of $2.25 in FY 2010. The drop in revenue miles was attributable to a change in operating hours (from 6:00 a.m. – 11:00 p.m. to 6:00 a.m. – 9:00 p.m.). In addition, Skyway's operations were restructured to provide only weekday service, as Saturday operations were eliminated. Both scenarios reduced revenue miles and hours. These changes were initiated at the end of FY 2009, effective for all of FY 2010, and did result in significant improvements in per passenger mile and per passenger trip expense.

Table 37
Jacksonville Transportation Authority
Summary of Performance Measures - Skyway
FY 2010[1]

Performance Measure	*Detail*	*Objective*	*Actual Results*	*Meets Objective*
Average Headway	Average time for train to complete its portion of total route miles one time	<6 minutes	3	✓
Operating Expense per Revenue Mile	Operating expenses divided by revenue miles	<$23.00	$32.74	X
Operating Expense per Revenue Hour	Operating expenses divided by revenue hours	<$310.00	$439.55	X
Operating Revenue per Operating Expense	Revenue generated through operation of the transit authority divided by operating expenses	>15%	6.4%	X
Operating Expense per Passenger Trip	Operating expenses divided by annual ridership	<$11.00	$11.51	X
Operating Expense per Passenger Mile	Operating expenses divided by passenger miles	<$27.50	$28.31	X
Revenue Miles between Safety Incidents	Annual revenue miles divided by safety incidents	>41,348	55,113	✓
Revenue Miles between Failures	Revenue miles divided by revenue vehicle system failures[2]	>10,500	9,726	X
Revenue Miles versus Vehicle Miles	Revenue miles divided by vehicle miles[3]	>.90	0.99	✓
Customer Service	Average time from complaint to response	14 days	1	✓
Customer Service	Customer complaints divided by boardings	<1 per 5,000 boardings	0.0	✓
On-time Performance	Successful cycles divided by scheduled cycles	>80%	98%	✓

[1] Fiscal Year 2010 represents 12 months of unaudited data from October 1, 2009 through September 30, 2010.
[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 $439.55 exceeded the objective of less than $310.00 by $129.55 (41.8 percent). A 9.8 percent reduction in operating costs was insufficient to offset the 16.4 percent decrease in annual revenue hours, resulting in an increase in operating cost per revenue hour of $32.21 in FY 2010. However, the changes to service did result in significant improvements in overall operating expenses, as well as in the more relevant efficiency measures of expense per passenger mile and expense per passenger trip.

Operating Revenue per Operating Expense

The relationship between operating revenue and operating expense provides a measure of the degree of subsidy required to provide the transit service. Unlike the previous objective, where the goal was to achieve lower costs per revenue mile, 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 failed to achieve this performance measure objective with a 6.4 percent ratio of revenue to operating expenses. Although operating expenses declined 9.8 percent in FY 2010, operating revenue declined 19.9 percent, resulting in less operating revenue per operating expense. JTA has shown a continued decline in performance in this area since FY 2007, primarily as a result of continued construction of downtown parking structures (reduced demand for Skyway parking facilities), and progressive reductions in downtown employment.

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 $11.51 exceeded the objective of less than $11.00 by $0.51 (4.6 percent). Significant improvement (13.8 percent) was made from the cost per passenger trip of $13.35 reported in FY 2009. In FY 2010, operating costs decreased 9.8 percent, while passenger trips increased 4.6 percent, thereby decreasing the operating cost per passenger trip by $1.84.

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 $28.31 exceeded the objective of less than $27.50 by $0.81 (2.9 percent). Significant improvement was made from the cost per passenger mile of $33.38 reported in FY 2009. In FY 2010, operating costs decreased 9.8 percent, while passenger miles increased 6.3 percent, thereby decreasing the operating cost per passenger mile by $5.07.

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 FY 2009 objective "greater than 10 percent above the average of the last 5 years" was changed to "greater than 5 percent above 2009 actual results."

The new FY 2010 objective for revenue miles between safety incidents was established at greater than 41,348 miles. JTA achieved the new objective with 55,113 revenue miles between safety incidents (33.3 percent above the target).

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 Maintenance.

JTA failed to achieve the performance measure objective of greater than 10,500 revenue miles between revenue vehicle system failures with 9,726 revenue miles between failures (7.4 percent below the target). In FY 2007 and FY 2008, JTA achieved 25,420 and 33,329 revenue miles between failures, respectively. FY 2009 and FY 2010 revenue miles between failures declined to 8,950 and 9,726, respectively, due to a sizable decline in revenue miles combined with an increase in failures in FY 2009. JTA is making improvements in this measure of system reliability through improved preventative maintenance measures.

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 2010 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 2010, the average response time to customer complaints was one day, consistent with the average response time since FY 2003. JTA management indicated that a new customer relations management system was installed during FY 2010. Initially, reports to customers of JTA corrective actions taken in response to complaints were not properly monitored, but this condition has been remedied.

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 0.02 complaints per 5,000 boardings. JTA reported only two customer complaints in FY 2010.

On-time Performance

JTA achieved the on-time performance objective of greater than 80 percent of trips end-to-end on-time with 98 percent on-time performance. On-time is defined as successful cycles divided by scheduled cycles.

Operating Indicators—Skyway

The Commission, in concert with the authorities, developed 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 2010 operating indicators for Skyway are provided in Table 38. In order to observe current trends, operating indicators for FY 2008 and FY 2009 are also provided. Results for the last five fiscal years are included in Appendix B.

JTA Skyway.

JTA's operating indicators for Skyway have gradually declined over the past several years with many of the FY 2010 indicators representing the lowest levels to date. Revenue miles, and revenue hours have fallen year to year since FY 2004. Operating revenue shows annual declines since FY 2007. Average weekday ridership and passenger trips decreased annually from FY 2005 to an all-time low in FY 2009, but showed some improvement in FY 2010. The farebox recovery ratio, which rose to 7.3 percent in FY 2007, fell to 4.2 percent in FY 2010, below an all-time low of 5.0 percent reported in FY 2005.

Skyway average weekday ridership and passenger trips decreased annually from FY 2005 to an all-time low in FY 2009. Improvement was noted in FY 2010.

Revenue miles and revenue hours have fallen year to year since FY 2004.

The farebox recovery ratio of 4.2 percent in FY 2010, is the all-time low reported by JTA.

Skyway's average fare of $0.48 was significantly less than the average fare in FY 2009 ($0.68). JTA management indicated that the fare declined due to an anomaly in the average fare reported in FY 2009 due to the fire at the Riverplace Station. Additionally, free service was provided in FY 2010 in connection with system redesign to familiarize customers with new service changes. Since Skyway's average trip length of 0.4 miles remained stable, while passenger trips increased, Skyway logged 6.3 percent more passenger miles. The service area population slightly increased, and passenger trips per capita increased.

The average age of the fleet is 11.6 years. Skyway's current operating spare ratio of 30 percent (above 20 percent) positions the authority for future service expansion. From a financial perspective, JTA decreased its unrestricted cash balance and committed all of its capital investment to system preservation. Skyway continued to provide 3 intermodal connections.

Table 38
Jacksonville Transportation Authority
Summary of Operating Indicators - Skyway
FY 2008 through FY 2010

Operating Indicator	*Detail*	*Actual 08 Results*	*Actual 09 Results*	*Actual 10 Results*
Operating Expense per Capita (Potential Customer)	Annual operating budget divided by service area population	$7.49	$7.06	$6.34
Farebox Recovery Ratio	Ratio of passenger fares[1] to total operating expenses	5.6%	5.1%	4.2%
Service Area Population	Approximation of overall market size	850,962	850,962	853,300
Service Area Population Density	Persons per square mile based on service area population and size	3,516	3,516	3,081
Operating Expense	Spending on operations, including administration, maintenance, and operation of service vehicles	$6,374,693	$6,004,260	$5,413,928
Operating Revenue[2]	Revenue generated through operations of transit authority	$529,465	$431,327	$345,453
Total Annual Revenue Miles	Miles vehicles operated in active service[3]	233,300	196,896	165,338
Total Annual Revenue Hours	Hours vehicles operated in active service	17,400	14,740	12,317
Total Revenue Vehicles[4]	Vehicles available to meet annual maximum service requirement	10	10	10
Peak Vehicles	Vehicles operated to meet annual maximum (peak) service requirements	7	7	7
Ratio of Revenue Vehicles to Peak Vehicles[5] (spare ratio)	Revenue vehicles, including spares, out-of-service vehicles, and vehicles in/awaiting maintenance, divided by the number of vehicles operated in maximum service	30.0%	30.0%	30.0%
Annual Passenger Trips[6]	Passenger boardings on transit vehicles	502,364	449,730	470,389
Average Trip Length	Average length of passenger trip, generally derived through sampling	0.4	0.4	0.4
Annual Passenger Miles	Passenger trips multiplied by average trip length (in miles)	200,946	179,892	191,209
Weekday Span of Service (hours)	Hours of transit service on a representative weekday from first service to last service for all modes	17	16	15
Average Fare	Passenger fare revenues divided by passenger trips	$0.71	$0.68	$0.48
Passenger Trips per Revenue Mile	Passenger trips divided by revenue miles	2.15	2.28	2.85
Passenger Trips per Revenue Hour	Passenger trips divided by revenue hours	28.9	30.5	38.2
Passenger Trips per Capita	Passenger trips divided by service area population	0.6	0.5	0.6
Average Age of Fleet	Age of fleet (in years) average	9.6	10.6	11.6
Unrestricted Cash Balance	End of year cash balance from financial statement	$4,893,359	$4,629,892	$0
Weekday Ridership	Average ridership on weekdays	1,736	1,559	1,674
Capital Commitment to System Preservation	% of capital spent on system preservation	34%	100%	100%
Capital Commitment to System Expansion	% of capital spent on system expansion	66%	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.

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), which maintains them. As a result, only some performance measures and operating indicators adopted for toll authorities under Commission oversight were recommended and adopted for JTA highways.

JTA managed a variety of road projects during FY 2010. Projects funded by the Better Jacksonville Plan and federal funds included improvements to a major interstate interchange, widening and reconstruction of an urban roadway, landscaping along a major urban arterial constructed by JTA and widening and reconstruction of a port access road.

JTA was successful in achieving 4 of the 4 objectives for performance. FY 2010 results, as reported by JTA, are provided in Table 39. Results for the last five fiscal years are included in Appendix B.

Consultant and Construction Contract Management

JTA achieved all three performance measure objectives for consultant and construction contract management. The final cost of design and CEI consultant contracts completed during FY 2010 was approximately 5.2 percent below the amount awarded in the original contracts. All five construction contracts were completed within 20 percent of the original contract time and within 10 percent above the original contract amount.

Table 39
Jacksonville Transportation Authority
Summary of Performance Measures - Highways
FY 2010

Performance Measure	*Detail*	*Objective*	*Actual Results*	*Meets Objective*
Operations and Budget				
Consultant Contract Management	Final cost % increase above original award	< 5%	-5.2%	✓
Construction Contract Adjustments - Time	% contracts completed within 20% above original contract time	≥ 80%	100.0%	✓
Construction Contract Adjustments - Cost	% projects completed within 10% above original contract amount	≥ 90%	100.0%	✓
Applicable Laws				
Minority Participation[1]	M/WBE and SBE utilization as % of total expenditures (each agency establishes goal/target)	> 90%	95.3%	✓

[1] JTA has established an agency-wide goal of 15 percent; actual results represent agency-wide performance.

Minority Participation

The JTA Disadvantaged Business Enterprise (DBE) Program is a comprehensive program developed by the U.S. Department of Transportation (USDOT) which establishes guidelines for participation of firms owned by socially and economically disadvantaged persons in USDOT-assisted contracting. The DBE Program provides opportunities for certified DBE companies by creating a "level playing field" on which these firms can fairly compete for purchasing and contracting dollars. The Program supports 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.

For FY 2010, JTA's established DBE goal was 15 percent on an agency-wide basis, indicating the Authority's aspirations for participation by certified DBE firms in its qualified highway and transit operating expenditures. JTA reported achieving 14.3 percent (or $6.1 million) DBE participation in FY 2010 based on qualified highway and transit operating expenditures. Actual DBE participation of 14.3 percent represents 95.3 percent of the Authority's DBE goal of 15 percent enabling JTA to meet the performance measure objective. JTA indicated that there has been a reduction in dollar volume of roadway construction projects (and the associated opportunities for subcontracting) as the Better Jacksonville Plan road program winds down.

Additional information on the Federal Disadvantaged Business Program may be found at www.fta.dot.gov under the heading "Civil Rights and Accessibility."

Operating Indicators—Highways

FY 2010 operating indicators, as reported by JTA, are provided in Table 40. Also, to assist in trend analysis, FY 2008 and FY 2009 operating results are provided. Results for the last five fiscal years are included in Appendix B.

Right-of-Way

In FY 2010, JTA acquired parcels totaling approximately $7.9 million through the Right-of-Way Program. Final settlements exceeded agency appraisals by approximately 62 percent, but were 61 percent below owners' appraisals. The results for FY 2010 largely reflect the judicial award (approximately $7.3 million) in a single condemnation proceeding, involving complicated severance and business damages issues. The owner's appraisal for this condemnation significantly exceeded the final settlement amount.

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 replace JTA's Standard Procedure Number 002-00-00 relating to business standards of conduct, which had been in effect since August 31, 1995. The Ethics Guidelines appear to be comprehensive and include areas such as the JTA Code of Conduct, Core Values, Financial Reporting Code, Environmental Compliance Code, Ethical Business Conduct, Ethical Decision Making, Conflict of Interest, Gifts, Other Employment, Proper Relationships with Suppliers, Proper Use of Authority Resources and Training. 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 Ethics Guidelines.

Table 40
Jacksonville Transportation Authority
Summary of Operating Indicators - Highways
FY 2008 through FY 2010

Indicator	*Detail*	*Actual 08 Results*	*Actual 09 Results*	*Actual 10 Results*
Property Acquisition				
Right-of-Way	Agency Appraisals	$2,911,494	$2,087,600	$4,863,525
	Initial Offers	$2,677,544	$1,566,300	$4,863,525
	Owners Appraisals	$2,295,700	$5,670,376	$19,975,000
	Final Settlements	$4,355,659	$3,842,275	$7,888,325

During orientation, all new JTA employees will be required to sign an acknowledgement indicating each employee has reviewed the Ethics Guidelines, and all employees are required to annually re-affirm that they have read, understood and will comply with the Ethics Guidelines. The signed acknowledgement will be retained in each employee's personnel file. Ethics training will be completed for all JTA employees in calendar year 2011. In addition, during 2010, senior and middle management personnel were provided with a "Sunshine Seminar" from the First Amendment Foundation. JTA's independent auditor requires each JTA Board Member to sign a formal conflict of interest statement, which is maintained on file by the independent auditor.

JTA reported no ethics violations or conflicts of interest during the past year. During Commission staff's review of the JTA Board meeting minutes, it was noted that there was a discussion of conflict of interest concerns that were expressed by certain members of the public opposing JTA efforts to place advertising on its bus shelters, during City of Jacksonville public hearings on the shelter advertising legislation. These concerns were with respect to JTA's General Counsel, and were dispelled by the City Council President (a member of the Florida Bar) at that public meeting. In addition, at the October 29, 2009 JTA Board meeting, the Chairman requested the Vice Chairman to review the possible conflict of interest issue and report back to the Board. The Vice Chairman retained a third party law firm to review the matter, and the final report indicated that there was no conflict of interest.

Audit

An annual independent audit of JTA's financial statements for the fiscal year ended September 30, 2009 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 corrective action was taken by JTA to address last year's management recommendations related to record retention, coordination of efforts, inventory reserves and Finance Department staffing. In the Auditor's Management Letter, the auditors identified two management recommendations: ML 2009-01, Capitalization of Costs; and, ML 2009-02 JTM Pension Plans.

Management Recommendation ML 2009-01 relates to the capitalization versus expensing of repair costs. JTA management concurred with the recommendation and will establish a specific dollar threshold that will flag costs for further consideration. This additional level of review will document if the proposed repair cost will extend the estimated useful life of the asset. The documentation will then be a permanent part of the invoice package.

Management Recommendation ML 2009-02 noted that the actuarial analyses of pension plans sponsored by JTM, a blended component unit of JTA, are not being performed in accordance with Governmental Accounting Standards Board (GASB)

requirements which could potentially result in misstating a liability. JTA management concurred with the recommendation and will obtain actuarial calculations for the JTM pension plans in GASB format instead of Financial Accounting Standards Board (FASB) format. Accounting will assume responsibility to ensure evaluations are conducted per GASB guidelines.

The United States Department of Transportation conducted a review of American Recovery and Reinvestment Act (ARRA) grant funded programs and projects carried out by JTA, during FY 2010. The ARRA review examined eight areas and no deficiencies were found with FTA requirements in any of the eight areas. The report was formally closed out in a letter to JTA dated October 5, 2010.

In May 2010, the Department's Office of Inspector General (OIG) conducted an examination of a Joint Participation Agreement (JPA) for Block Grant funding, executed in January 2009, between the Department and JTA. The examination was conducted as part of the OIG's annual work plan which also included other transit authorities. The purpose of the Block Grant funding was to provide financial assistance for JTA's operating, administrative and managerial expenses associated with the public transit services JTA provides. Funding for the block grant was 50 percent Department ($3.7 million) and 50 percent JTA match ($3.7 million). OIG Attestation Report No. 10T-4001 identified several JTA deficiencies: separate accounts were not established within the accounting system; JTA billed the Department for expenses incurred prior to the execution date of the JPA; expenses billed were not adequately supported; unallowable capital expenses were billed; and, JTA's lack of adequate project accounting system to account for block grants represents a system-wide control deficiency. Management responded forcefully to each of these findings, pointing out that: (i) it in fact does have separate accounts for transit services (the nature of the "block" grant by law makes the grant funds for all aspects of the costs of transit services); (ii) the JPA historically, and on its face, applies to the fiscal year, and all expenses submitted applied to

Dames Point Bridge.

the correct fiscal year (nonetheless, since the Department delayed in executing the JPA, JTA submitted revised invoices for expenses incurred after the date of execution of the JPA); (iii) all expenses submitted were eligible transit expenses and the nature of block grants do not require any further detail, nevertheless, JTA provided additional back-up detail (iv) capital expenses are specifically allowed by the language of the JPA, as well as applicable statute, regulation and procedures; and, (v) the OIG's lack of familiarity with block grant programs in transit was the reason for the erroneous "system-wide control deficiency" finding. JTA also notes that annual eligible transit expenditures are in the range of $40 to $60 million, far in excess of the required

amounts to justify full disbursement of the block grant funding. The billing methodology used by JTA has been consistent over the past 14 years (and consistent with other transit providers), and has been developed in conjunction with the Department. Subsequent to release of the OIG audit, the Department met with JTA to discuss the OIG report and JTA's responses. As a result, the Department will be revising language in future block grant agreements to address minor language inconsistencies. Most importantly, the Department has concluded that there is no basis to seek recovery from JTA of any grant funding.

In February, 2010, an auditor with the City of Jacksonville Council Auditor's Office wrote a letter asserting that JTA had requested reimbursement for expenditures on highway projects under the Better Jacksonville Plan that were not included in the work program for the Better Jacksonville Plan. The auditor misunderstood the Better Jacksonville Plan agreements, according to the City's General Counsel, Chief Administrative Officer and Director of Public Works, all of whom concurred that the requested reimbursements were proper under the Better Jacksonville Plan. The City requested that JTA accept payment in installments, to which JTA agreed. The City has paid to JTA $7 million in a lump sum, and is paying the balance owed in installments.

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 June 10, 2010), 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 External Affairs 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. Commission staff reviewed the January 28, 2010 Board meeting minutes and noted where public comments indicated that requested public records were not provided by JTA. One individual had filed a law suit regarding the public records request. Commission staff requested, and received, a copy of the final order that discharged the lawsuit (no costs were awarded to the Plaintiff) because the public records request had been completed. JTA management indicated that public records were not provided within a normal time of the date of the requests because the individual requesting such records advised JTA that he was deferring his request, pending the outcome of discussions with JTA over the agency's efforts to place advertising on its bus shelters.

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 Board meetings requested from JTA, as they are not posted on JTA's website. In addition, a limited review of public meeting notices posted on JTA's website was conducted.

JTA Beach Boulevard Bridge.

Pursuant to Section 189.417, Florida Statutes, an Independent Special District is required to publish a schedule of its Board meetings in a newspaper of general paid circulation. Although meeting notices are posted on JTA's website and at its headquarters, JTA did not advertise Board meetings in a manner consistent with the provisions of Section 189.417, Florida Statutes. The Authority indicated that JTA general law, Chapter 349, Florida Statutes, does not contain a requirement that JTA comply with the specific public meeting notice provisions of Section 189.417, Florida Statutes, as does Chapter 348, Florida Statutes, for expressway authorities created under that Chapter (see Section 348.0004 (5), Florida Statutes; compare also Parts I, II and III of Chapter 343, Florida Statutes, with part IV of such Chapter). JTA's General Counsel has advised JTA that under the law, the presence in Chapter 348, and the absence in Chapter 349, of an express requirement that the authorities formed under the former Chapter of Florida Statutes comply with those specific public notice requirements means that JTA is not obligated to comply with those requirements.

The Commission recommends that JTA consider amending its policy to require that Board meetings be advertised in a manner consistent with the provisions of Section 189.417, Florida Statutes. The Commission further 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.

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 41.

Table 41
Jacksonville Transportation Authority
Small Purchase Approval Requirements

Small Purchases	*Required Approval(s)*
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 three Professional Engineering Management Services providers, selected through a competitive procurement process in FY 2005 (five year contract). The three providers are England-Thims & Miller, ECR Ventures, and Reynolds, Smith and Hill. The contract is work-order based where individual assignments are negotiated on an as-needed basis. Funds are encumbered separately for each individual work order. As indicated in Table 42, no sub consultant contracts greater than $25 thousand were reported by the Authority.

Table 42
Jacksonville Transportation Authority
Summary of General Consultant Sub Consultant Activity
FY 2010

Consulting Contract	*Description*	*Sub Consultants >$25k*
England-Thims & Miller	**Engineering Management Services**	
ECR Ventures	**Engineering Management Services**	
Reynolds, Smith & Hill	**Engineering Management Services**	
Total Sub Consultants >$25k		$0

Compliance with Bond Covenants

JTA has no outstanding revenue bonds.

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 9 of the 12 objectives established for performance measures for bus. The three measures that require improvement include: operating expense per revenue mile, operating expense per revenue hour and ratio of operating revenue to operating expense. JTA met or exceeded 6 of the 12 performance measures for Skyway. The six measures that require improvement include: operating expense per revenue mile, per revenue hour, per passenger trip, and per passenger mile; ratio of operating revenue to operating expense; and, revenue miles between failures. JTA met or exceeded 4 of the 4 applicable performance measures for Highways.

JTA continues to provide fixed route bus service to the community it serves and does so with a great deal of consistency over a variety of operating parameters. FY 2010 operating expenses increased 2.4 percent, while operating revenues decreased 4.1 percent over FY 2009. Despite a reduction in revenue hours and miles, JTA maintained weekday ridership with the same weekday span of service. Passenger trips increased 1.8 percent, and average trip length increased from 5.2 miles to 5.8 miles, resulting in a 13.1 percent increase in passenger miles. In light of less than acceptable operating revenue per operating expense, the Commission encourages JTA to focus on reducing expenditures.

Gradual declines in JTA's Skyway ridership, which began in FY 2006, hit an all-time low in FY 2009. FY 2009 ridership was negatively impacted by a fire at the Riverplace Station. Although FY 2010 ridership improved over FY 2009, it is the second lowest ridership reported by the Authority. Ridership appears to have reached a level that has yielded less than acceptable operating costs in most parameters. The farebox recovery ratio of 4.2 percent, is the all-time low reported by JTA. The Skyway fleet is approaching an average age of 12 years. The Commission encourages JTA to examine efforts to grow Skyway's ridership in order to enhance the system's productivity and to focus on efforts to minimize vehicle system failures.

In the area of Governance, the FY 2009 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 noted that corrective action was taken by JTA to address last year's management recommendations. The auditors identified two management recommendations regarding Capitalization of Costs and JTM Pension Plans. In addition, in May 2010, the Department's Office of Inspector General (OIG) conducted a review of a Joint Participation Agreement between the Department and JTA that provided block grant funding for JTA's operating and administrative expenses. The OIG review identified numerous deficiencies. JTA management indicated that they did not concur with all of the findings, but all issues have been addressed, and the Department has agreed that no recovery of grant funds from JTA is warranted. Also, the U.S. Department of Transportation conducted a review of ARRA grant funded programs and projects carried out by JTA during FY 2010. The ARRA review examined eight areas and no deficiencies were found with FTA requirements in any of the eight areas.

During the Commission review, it was noted that an individual filed a lawsuit alleging that his request for JTA public records was not provided in a timely manner. However, a final order was issued by the judge in the case which discharged the lawsuit because the public records request had been completed. JTA management indicated that

the apparent delay in responding to the public documents request was due to deferrals made by the individual who filed the lawsuit.

Although Board meeting notices are posted on the Authority's website and at its headquarters, JTA did not advertise the Board meetings in a manner consistent with the provisions of Section 189.417, Florida Statues. JTA's General Counsel indicated that the public meeting notice provisions of Section 189.417, Florida Statutes, is not applicable to JTA. The Commission recommends that JTA consider amending its policy to require that Board meetings be advertised in a manner consistent with the provisions of Section 189.417, Florida Statutes. The Commission further recommends that JTA consider expanding the public Board meeting information posted on its website www.jtafla.com.

Based on the Commission's limited review of Board meeting minutes, JTA policies and procedures, Florida Statutes, Financial Statements, and other documentation and legal opinions 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.

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South Florida Regional Transportation Authority (SFRTA/Tri-Rail)

Background

The South Florida Regional Transportation Authority (SFRTA) is an agency of the state of Florida, created in 2003 by Chapter 343, Florida Statutes, as the successor to the Tri-County Commuter Rail Authority (TCRA). SFRTA inherited all of TCRA's rights, assets, labor agreements, privileges and obligations. SFRTA also assumed operation of the Tri-Rail commuter rail service through a funding agreement with the Florida Department of Transportation (Department), which 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 annually. A copy of the plan, "South Florida Regional Transportation Authority Transit Development Plan, FY 2011-2020, Annual Update," was completed in 2010 and represents the second 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 FY 2011 Final Full.pdf.

Highlights

- Tri-Rail met or exceeded 8 of the 11 objectives established for performance measures. The three measures not met were Average Head-way, Ratio of Operating Revenue to Operating Expense and Customer Service Response Time.
- Reliability increased to more than 96,000 miles between revenue vehicle system failures.
- Significant improvement was noted in on-time performance as a result of a new schedule that allows for greater operational flexibility to better serve passengers.
- House Bill 1B, signed into law in December 2009, provides SFRTA with new dedicated funding for Tri-Rail beginning in FY 2011. This will allow Tri-Rail to continue to maintain ser-vice levels to comply with the Full-Funding Grant Agreement with the Federal Transit Ad-ministration for the double tracking program.
- SFRTA implemented a new automated fare col-lection system for Tri-Rail in February 2011. The EASY Card utilizes an embedded computer chip that automatically deducts the fare from the prepaid account.
- The FY 2010 independent financial statement audit reflected an unqualified opinion.

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.

The governing body of SFRTA consists of nine voting members, including one County Commissioner elected by the County Commission from each of the following counties: Broward, Miami-Dade and Palm Beach (three members), one citizen appointed by each County Commission who is not a member of the County Commission (three members), a Department District Secretary or his or her designee appointed by the Secretary of Transportation, and two citizen appointees from the Governor. The Department appointee and the two citizen appointees must all reside in different counties within the SFRTA service area. Members are appointed to serve four-year staggered terms, except that the terms of the appointees of the Governor must be concurrent. A vacancy during a term is filled by the respective appointing authority in the same manner as the original appointment and only for the balance of the unexpired term.

Table 43
South Florida Regional Transportation Authority
Current Board Members

Name	*Appointment*	*Position*
Bruno Barreiro	Commissioner, Miami-Dade County	Chair
Kristin Jacobs	Commissioner, Broward County	Vice Chair
Steven Abrams	Commissioner, Palm Beach County	Board Member
James A. Cummings	Representative, Broward County	Board Member
Marie Horenburger	Representative, Palm Beach County	Board Member
Felix M. Lasarte, Esq.	Representative, Miami-Dade County	Board Member
Gus Pego, P.E.	District Six Secretary	Board Member
George Morgan, Jr.	Governor's Appointee	Board Member
F. Martin Perry	Governor's Appointee	Board Member

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

SFRTA coordinates, develops, and implements a regional transportation system in South Florida that provides commuter rail service (Tri-Rail) and offers a shuttle bus system in Broward County for residents and visitors. Bus connections to Tri-Rail stations in Palm Beach, Miami-Dade and Broward counties are provided by Palm Tran, Miami-Dade Transit, and Broward County 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 more than 5.4 million residents. North-south daily service along a 72-mile commuter rail corridor with 18 stations connects the region's three major downtown areas and three international airports. Weekday service that begins at 4:00 a.m. provides 20-minute headways in each direction during morning and afternoon peak periods and is available until 11:35 p.m. Ten train sets operate service that includes 50 one-way trips each weekday, and 16 one-way trips on Saturday and Sunday. SFRTA typically operates three-car trains, but does operate some two-car sets during various parts of the service day.

As previously noted, Miami-Dade, Broward, and Palm Beach Counties are each statutorily required to provide SFRTA a minimum of $4.235 million annually. Of the $4.235 million, $1.565 million is dedicated for operations and $2.670 million may be used for capital, operations, and maintenance. Historically, the county contributions for operations far exceeded the $1.565 million minimum requirement. In FY 2008, SFRTA received $4.37 million for operations from each of the counties for a total of $13.1 million, which was then matched by the Department for a total of $26.2 million. In FY 2009, as a result of budget shortfalls, all three counties reduced their operations contribution to $4.14 million. The FY 2009 county contributions of $12.4 million were then matched by the Department for a total of $24.8 million (a 5.3 percent reduction).

As a result of continued budget shortfalls, SFRTA's funding partners notified SFRTA that they intended to allocate only the minimum contribution allowable by law, beginning in FY 2010, which when combined with the loss in state matches, would result in an anticipated operating budget shortfall of $15.4 million for SFRTA. In order to comply with mandates contained in the Full-Funding Grant Agreement (FFGA) with the FTA for the double tracking program, which requires that SFRTA operate 48 trains per weekday, the SFRTA Board voted to transfer capital funds to operations to allow continuation of the current schedule. While this temporary fix allowed FFGA mandates to be maintained, SFRTA continued to seek a dedicated funding source to operate in the future.

Tri-Rail Locomotive Train.

For several years, SFRTA attempted to secure a dedicated funding source. Finally, House Bill 1B, legislation passed during a special session of the Florida Legislature, was signed into law by Florida Governor Charlie Crist on December 16, 2009. The bill 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.

House Bill 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.

An annual update of the TDP was completed in FY 2010. The FY 2011 through 2020 TDP contains updated goals and objectives, outlines accomplishments and challenges, describes capital improvements, and details the financial plan moving forward.

During FY 2010, SFRTA continued the use of a 99 percent blend of biodiesel fuel for all locomotives. This has resulted in significant environmental and economical benefits and has not caused any operational or performance difficulties. Due to warranty restrictions, Diesel Multiple Units (DMUs) will continue to run on diesel. SFRTA also received $16.2 million in American Recovery and Reinvestment Act (ARRA) funds towards the purchase of three new locomotives.

SFRTA is currently examining the feasibility of three new stations on the Tri-Rail corridor in the vicinity of Palm Beach International Airport, Glades Road and the Broward/Miami-Dade County Line. Parking

and other improvements were made to three Tri-Rail stations. Palm Beach County and SFRTA jointly completed construction of the West Palm Beach Intermodal Facility in August 2009. The facility added 118 additional public parking spaces, 45 employee parking spaces, 20 bicycle lockers, sidewalks and a drop-off lane. A new 3-level parking garage at the Ft. Lauderdale/Hollywood International Airport Station at Dania Beach was completed in September 2010 that added 402 parking spaces and 12 motorcycle parking spaces. In addition, a new parking lot at the Cypress Creek Station was completed in October 2010 adding 345 new parking spaces, new sidewalks, bicycle racks, Americans with Disabilities Act (ADA) ramps, motorcycle parking, and bus lanes and canopies.

SFRTA implemented a new automated fare collection system for Tri-Rail in February 2011. The EASY Card contains an embedded computer chip that automatically deducts the fare when the card is tapped on any of the new validators located at all station platforms. By tapping on prior to boarding and tapping off upon exit, the fare is automatically deducted from the prepaid card. 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 will need to authenticate eligibility for discount fares at any Tri-Rail ticket kiosk. It is anticipated this will have a significant reduction on fare evasion as SFRTA transitions to paperless ticketing in the future.

On September 24, 2010 the SFRTA Board approved the purchase of 10 trailer cars from the Hyundai-Rotem Company for $16.6 million. Also, on February 25, 2011, the Board approved the purchase of 10 new commuter rail locomotives from Brookville Equipment Corporation for $44.8 million. These two purchases alone represent approximately 70 percent of SFRTA's FY 2011 capital improvement budget. SFRTA is presently installing four new rail tracks, which total about 3,300 linear feet, and a 340-foot inspection pit to store the new locomotives and rail cars while they are prepared for operation at Hialeah Yard.

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 2010 results, as reported by SFRTA, are provided in Table 44. 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

The Commission, with the assistance of the Authorities, adopted a new definition, objective

and formula for the average headway performance measure for FY 2010. The FY 2009 objective "average headway of all routes less than 50 minutes" was changed to "average time for train to complete its portion of total route miles one time less than 30 minutes." Performance results prior to FY 2010 were restated to reflect the change and to provide appropriate trend data for comparison.

In FY 2010, SFRTA nearly achieved the performance measure objective for average headway of less than 30 minutes with actual results of 30.6 minutes. This was 4.0 minutes more than average headway of 26.6 minutes reported in FY 2009.

Table 44
South Florida Regional Transportation Authority
Summary of Performance Measures
FY 2010

Performance Measure	*Detail*	*Objective*	*Actual Results*	*Meets Objective*
Average Headway	Average time for train to complete its portion of total route miles one time	<30 minutes	30.6	X
Operating Expense[1] per Revenue Mile	Operating expenses divided by revenue miles	<$18.00	$15.56	✓
Operating Revenue per Operating Expense	Revenue generated through operation of the transit authority divided by operating expenses	>25%	23.3%	X
Operating Expense per Passenger Trip	Operating expenses divided by annual ridership	<$15	$12.48	✓
Operating Expense per Passenger Mile	Operating expenses divided by passenger miles	<$0.45	$0.43	✓
Major Incidents	FRA reportable incidents for rail	Zero	0	✓
Revenue Miles between Failures	Revenue miles divided by revenue vehicle system failures[2]	>41,863	96,413	✓
Revenue Miles versus Vehicle Miles	Revenue miles divided by vehicle miles[3]	>.93	0.97	✓
Customer Service	Average time from complaint to response	14 days	29 days	X
Customer Service	Customer complaints divided by boardings	<1 per 5,000 boardings	0.9	✓
On-time Performance	% trips end to end on time "less than 6 minutes late"	>80%	86.3%	✓

[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.

Operating Expense per Revenue Mile

An evaluation of the relationship between operating expenses and revenue miles provides a measure of the general cost efficiency of the service provided over distance. SFRTA operating cost per revenue mile of $15.56 fell below the objective of less than $18.00 by $2.44 (13.6 percent), thereby achieving the objective. A 0.2 percent reduction in operating costs was not sufficient to offset a 2.6 percent decrease in annual revenue miles resulting in an increased operating cost per revenue mile of $0.44 in FY 2010.

DMU (Diesel Multiple Unit) Crossing New River Bridge.

Operating Revenue per Operating Expense

The relationship between operating revenue and operating expense provides a measure of the effective use of income. Unlike the previous objective, where the goal was to achieve lower costs per revenue mile, the target for this objective is to increase the percentage of revenue derived from fares and other revenue sources. While SFRTA failed to achieve this performance measure objective with a 23.3 percent ratio of revenue to operating expenses (the performance objective is greater than 25 percent), annual improvement has been noted in this area since FY 2006. Improved performance was driven by increased operating revenue combined with decreased operating expenses. While SFRTA instituted a 25 percent increase in all fares, effective June 1, 2009 (one month prior to the end of FY 2009), the benefits derived from additional fare revenue is more apparent in FY 2010, after the fare increase has been in effect for an extended period of time.

Operating Expense per Passenger Trip

An evaluation of the relationship between operating expenses and passenger trips provides a measure of the general cost efficiency of the service provided. SFRTA operating costs per passenger trip of $12.48 fell below the objective of less than $15.00 by $2.52 (16.8 percent), thereby achieving the objective. A small decline in operating costs of $68 thousand in FY 2010 was not sufficient to offset a 14.6 percent decrease in passenger trips resulting in an increased cost per passenger trip of $1.81 in FY 2010. SFRTA provided a record 4.2 million passenger trips in FY 2009, while passenger trips decreased to 3.6 million in FY 2010.

Operating Expense per Passenger Mile

An evaluation of the relationship between operating expenses and passenger miles also provides a measure of the general cost efficiency of the service provided. In FY 2010, SFRTA achieved the objective of operating costs per passenger mile of less than $0.45 with $0.43 reported in FY 2010. This compares to the record low of $0.37 reported in FY 2009. The $0.06 (16.2 percent) increase in the operating cost per passenger mile in FY 2010 is attributed to a 0.2 percent decrease in operating costs that were not sufficient enough to offset a 14.6 percent decrease in passenger miles.

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 2010 with 96,413 revenue miles between failures, exceeding the objective by 41,863. Improvement has been noted in this measure since FY 2008 primarily due to a reduction in the number of revenue vehicle system failures. Failures reported for FY 2008, 2009 and 2010 totaled 161, 46, and 30, respectively.

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 2010 with 0.97, indicating highly effective use of the fleet.

Customer Service – Average Time from Complaint to Response

SFRTA failed to achieve the performance measure objective of timely response to customer complaints. In FY 2010, the average time to respond to a complaint was 29 days, exceeding the performance measure objective of 14 days. Improvement was noted from the 32 day response time reported in FY 2009.

In 2003, SFRTA established the Tri-Rail Passenger Feedback Database, which has evolved considerably as an important tool for customer communication, quality assurance and measurable data. Part of that evolution included a complete Passenger Feedback Database overhaul, which began in 2008 and was fully functional in late 2010. This overhaul included enhanced tracking mechanisms and processes, as well as more thorough and effective responses, resulting in "growing pains" and a longer average response time. As part of these enhancements, more data were being captured, while resources to handle this data dwindled. In response to the aforementioned challenge of dwindling resources, a Customer Service "Designated Customer Service Feedback Specialist" position was budgeted and filled in late 2009 and a "Designated Operations Feedback Specialist" was brought onboard in 2010.

In February 2010, SFRTA transitioned to the enhanced Passenger Feedback Database. The average response time for feedbacks handled through the enhanced Passenger Feedback Database between February 2010 and the end of FY 2010, decreased significantly to 15 days. Unfortunately, the response time of the feedbacks processed in the old Passenger Feedback Database through February 2010 negatively impacted SFRTA's overall response time.

In late 2010, the Call Center was relocated from the Hialeah Rail Yard to the SFRTA headquarters in Pompano Beach, in part to enhance communications with the other departments in the Agency who are responsible for gathering information for passenger responses. SFRTA expects that this change, along with the fact that all Passenger Feedbacks are now being processed in the enhanced Passenger Feedback Database, will result in significant improvements moving forward.

A customer service objective now is to work with the third party vendors who are responsible for investigating complaints of a security and operational nature to get them to provide their feedback more expeditiously. SFRTA's goal is to continue to make improvements that will produce acceptable customer response times in FY 2011.

Customer Service – Number of Complaints per Boarding

SFRTA did achieve the performance objective of less than one complaint per 5,000 boardings with 0.9 complaints; nonetheless, FY 2010 represents a 27 percent increase in the number of customer complaints posted in FY 2009. With stronger quality assurance measures in place, and more thorough responses distributed, passengers began to utilize the Passenger Feedback System with greater frequency. This newfound and enhanced reliance on the "system" resulted in a considerable increase of passenger feedback in both 2009 and 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.

On-time Performance

SFRTA achieved the on-time performance objective of greater than 80 percent of trips end-to-end on-time. On-time is defined as less than six minutes late. SFRTA on-time performance significantly increased from 73.4 percent reported in FY 2009 to 86.3 percent in FY 2010. The significant improvement noted in FY 2010 is the 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 allowed for greater operational flexibility and has greatly improved on-time performance.

SFRTA is currently analyzing the cost of taking over dispatch, maintenance and operation on the South Florida Rail Corridor (SFRC) as negotiated in the South Florida Operating Maintenance Agreement (SFOMA). If sufficient financial resources can be identified to cover those costs, SFRTA will coordinate responsibility of managing SFRC with the Department. In addition, SFRTA 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 2010 operating indicators, as reported by SFRTA, are provided in Table 45. In order to observe current trends, operating indicators for FY 2008 and FY 2009 are also provided. Results for the last five fiscal years are included in Appendix B.

Table 45
South Florida Regional Transportation Authority
Summary of Operating Indicators
FY 2008 through FY 2010

Operating Indicator	*Detail*	*Actual 08 Results*	*Actual 09 Results*	*Actual 10 Results*
Operating Expense per Capita (Potential Customer)	Annual operating budget divided by service area population	$8.94	$8.20	$8.19
Farebox Recovery Ratio	Ratio of passenger fares[1] to total operating expenses	17.9%	21.6%	22.9%
Service Area Population	Approximation of overall market size	5,448,962	5,497,997	5,497,997
Service Area Population Density	Persons per square mile based on service area population and size	1,063	1,072	1,072
Operating Expense	Spending on operations, including administration, maintenance, and operation of service vehicles	$48,726,979	$45,075,706	$45,007,680
Operating Revenue[2]	Revenue generated through operations of transit authority	$9,155,673	$10,045,435	$10,507,019
Total Annual Revenue Miles	Miles vehicles operated in active service[3]	2,856,470	2,981,997	2,892,398
Total Annual Revenue Hours	Hours vehicles operated in active service	76,620	87,315	96,240
Total Revenue Vehicles[4]	Vehicles available to meet annual maximum service requirement	47	47	47
Operating Expense per Revenue Hour	Cost of operating an hour of revenue service	$635.96	$516.24	$467.66
Peak Vehicles	Vehicles operated to meet annual maximum (peak) service requirements	34	34	34
Ratio of Revenue Vehicles to Peak Vehicles[5] (spare ratio)	Revenue vehicles, including spares, out-of-service vehicles, and vehicles in/awaiting maintenance, divided by the number of vehicles operated in maximum service	27.7%	27.7%	27.7%
Annual Passenger Trips[6]	Passenger boardings on transit vehicles	3,863,684	4,223,350	3,606,055
Average Trip Length	Average length of passenger trip, generally derived through sampling	31.7	29.0	29.0
Annual Passenger Miles	Passenger trips multiplied by average trip length (in miles)	122,478,783	122,477,150	104,575,595
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
Average Fare	Passenger fare revenues divided by passenger trips	$2.25	$2.31	$2.85
Passenger Trips per Revenue Mile	Passenger trips divided by revenue miles	1.35	1.42	1.25
Passenger Trips per Revenue Hour	Passenger trips divided by revenue hours	50.4	48.4	37.5
Passenger Trips per Capita	Passenger trips divided by service area population	0.71	0.77	0.66
Average Age Since Last Rebuild	Average years since last rebuild for locomotives (9 years)	6.2	7.2	8.2
Average Age Since Last Rebuild	Average years since last rebuild for coaches (12 years)	7.2	8.2	9.2
Unrestricted Cash Balance	End of year cash balance from financial statement	$9,043,899	$13,346,864	$16,534,534
Weekday Ridership	Average ridership on weekdays	13,228	14,430	12,139
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.

FY 2010 average weekday ridership on Tri-Rail decreased 8.2 percent over FY 2008 and 15.9 percent over FY 2009 levels due to deteriorating economic conditions and lower gas prices. SFRTA management indicated that Florida's unemployment rate and other economic indicators were worse than national averages. As gas prices fell, home prices significantly declined and home foreclosures increased at an alarming rate. These factors, as well as a fare increase implemented in June 2009, contributed to the decline in FY 2010 ridership.

FY 2010 operating expenses decreased 0.2 percent while operating revenues increased 4.6 percent over FY 2009.

FY 2010 average weekday ridership decreased 8.2 percent over FY 2008 and 15.9 percent over FY 2009 due to deteriorating economic conditions and lower gas prices.

Passenger trips and passenger miles decreased 14.6 percent, while the farebox recovery ratio and the average fare increased.

SFRTA logged 14.6 percent less passenger trips in FY 2010, with the same average trip length, resulting in a 14.6 percent decrease in passenger miles. FY 2010 revenue hours increased 10.2 percent, while revenue miles decreased 3.0 percent. The weekday span of revenue service increased 2.6 percent while the fleet size remained the same. Operating expenses declined (by 0.2 percent), while operating revenue increased (by 4.6 percent). The farebox recovery ratio increased to 22.9 percent (a 6.0 percent increase) as did the average fare, which grew from $2.31 to $2.85 (a 23.4 percent increase). The service area population remained static, while passenger trips per capita decreased (by 14.3 percent) at a lower cost (from $8.20 to $8.19 per capita) than was previously the case.

The average years since the last rebuild was 8.2 years for locomotives and 9.2 years for coaches, below the required rebuilds of 9 years and 12 years, respectively. SFRTA's current operating spare ratio of 27.7 percent (above 20 percent) positions the authority for future service expansion. From a financial perspective, SFRTA continued to grow its unrestricted cash balance and committed all of its capital investment to system expansion. 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 follows the "Code of Ethics for Public Officers and Employees" that is found in Chapter 112, Part III, Florida Statutes. SFRTA subscribes to the following Standards of Conduct and Conflict of Interest Policies.

- SFRTA Board members and staff of SFRTA shall be governed by the policy of the State of Florida set forth in Section 112.311, Florida Statutes.

- SFRTA Board members and staff of SFRTA shall be governed by the appropriate standards of conduct set forth in Section 112.313, Florida Statutes.

- SFRTA Board members shall be governed by the appropriate provisions of Section 112.3143, Florida Statutes governing voting conflicts.

- SFRTA Board members and staff of SFRTA shall be governed by the appropriate provisions of Section 112.3144, Florida Statutes governing full and public disclosure of financial interests.

- SFRTA Board members and staff of SFRTA shall be governed by the appropriate provisions of Section 112.3148, Florida Statutes, governing reporting and prohibited receipt of certain gifts by procurement employees.

- Staff of SFRTA shall be governed by the appropriate provisions of Section 112.3185 concerning contractual services.

- SFRTA Board members and staff of SFRTA shall be governed by the penalty provisions of Section 112.317, Florida Statutes for any violation of the statutory provisions listed above.

According to SFRTA, no ethics or conflict of interest violations or investigations were reported during FY 2010. 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 an instance where a Board Member abstained from voting on an agenda item due to a voting conflict. Conflict of interest documentation (State Commission on Ethics Form 8B - Memorandum of Voting Conflict for County, Municipal, and Other Local Public Officers) was provided. 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.

Audit

An annual independent audit of SFRTA financial statements for the fiscal years ended June 30, 2010 and 2009 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 an unqualified opinion with no issues noted in the areas of compliance, internal control, findings or questioned costs required to be reported under applicable standards. In the Independent Auditor's Management Letter, the auditors did not identify any management recommendations for improvement and noted that corrective action was taken by SFRTA to address all management recommendations contained in last year's report.

Ethics training was provided to Board members and senior staff in January 2011.

The Department's Office of Inspector General conducted reviews of two Joint Participation Agreements between the Department and SFRTA. No deficiencies were identified.

In October 2010, the Department's Office of Inspector General (OIG) concluded an examination of a Joint Participation Agreement (JPA), executed in June 2006, between the Department and

SFRTA, as part of the OIG annual work plan. The purpose of the JPA was to provide operating funds and transfer of management responsibilities for the Florida Commuter Rail Passenger Service from the Department to SFRTA. The Department's contribution for the JPA is $66.7 million, which includes $16 million of Federal Highway Administration (FHWA) pass-through funds. The remaining $50.7 million represents 100 percent match of the dedicated funding SFRTA receives from Broward, Miami-Dade and Palm Beach counties. OIG Attestation Report No. 10T-4003 concluded that SFRTA complied, in all material respects, with the JPA and applicable governing authorities. Costs charged to the JPA were presented fairly and costs billed to the Department were accurately represented by supporting documentation.

Delray Beach Station at Night.

The OIG also examined another JPA, executed in November 2006, between the Department and SFRTA. The purpose of this JPA was to provide funding and authority for SFRTA to manage, direct and control all railroad operations over the New River Bridge Corridor including the dispatch and control of trains, and the inspection and maintenance of structures, tracks, communications and signals. The Department's contribution for the JPA is $9.9 million which represents 100 percent of the funding. OIG Attestation Report No. 10T-4004 concluded that SFRTA complied, in all material respects, with the JPA and applicable governing authorities. Costs charged to the JPA were presented fairly and costs billed to the Department were accurately represented by supporting documentation.

Public Records and Open Meetings

SFRTA complies with Article IV of the SFRTA Bylaws, as amended on March 25, 2011, in the conduct of all meetings. Notice of and public access to all meetings must be given in the manner required by applicable law as well as SFRTA Bylaws. Regular 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 provided copies of various Board meeting notices published in the Miami Herald and the Palm Beach Post evidencing compliance with public notice requirements. 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.

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 local newspaper advertisements for public meetings and the Authority's Public Records Procedures was performed. From this limited review, the Commission determined that SFRTA is operating within procedure and statute.

Procurement

SFRTA currently subscribes to the procurement rules and regulations promulgated and approved by the Board of the TCRA, cited as the "Procurement Code of the Tri-County Commuter Rail Authority." The Procurement Code provides a unified purchasing system with centralized responsibility that allows for processing of some work by delegation. Principles of law and equity supplement the provisions of the code, which requires all parties involved in the negotiation, development, performance, or administration of contracts to act in good faith. Open competition is required, and the Procurement Code applies to every procurement, irrespective of funding source,

Ft. Lauderdale International Airport Station at Dania Beach.

except as otherwise specified. JPAs with the Department and previously reported standards of conduct and conflict of interest policies are delineated. All rights, powers, duties and authorities relating to the procurement of supplies, services, and construction are vested in the Board. Approval authority for procurement actions and contracts are outlined in Table 46.

Except as otherwise provided in the Procurement Code, all rights, powers, duties and authority relating to the procurement of supplies, services and construction vested in the Board are delegated to the Executive Director, who is specifically authorized to delegate the approval authority as outlined in the aforementioned table to the Deputy Executive Director and to the Director of Procurement. The Director of Procurement serves as the Principal Contracting Officer and may delegate this authority only with the written approval of the Executive Director. The General Counsel is required to review all contracts to be approved by the Board or Executive Director before such documents are executed.

Consultant Contract Reporting

SFRTA awarded General Engineering and Consulting Service contracts to four firms on June

Table 46
South Florida Regional Transportation Authority
Procurement Actions and Contracts Approval Authority

Contracts, Task Orders, and Work Orders	*Single Change Orders*	*Additional Change Orders*
Board Approval Required		
Engineering/construction contracts >$100,000	>$100,000 or over 10% of the value of Board approved contract, whichever is less >$10,000 of contract approved by Executive Director	Accumulation >$100,000 or over 10% of the value of Board approved contract, whichever is less Accumulation >$10,000 of contracts approved by the Executive Director
All other contracts, task orders, and work orders >$25,000	>$25,000 or over 10% of the value of the Board approved contract, whichever is less >$2,500 of contract approved by Executive Director	Accumulation >$25,000 or over 10% of the value of the Board approved contract, whichever is less Accumulation >$2,500 of contracts approved by Executive Director
Executive Director Approval Required		
Engineering or construction services contracts ≤ $100,000	Up to $100,000 or up to 10% of the value of the Board approved contract, whichever is less Up to $10,000 of contracts approved by the Executive Director	Accumulation up to $100,000 or up to 10% of the value of the Board approved contract, whichever is less Accumulation up to $10,000 of contracts approved by the Executive Director
>$10,000 and less than or equal to $25,000	Up to $25,000 or up to 10% of the value of the Board approved contract, whichever is less Up to $2,500 of contracts approved by the Executive Director >10% of the value of contracts approved by the Director Procurement	Accumulation up to $25,000 or up to 10% of the value of the Board approved contract, whichever is less Accumulation up to $2,500 to contracts approved by the Executive Director Accumulation >10% of the value of contracts approved by the Director of Procurement
Professional services and for the purchase of computer, communications and electronic equipment of $25,000 or less		
Director of Procurement Approval Required		
$10,000 or less and all Micro-purchases	10% or less of the value of contracts approved by the Director of Procurement	

24, 2005. Each contract was awarded for a three-year term with two one-year renewal option periods in the maximum not to exceed $5 million. The contracts are work-order based where individual assignments are negotiated on an as-needed basis. Funds are encumbered separately for each individual work order. Due to the multitude of disciplines required in the Scope of Services, consulting firms were encouraged to establish a team comprising a prime consultant and a number of sub consultants to provide all disciplines required in the solicitation. Sub consultant contracts greater than $25 thousand are presented in Table 47.

Compliance with Bond Covenants

SFRTA has no outstanding revenue bonds.

Table 47
South Florida Regional Transportation Authority
Summary of General Consultant Sub Consultant Activity
FY 2010

Consulting Contract	*Description*	*Sub Consultants >$25 K*
Bergmann Associates	**Engineering and Architectural Design**	
Booz Allen Hamilton	Development of technical specifications and solicitation documents for the procurement of locomotives	$117,430
Parson Transportation Group HDR Engineering	**Management, Engineering, and Construction Architectural and Engineering Consultant**	
AECOM	Commuter rail track and signal field support services for the New River Bridge Corridor	$247,905
PB Americas, Inc.	**Construction Management Consultant**	
Total Sub Consultants >$25k		$365,335

Summary

SFRTA is a full-service public transportation authority operating within a 5,128-square-mile service area throughout Broward, Miami-Dade, and Palm Beach counties. SFRTA continues to expand its service parameters and relies on fare revenues, federal and state grants, and significant financial support from its local partners to fund commuter rail operations.

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

SFRTA met or exceeded 8 of the 11 applicable objectives established for performance measures. The three measures that require improvement include: average headway, operating revenue per operating expense and response time to customer complaints.

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 2010 operating expenses declined 0.2 percent, while operating revenue increased 4.6 percent over FY 2009. The farebox recovery ratio increased to 22.9 percent (a 6.0 percent increase) as did the average fare, which grew from $2.31 to $2.85 (a 23.4 percent increase). FY 2010 average weekday ridership decreased 8.2 percent over FY 2008 and 15.9 percent over FY 2009 due to deteriorating economic conditions, lower gas prices and the impact of the June 2009 fare increase. SFRTA logged 14.6 percent less passenger trips and passenger miles in FY 2010. Revenue hours increased 10.2 percent, while revenue miles decreased 3.0 percent. To improve the operating revenue per operating expense ratio, SFRTA is encouraged to focus on containing operating costs. In addition, the Commission suggests that SFRTA continue its plans to improve average headway and to respond to customer complaints in a timely fashion.

In the area of Governance, the FY 2010 annual 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 did not identify any management recommendations for improvement and noted that corrective action was taken by SFRTA to address all management recommendations contained in last year's report. In October 2010, the Department's OIG concluded reviews of two Joint Participation Agreements (JPA's) between the Department and SFRTA. The OIG Attestation Reports did not identify any deficiencies regarding SFRTA and the JPA's. 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.

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 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 48
Northwest Florida Transportation Corridor Authority
Current Board Members

Name	*Representing*	*Position*
Mr. Robert B. Montgomery	Santa Rosa County	Chairman
Mr. Stephen K. Norris	Gulf County	Vice Chairman
Mr. James F. Anders, II	Walton County	Secretary Treasurer
Honorable Cheryl K. Sanders	Franklin County	Board Member
Mr. J. Carey Scott, III	Bay County	Board Member
Mr. Robert E. McGill, III	Okaloosa County	Board Member
Vacant	Escambia County	Board Member
Vacant	Wakulla 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

Highlights

- NFTCA adopted the updated 2010 Master Plan and Prioritized Projects in May 2010.
- NFTCA has not presented the updated Master Plan within 90 days of adoption as statutorily required.
- The Department is currently conducting a planning-level Feasibility Study for a portion of the Northwest Florida Bypass (formerly Eglin Bypass) that will include an assessment of the financial feasibility of the tolled corridor.
- 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.
- In January 2011 (FY 2011), NFTCA contracted with a General Planning Consultant to perform activities required to manage and update the Regional Master Plan and provide Administrative Services.
- Although NFTCA General Counsel provides guidance at Board meetings and at the individual request of Board members, no formal Ethics and Sunshine Law training was provided to Board members in FY 2010.
- The FY 2009 independent financial statement 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.
- NFTCA redesigned their website to provide more information to the public.

mobility along the US 98 corridor. The transportation improvement projects may also include all necessary approaches, roads, bridges, and avenues of access that are desirable and proper, with the concurrence, where applicable, of the Department, when the project is to be part of the State Highway System (SHS) or the respective county or municipal governing boards. Any transportation facilities constructed by NFTCA may be tolled.

Statutory Requirements

Legislation requires NFTCA to conduct specific activities within prescribed deadlines. These requirements range from conducting public meetings to developing a Corridor Master Plan. The following table lists those requirements, as provided in Florida Statutes, and indicates whether those requirements have been met.

In addition to the above requirements, NFTCA may also enter into Public-Private Partnerships for the construction of transportation facilities, sell bonds to finance the construction of transportation facilities, and enter into lease-purchase agreements with the Department for the operation of the US 98 Corridor System. Certain statutory requirements must be met if NFTCA were to perform the above activities. Currently, NFTCA has not entered into any such agreements or sold

Table 49
Northwest Florida Transportation Corridor Authority
Statutory Requirements

Subject Area	*Requirement*	*Status*
Public Meetings	Meet at least quarterly and alternate locations. (Section 343.81 (3)(c), Florida Statutes)	Board has met at least quarterly, and more frequently as needed, since September 2005 and has met at least once in each county represented.
Corridor Master Plan	Develop and adopt a Corridor Master Plan no later than July 1, 2007. (Section 343.82 (3)(a), Florida Statutes)	Completed the Corridor Master Plan and adopted the plan in April 2007.
	Update the Master Plan annually before July 1 of each year. (Section 343.82 (3)(b), Florida Statutes)	Board adopted the updated 2010 Master Plan and Prioritized Projects on May 27, 2010.
	Present the original Master Plan and updates to the governing bodies of the counties within the corridor and to the legislative delegation members representing those counties within 90 days after adoption. (Section 343.82 (3)(c), Florida Statutes)	Original Master Plan was presented as required. The updated 2010 Master Plan was not presented by August 27, 2010 (90 days after adoption) as required by statute.
Bridge Feasibility Study	Plan and study the feasibility of constructing, operating and maintaining a bridge spanning Choctawhatchee Bay or Santa Rosa Sound. (Section 343.82 (2)(b), Florida Statutes)	A Feasibility Study of a bridge spanning Choctawhatchee Bay was completed in February 2006.

bonds to construct projects. NFTCA is currently in the Preliminary Design and Environmental (PD&E) phase of some of the projects in its master plan. The Florida Transportation Commission (Commission) will continue to monitor NFTCA progress towards developing transportation facilities and will report on compliance with other related statutory provisions as they are met.

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 and 2010. Although the updated 2010 Master Plan was timely posted on NFTCA's website, NFTCA has not presented the updated Master Plan to the governing bodies and legislative delegation members, as required by Section 343.82 (3)(c), Florida Statutes. It may not be practical to formally present the Master Plan at a public meeting of each of the eight counties. However, the applicable counties and legislative delegation members should at least be formally notified that the updated Master Plan was adopted by the Board and either be provided a copy of the Master Plan or be directed to NFTCA's website.

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 2010 Master Plan identifies and prioritizes 37 potential projects that would improve existing facilities or create new facilities. Since adoption of the Master Plan, NFTCA has started work on two projects identified in the plan.

- As part of its Coordinated Regional Transportation Study of US 98, NFTCA is studying the Northwest Florida Bypass (formerly Eglin Bypass) from SR 87 to US 331, creating a new four-lane limited access highway. This 54.25 mile project is the number one ranked project in NFTCA's 2010 Master Plan. The study (Department FM #418947-1-28-01) is partially funded utilizing the balance of $3 million in State funds allocated to NFTCA for the development of the Corridor Master Plan. At the request of NFTCA, the Department, through Florida's Turnpike Enterprise (Enterprise), is conducting a planning-level Feasibility Study for a portion of the Northwest Florida Bypass prior to completing the Environmental Impact Study. This Feasibility Study is expected to be completed in 2011 and will include an assessment of the overall financial feasibility of the tolled corridor from SR 87 in Santa Rosa County to SR 85 in Okaloosa County where the Mid-Bay Bridge extension ends. In the study, the corridor is segmented from SR 87 to Hurlburt Field and from Hurlburt Field to SR 85.

US 98.

- NFTCA is conducting a PD&E study (Department FM #422447-1-28-01) to facilitate improvements or alternatives to US 98 in Franklin County. This project is being funded by $2.1 million of Transportation Regional Incentive Program (TRIP) funds. This project phase has been completed and additional phases are unfunded at this time.

NFTCA is coordinating efforts with the local District Three office headquartered in Chipley. There are numerous construction projects in the Department's Five-Year Work Program for the northwest Florida area that require close coordination in order to eliminate duplication, cost inefficiencies, and conflicting priorities.

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.

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. Grimail Crawford, Inc. functions as a sub consultant under the HDR General Planning Consultant contract and will provide 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 and none are noted in minutes of meetings. The meeting minutes 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.

Ochlockonee Bridge-US 98 River Crossing in Franklin County.

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 2009 (and prior years since inception of NFTCA) have been completed. The FY 2010 audit is currently underway and should be completed by May 2011.

The Independent Auditor's Report, for the fiscal year ended September 30, 2009 (dated September 30, 2010), 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 09-01 and 09-02).

- Finding 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 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.

The Independent Auditor's Report on Compliance and Internal Control over Compliance to each Major State Project did not identify any deficiencies in internal control over compliance that were considered material weaknesses, and NFTCA complied, in all material respects, with the requirements of its major state financial assistance projects. 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 09-01 and 09-02 that were similarly noted in the FY 2008 audit.

Subsequent to the release of the FY 2009 audit, NFTCA contracted for administrative services that include the preparation of financial statements. The Board is now provided financial statements at each Board meeting for review, and annual financial statements are also prepared. NFTCA indicated that the previously noted findings will be addressed under the new contract.

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 and the Florida Administrative Weekly. 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. General Counsel also provides guidance at Board meetings and at the individual request of Board members. In addition, in 2011, NFTCA purchased and provided a *Government-in-the-Sunshine Manual* to all Board members. A review of Board meeting minutes did not disclose any training or briefings on Florida Sunshine Laws for Board members in FY 2010. The Commission recommends that training on Sunshine Laws be provided to all new Board members and refresher courses be provided to the NFTCA Board annually.

In 2009, in order to provide more information to the public, NFTCA started redesigning their website www.nwftca.com. As previously noted, notices, agendas and minutes of Board meetings are posted. In addition, the website includes Master Plans (Phase I, Phase II and the 2009 and 2010 Master Plan and Updated Priority List), Board member and contact information, project descriptions and the Request for Qualifications (RFQ) and Request for Proposals (RFP) documents for the General Planning Consultant and Administrative Services provider.

Procurement

On January 17, 2008, the NFTCA Board formally adopted a resolution that all procurements will be by majority vote of the Board and will comply with Florida Statutes, as applicable.

Consultant Contract Reporting

In FY 2010, NFTCA utilized procured services for a General Engineering Consultant, Legal Support, and Audit Services. None of these have sub consultants that are required to be reported.

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 2010 and FY 2011 budgets on May 27, 2010 and August 26, 2010, respectively.

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 most of its statutory responsibilities and the governance criteria established by the Commission. However, the updated 2010 Master Plan was not presented to governing bodies and legislative delegation members as required. Although NFTCA General Counsel provides guidance at Board meetings and at the individual request of Board members, no formal training related to Ethics and Sunshine Laws was provided to Board members in FY 2010. The Commission recommends that Ethics and Sunshine Law training be provided to all new Board members and refresher courses be provided to the NFTCA Board annually.

NFTCA adopted an updated 2010 Master Plan in May 2010. An independent audit of NFTCA financial statements for FY 2009 (and prior years since inception of NFTCA) has been completed and the FY 2010 audit is currently underway. The FY 2009 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. NFTCA indicated that the two findings will be addressed under a new administrative services contract executed subsequent to the release of the FY 2009 audit. A planning-level Feasibility Study for a portion of the Northwest Florida Bypass (formerly Eglin Bypass) is currently being conducted by the Department that will include an assessment of the financial feasibility of the tolled corridor. 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. NFTCA also redesigned its website in order to provide more information to the public.

The Commission acknowledges with appreciation the assistance of the NFTCA Board, and the Department's District Three in providing the resources necessary to conduct this review and to complete this report.

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Southwest Florida Expressway Authority (SWFEA)

Background

The Southwest Florida Expressway Authority (SWFEA) is an agency of the state of Florida, created in 2005 pursuant to Chapter 348, Part X, Florida Statutes. SWFEA has the right to acquire, hold, construct, improve, maintain, operate, own, and lease in the capacity of lessor, the Southwest Florida Transportation System, including tolled lanes on Interstate 75 (I-75) or non-tolled facilities. The express intention of SWFEA is to construct, operate, and maintain additional lanes on I-75 (tolled) within Lee and Collier counties. The Lee County Commission or Collier County Commission must approve all projects proposed by the Authority that are located within the geographical boundaries of the Commission's jurisdiction.

SWFEA is considered an Independent Special District of the state of Florida and subject to the provisions of Chapter 189, Florida Statutes (Uniform Special District Accountability Act of 1989). Compliance with governance of SWFEA is being assessed primarily in accordance with Chapters 348 and 189, Florida Statutes, although it will include other applicable statutes.

The governing Board of SWFEA is comprised of eight members (seven are voting members) that include one County Commissioner from Lee and Collier counties, one citizen appointee designated by the Lee and Collier County Commissions, and one Lee and Collier County citizen appointed by the Governor, and the Executive Director of the Southwest Florida Regional Planning Council. The Florida Department of Transportation (Department) District One Secretary serves as a non-voting

Highlights

- SWFEA complied with all applicable Governance criteria.
- SWFEA continued a slow-down in activities due to the economic downturn and resulting reduction in traffic on I-75.
- SWFEA maintained operating costs at the minimum levels necessary to maintain the entity as active and in compliance with applicable laws and regulations.
- On June 9, 2010, the Board voted that SWFEA does not have a viable project and to start the dissolution process.
- On March 10, 2011 (FY 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, there will be no future Board meetings.
- The Department has agreed to serve as the Registered Agent during the time it takes to dissolve SWFEA.
- The FY 2010 independent financial statement audit of SWFEA reflected an unqualified opinion with a "going concern" paragraph. The auditors noted $1.8 million in cumulative net losses since inception and stated the Board had recommended dissolution to the participating counties and the State of Florida.

Table 50
Southwest Florida Expressway Authority
Current Board Members

Name	*Representing*	*Position*
William L. Barton	Collier County	Chair
Robert M. Taylor	Lee County	Vice-Chair
Katherine C .Green	Lee County	Treasurer
Jim Coletta	Collier County	Secretary
Tammy Hall	Lee County	Board Member
Vacant	Collier County	Board Member
Ken Heatherington	Southwest Florida Regional Planning Council	Board Member
Stan Cann	District One Secretary	Non-Voting Member

member of the Board. Initial staff services for the Board were provided by Lee and Collier Counties. Through funding, via loans made by the Department and the respective counties, staff services for the Board are now independent.

Statutory Requirements

Legislation does not require SWFEA to conduct any specific activities with prescribed deadlines. Legislation does grant SWFEA the powers to acquire property, enter into lease purchase agreements, establish toll rates, borrow money and issue bonds, and enter into contracts for commodities and services to design, build, finance, operate, maintain and implement the Southwest Florida Transportation System. The legislation does, however, stipulate that the statutory establishment of SWFEA shall expire 12 years after being created, if SWFEA has no outstanding indebtedness, no studies underway, no design underway, no projects under construction and is not operating or maintaining any part of the system it was established to create.

Authority Activities

During fiscal year (FY) 2008, SWFEA continued to work to establish its initial project, project limits and to define time frames. SWFEA commissioned traffic and revenue studies by the Florida Turnpike Enterprise (Enterprise) and SWFEA General Consultant, Wilbur Smith Associates (WSA) that initially concluded that ten lanes would be needed on I-75 to meet southwest Florida's growing traffic demands. SWFEA looked at options related to tolling or not tolling lanes five and six of I-75, which were being added by the Department's District One under the "IROX" project (additional lanes five and six completed in December 2009). Studies concluded that lanes seven through ten would not be financially feasible without toll revenues generated from lanes five and six. Lee County supported tolling lanes five and six; however, Collier County was not in support of tolls on lanes five and six.

A study was conducted to determine if reversible toll lanes in the median of I-75 were an option; however, the directional split (majority of traffic heading in one direction morning or evening) was not apparent and would not support the reversible concept. SWFEA also looked at building only toll lanes seven through ten in Lee County; however, that concept did not prove feasible.

During FY 2009, SWFEA continued to conduct meetings, review traffic and revenue studies, and develop a viable project; however, the downturn in the economy negatively impacted SWFEA project timeframes for project development. Construction starts decreased, population growth slowed, and traffic projections actually showed that toll lanes seven through ten may not be needed as early as anticipated. Given the situation, SWFEA, at its November 12, 2008 Board meeting, voted to institute a temporary slowdown in activities until the economy rebounded and traffic started to grow again. SWFEA continued to retain professional staff, albeit in a reduced capacity, so that if events warranted, SWFEA would be in a position to resume normal business. SWFEA only met to fulfill legislative requirements. Administrative and legal activities continued so that SWFEA conducted its business in the sunshine and met accounting and reporting requirements. As a result, SWFEA significantly reduced FY 2009 operating expenses by terminating certain services and reducing other services to bare minimum levels. Actual operating expenses for FY 2009 totaled $248 thousand, compared to $849 thousand reported in FY 2008.

Authority Dissolution

On December 9, 2009 (FY 2010), a WSA economist presented a sketch level Economic Analysis of historical and near-term economic forecast for the southwest Florida region that indicated, on an aggressive schedule, the area would return to 2007 traffic levels by 2015 to 2017. As a result, the Board directed SWFEA General Counsel to look into the legal,

administrative, financial and reporting impacts that may arise in going forward with early termination of SWFEA and to report back to the Board at the next Board meeting scheduled in June, 2010.

On June 9, 2010, SWFEA General Counsel gave a presentation to the Board regarding future options and the status of SWFEA. The Board unanimously voted that SWFEA does not currently have a viable project and to prepare a letter to Lee and Collier counties informing them that it is the intent of SWFEA to start the dissolution process by the end of the year. The dissolution process, as presented, requires the following:

- The Board of County Commissioners of Lee and Collier counties should each adopt a resolution declaring SWFEA inactive and authorizing the repeal of the Enabling Act.
- SWFEA must accept the resolutions of Lee and Collier counties and remain inactive for two years.
- The Registered Agent of SWFEA must notify the Department of Community Affairs (DCA) in writing that SWFEA has taken no action for two or more years.
- DCA will publish a notice of proposed declaration of inactive status and if no administrative appeals are filed within 21 days, DCA will send a notice of declaration of inactive status to SWFEA.
- The notice of declaration of inactive status is sufficient notice to authorize the Legislature to dissolve SWFEA by repealing the Enabling Act.
- The State Legislature must then repeal the Enabling Act.
- Notice of dissolution must be sent to DCA within 30 days of the dissolution of SWFEA by repeal of the Enabling Act.

A significant issue affecting dissolution of SWFEA relates to approximately $2 million in loans provided to SWFEA by the Department and Lee and Collier counties. Absent a viable toll project that can be bonded, SWFEA will not have revenues to repay the loans. As of June 30, 2010, loans payable to the Department's Toll Facility Revolving Trust Fund (TFRTF) for preliminary design work and traffic and revenue studies totaled $1.0 million, and loans payable to Lee and Collier counties for project management and administration totaled $0.8 million and $0.2 million, respectively.

Table 51
Southwest Florida Expressway Authority
Loans Payable
Year Ended June 30, 2010

Transaction	*(thousands)*
Loans from FDOT Toll Facilities Revolving Trust Fund[1]	$1,026
Loan from Lee County[2]	$775
Loan from Collier County[3]	$150
Total Loans Payable[4]	$1,951

Source: SWFEA Notes to Audited Financial Statements and loan agreements.

[1] The three TFRTF loans are interest-free and require repayments of principal and investment interest no later than 7 years after the date of the advance and shall be completed no later than 12 years after the date of the advance. Loan repayments are scheduled to begin in 2013. Upon termination of the project, unspent proceeds (fund balances and interest earned) shall be immediately remitted to the Department and the proceeds shall be counted toward the repayment of the loan.

[2] The Lee County loan (advanced in two separate draws) accrues interest at 2 percent with repayment to be made from toll revenues or bond proceeds. If the project is deemed infeasible, the loan shall be forgiven.

[3] The Collier County loan is interest-free and principal repayment is to be made if and when the Authority has surplus toll revenues.

[4] Loans payable amount excludes accrued interest of $54 thousand owed on the Lee County loan and $19 thousand in investment earnings owed on the TFRTF loans.

At the next scheduled meeting, on March 10, 2011 (FY 2011), the SWFEA Board unanimously approved a dissolution resolution and approved numerous motions to finalize all Board actions required to dissolve SWFEA. As a result, there will be no future Board meetings. Consultant and staff contracts will be terminated after close-out procedures are complete and a final audit is conducted. The Board unanimously approved change orders and prepayment of fees to consultants for legal, administrative, accounting

and audit services related to the close-out of SWFEA. The Board also authorized acceptance of the final audit via e-mail in July 2011 that will not require an official SWFEA Board meeting for acceptance of the audit. The Department has agreed to serve as the Registered Agent during the time it takes to dissolve SWFEA, subject to all SWFEA records being put into an electronic format. Lee and Collier County Board of County Commissioners each voted to dissolve SWFEA. SWFEA will return to the Department all unspent proceeds from the TFRTF loans and will utilize

I-75 Caloosahatchee River Bridge.

remaining funds from the county loans to close SWFEA. Any unrestricted funds that remain after dissolution will be returned to Lee and Collier Counties on a proportionate basis based on the amounts previously loaned by the two counties to SWFEA. The Department confirmed their intention to associate any unpaid debt due from SWFEA to the I-75 project. If the I-75 project is ever undertaken again, the repayment would become the responsibility of the agency undertaking the project. Notices of the dissolution will be sent out to the Department, Lee and Collier Counties, as well as DCA. There will be a two year inactive period that SWFEA will go through after which time DCA will file a notice to indicate the intention to dissolve SWFEA. If there are no objections, a notice will be sent to the legislature recommending they dissolve SWFEA.

Performance Measures and Operating Indicators

As an emerging transportation authority, SWFEA is not currently operating any facilities. Therefore, performance measures and operating indicators are not currently applicable.

Governance

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

Ethics and Conflict of Interest

SWFEA adopted an ethics and conflict of interest policy on July 20, 2007 that requires Board members and employees to comply with the applicable provisions of the Code of Ethics for Public Officers and Employees set forth in Chapter 112, Part III, Florida Statutes. SWFEA indicated that there have been no reported or investigated violations for ethics or conflict of interest. Commission staff reviewed SWFEA's Board minutes and did not find any recorded instances of ethics or conflict of interest violations or investigations. The meeting minutes did not disclose any instances where Board members abstained from voting due to conflict of interest and no Commission on Ethics Forms 8B "Memorandum of Voting Conflict for County, Municipal and Other Local Public Officers" were

submitted. The Collier County Attorney's Office presented training to SWFEA Board members on May 18, 2006 regarding Sunshine Laws, ethics and conflict of interest. SWFEA's policy is that any new Board member receives training. Since there has been no change in Board membership, no additional training was required.

Audit

SWFEA contracted for and the Board adopted the audited financial statements and Independent Auditor's Report for the fiscal year ended June 30, 2010 at its March 10, 2011 Board meeting. The audit was performed pursuant to Section 218.39, Florida Statutes, and Section 10.50, Rules of the Auditor General. The results of the audit are in conformity with Generally Accepted Accounting Principles (GAAP) and SWFEA received an unqualified opinion with a "going concern" paragraph. The auditors cited factors that raised substantial doubt about SWFEA's ability to continue as a going concern. SWFEA incurred cumulative net losses since inception through June 30, 2010 of approximately $1.8 million, and the Board has recommended dissolution to the participating counties and the State of Florida.

The Auditors also issued their report on Compliance and Internal Control over Financial Reporting that did not identify any deficiencies in internal control that were considered material weaknesses, and the results of audit tests did not disclose instances of noncompliance required to be reported under Government Auditing Standards. Similar to last year, in the Independent Auditor's Management Letter, the deficit in unrestricted net assets triggered the reporting of a determination of financial emergency in accordance with Section 218.503, Florida Statutes. However, this condition. was not a result of deteriorating financial condition.

As previously noted, on March 10, 2011 (FY 2011), the SWFEA Board unanimously approved a dissolution resolution and approved numerous motions to finalize all Board actions required to dissolve SWFEA. Specifically, the Board authorized the Chairman to sign an engagement letter and approved the prepayment of fees to the audit firm to conduct the final close-out audit of SWFEA. It is anticipated that the final audit will be completed by July 1, 2011. The Board also authorized acceptance of the final audit via e-mail in July 2011 that will not require an official SWFEA Board meeting for acceptance of the audit.

Public Records and Open Meetings

SWFEA is operating within guidelines established in Section 189.417 and Chapter 286, Florida Statutes, related to public meetings and required notices. A review of agendas and Board meeting minutes, as posted on SWFEA's website www.swfea.net, showed that the agendas and minutes appear to be in compliance with statute. The minutes of the meetings are comprehensive and include documents that are discussed or presentations made before the Board. Commission staff also reviewed Board meeting advertisements posted in the Fort Myers News Press and the Naples Daily News and it appears that required notice of public meetings is in compliance with statute.

Procurement

SWFEA adopted a Procurement Policy/Procedure on March 15, 2007 that documents procurement levels and quoting levels for the purchase of goods and services. The Board must approve all purchases of $25 thousand or more and solicited sealed bids are required for such purchases. For professional services and construction contracts, SWFEA will follow Florida Statutes or utilize current processes established by Lee or Collier County. Lee and Collier Counties provided SWFEA with staff services until the SWFEA General Consultant, WSA, was procured through a competitive negotiated process. The contract with WSA and contracts for

legal and public relations assistance were procured using established Lee County procurement policies. Since that time, WSA has assumed staffing responsibilities for SWFEA, and Lee and Collier counties are no longer providing staff support. Any further procurement will be accomplished utilizing the Board established procurement policy. A review of Board meeting minutes indicates compliance with procurement policies.

Consultant Contract Reporting

SWFEA indicated that the General Consultant, WSA, does not, at this time, have any sub consultants that meet the $25 thousand threshold established for reporting.

Compliance with Bond Covenants

SWFEA has not issued bonds, therefore, this governance item is not applicable at this time.

Other

The Board adopted a number of policies and procedures in FY 2007 to help guide the business of SWFEA. The Commission did not perform any review of adherence to these policies and procedures, but acknowledges that SWFEA has gone beyond the governance requirements established by the Commission. These policies/ procedures remained in effect in FY 2010, and SWFEA has made no changes to date:

- Investment Policy - complies with Section 218.415(17), Florida Statutes which limits investment options where local governments choose to adopt a "no written" investment policy.
- Travel Expenses - the policy requires Board members and all employees to adhere to Section 112.061, Florida Statutes.
- Payment of Invoices, Check Signing and Segregation of Duties - requires two signatures on any checks for payment and requires Project Manager approval of invoices.
- Fixed Assets - establishes a capitalization policy, asset categories, useful lives of various asset classes, and compliance with all provisions of Chapter 274, Florida Statutes.
- Payroll/Leave Accruals/Benefits/Holidays - establishes the payroll period, leave hours accrued, approved holidays, and payroll processing procedure.

Summary

The Commission review of SWFEA was conducted with the cooperation and assistance of SWFEA and relied heavily on documentation and assertions provided by SWFEA. The Commission's approach primarily consisted of a review of agendas and minutes of Board meetings, policies and procedures that have been adopted by SWFEA, and a review of the audited financial statements. Limited tests of compliance with applicable statutes were performed and, based on those results, it was determined that SWFEA is meeting all its statutory responsibilities and governance criteria established by the Commission.

In FY 2009, SWFEA instituted a temporary slowdown in activities related to new tolled lanes on I-75 due to the economic downturn and resulting reduction in traffic on I-75. SWFEA significantly reduced operating costs to minimum levels necessary to maintain the entity as active and in compliance with applicable laws and regulations. In FY 2010, as a result of a very unfavorable traffic forecast, the Board directed SWFEA General Counsel to provide a report to the Board regarding the options and impacts that may arise in going forward with early termination of SWFEA. As a result, on June 9, 2010 the Board unanimously voted that SWFEA does not have a viable project and to start the dissolution process.

On March 10, 2011 (FY 2011), the SWFEA Board unanimously approved a dissolution resolution and approved numerous motions to finalize all Board actions required to dissolve. As a result, there will be no future Board meetings. Consultant and staff contracts will be terminated after close-out procedures are complete and a final audit is conducted. The Department has agreed to serve as the Registered Agent during the time it takes to dissolve SWFEA. Lee County and Collier County voted to dissolve SWFEA. SWFEA will return unspent proceeds from the TFRTF loans to the Department. The Department confirmed their intention to associate any unpaid debt due from SWFEA to the I-75 project.

The FY 2010 independent financial statement audit reflected an unqualified opinion with a "going concern" paragraph. The auditors noted $1.8 million in cumulative net losses since inception, and stated the Board had recommended dissolution to the participating counties and the State of Florida. On March 10, 2011, the Board approved and funded the final close-out audit of SWFEA. It is anticipated that the final audit will be completed by July 1, 2011.

The Commission acknowledges with appreciation the assistance of the SWFEA Board and staff in providing the resources necessary to conduct this review and complete this report.

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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 station; park-and-ride lots; transit-oriented development nodes; feeder roads, reliever roads, bypasses; or, appurtenant facilities that are intended to address critical transportation needs or concerns in the Tampa Bay region identified by TBARTA by July 1, 2009. 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.

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;

Highlights

- TBARTA met all statutory requirements to date.
- TBARTA complied with all applicable Governance criteria.
- A Regional Transportation Master Plan for the seven-county Tampa Bay Region was adopted in May 2009. Activities required to update the Master Plan by July 1, 2011 continue.
- Through Joint Participation Agreements with the Department, the Department advanced funds to TBARTA, from a $2 million appropriation, to pay administrative expenses. As of September 30, 2010, approximately $800 thousand of the $2 million appropriation has been expended.
- The FY 2009 independent audit of TBARTA financial statements reflected an unqualified opinion. The FY 2010 audit is currently underway.
- 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.

- 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 52 represents current TBARTA Board members and the Officers elected at the December 10, 2010 Board meeting. Ronnie Duncan was elected Chairman in December 2009 and serves a two-year term. The incumbent Vice-Chair, Treasurer and Secretary were re-elected by the Board to the same positions.

TBARTA appointed Bob Clifford as Executive Director on October 24, 2008, with TBARTA employment beginning on January 1, 2009. Mr. Clifford was formerly Intermodal Systems Development Manager for the Florida Department of Transportation (Department) and was principal project manager for the development of the TBARTA Regional Transportation Master Plan. As

Table 52
Tampa Bay Area Regional Transportation Authority
Current Board Members

Name	*Representing*	*Position*
Ronnie Duncan	Governor Appointee	Chairman
Mayor Frank Hibbard (Clearwater)	MPOCCC	Vice-Chair
Hugh McGuire	Governor Appointee	Treasurer
Commissioner Ann Hildebrand	Pasco County	Secretary
Commissioner Rebecca Bays	Citrus County	Board Member
Commissioner Dave Russell	Hernando County	Board Member
Commissioner Ken Hagan	Hillsborough County	Board Member
Commissioner Donna Hayes	Manatee County	Board Member
Commissioner Karen Seel	Pinellas County	Board Member
Commissioner Nora Patterson	Sarasota County	Board Member
Mayor Bob Buckhorn	City of Tampa	Board Member
Commissioner David Garofalo	City of North Port	Board Member
Councilman Jeff Danner	City of St. Petersburg	Board Member
Vacant	Governor Appointee	Board Member
Sonny Vergara	Governor Appointee	Board Member
Don Skelton	District Seven Secretary	Non-Voting Member

Executive Director, Mr. Clifford is responsible to the Board in carrying out its governance and fiduciary responsibilities, which include performance and management oversight of all administrative, financial, and planning duties. He will lead the executive team, direct the budget preparation process, and be responsible for TBARTA compliance with all state and federal laws, rules and regulations.

Shortly after creation, TBARTA received $40 thousand in combined contributions from Metropolitan Planning Organizations, $10 thousand in private contributions, and $50 thousand was matched by the Tampa Bay Partnership (a non-profit organization promoting the Tampa Bay region). TBARTA used these funds to pay for legal services, audits, and the cost of travel and expenses related to conducting Board and Committee meetings. Accounting for these funds was provided by the Department's District Seven Office until December 2008. As a result of an appropriation from the 2008 legislature, TBARTA entered into a Joint Participation Agreement (JPA) with the Department, whereby 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. As of September 30, 2010, approximately $800 thousand of the $2 million appropriation has been expended, primarily for salaries and benefits, legal services, and expenses related to conducting Board meetings and public outreach efforts. Accounting for these funds was provided by the Tampa Bay Regional Planning Council, utilizing the Accounting Policies and Procedures Manual adopted by the Board in June 2009.

Since May 1, 2010, TBARTA utilizes in-house staff for financial and accounting services. 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 54 (on the next page) 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. The required initial focus was on transit. Subsequently, TBARTA is updating its plan to include all modes of transportation, with specific emphasis on freight and roadway projects and plans. 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 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 (see Table 53). TBARTA is working closely with each county, to define a Supporting Network of transit services that would provide connections with the proposed Regional Network, improve circulation within each county and provide hundreds of miles of local or sub-regional transit services. The Hillsborough County Commission placed a referendum on the November 2010 ballot that would add an ongoing one cent sales tax in Hillsborough County to fund mobility projects that included transit and non-transit components. The voters did not approve the referendum that would help fund projects in Hillsborough County that support the Regional Network. Additionally, in February 2011, Governor Rick Scott cancelled a proposed high speed rail project between Orlando and Tampa.

Table 53
Tampa Bay Area Regional Transportation Authority
Regional Transportation Master Plan - Regional Network

Mid-Term Regional Network for 2035
• 116 miles of Short-Distance Rail
• 12 miles of Bus Rapid Transit in Exclusive Lanes
• 42 miles of Bus Rapid Transit in Mixed Lanes
• 159 miles of Managed Lanes with Express Bus
• 226 miles of other Express Bus
Long-Term Regional Network for 2050
• 135 miles of Short-Distance Rail
• 115 miles of Long-Distance Rail
• 42 miles of Bus Rapid Transit in Mixed Lanes
• 220 miles of Managed Lanes with Express Bus
• 217 miles of other Express Bus

Section 343.922 (3)(b), Florida Statutes, requires TBARTA to consult with the Department to further the goals and objectives of the Strategic Regional Transit Needs Assessment (SRTNA). The Department's District Seven provided technical support in the development of the Master Plan and

Table 54
Tampa Bay Area Regional Transportation Authority
Statutory Requirements

Subject Area	*Requirement*	*Status*
Conflict Resolution Process	Adopt a mandatory conflict resolution process that addresses consistency conflicts between TBARTA's regional transportation master plan and local government comprehensive plans by July 1, 2008. (Section 343.922 (3)(a), Florida Statutes)	Completed and adopted April 2008.
Transit Management Committee	Establish a Transit Management Committee (TMC) comprised of executives from each of the existing transit providers and Bay Area Commuter Services. (Section 343.92 (11)(a), Florida Statutes)	Completed. Appointments have been made and regular meetings have been held since January 2008. Polk County has expressed interest in joining TBARTA and attends the TMC meetings.
Citizens Advisory Committee	Establish a Citizens Advisory Committee (CAC) comprised of citizen members from each county and transit provider in the region, not to exceed 16 members. (Section 343.92 (11)(b), Florida Statutes)	Completed. Appointments have been made and regular meetings have been held since February 2008.
Regional Transportation Master Plan	Develop and adopt a Regional Transportation Master Plan that provides a vision for a regionally integrated multimodal transportation system by July 1, 2009. (Section 343.922 (3)(a), Florida Statutes)	Completed and adopted by the TBARTA Board on May 22, 2009.
	Before adoption of the Master Plan, hold at least one public meeting in each of the seven counties within the designated region. (Section 343.922 (3)(c), Florida Statutes)	Completed. iTownHall public meetings were held in each of the seven counties between April 27, 2009 and May 13, 2009.
	At least one public hearing must be held before the TBARTA Board before the Master Plan is adopted. (Section 343.922 (3)(c), Florida Statutes)	Completed. Public hearing was held on May 11, 2009. The public hearing from May 11, 2009 was also resumed at the regular TBARTA Board meeting on May 22, 2009 to allow additional public comments prior to adoption of the Master Plan.
	Present original Master Plan to governing bodies of the counties within the seven-county region, to the West Central Florida MPOCCC, and to the legislative delegation members representing those counties within 90 days after adoption. (Section 343.922 (3)(e), Florida Statutes)	Completed. Copies of Master Plan were provided to required parties by August 20, 2009 (90 days after adoption). Also, formal presentations to all seven Board of County Commissioners were conducted between June 9, 2009 and September 29, 2009.
	After adoption, the Master Plan shall be updated every two years before July 1. (Section 343.922 (3)(d), Florida Statutes)	Underway

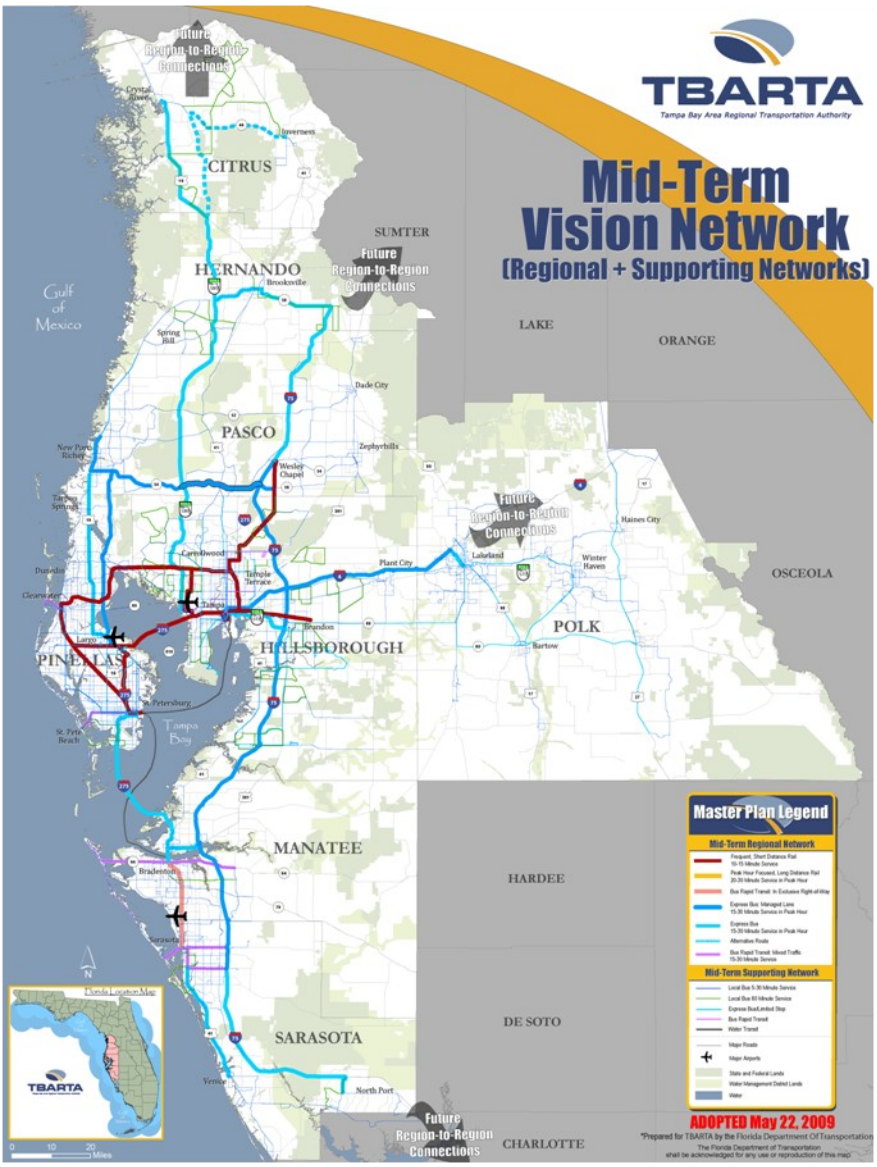

Figure 2: Map of Mid-Term Vision Network.

finalized a detailed assessment of regional transit opportunities as documented in the SRTNA report. This project was considered the first phase of additional phased project developments to be embarked upon by Districts One and Seven to address the anticipated needs and expansion of transportation in the Tampa Bay area.

Current Activities

As statutorily required, TBARTA is currently working to update the Regional Transportation Master Plan before July 1, 2011. TBARTA is beginning to prioritize projects, develop financial strategies for implementation, coordinate the advancement of more detailed planning and environmental analysis for the prioritized projects, and continue public engagement and education efforts. TBARTA will work with their partners to explore regional long-term funding options, including public private partnerships, and address issues related to how the regional system will operate and who will operate it.

Current TBARTA projects are funded by the Department and include:

- Clearwater to St. Petersburg Short Distance Rail Alternative Analysis
- Howard Frankland Bridge PD&E/Transit Rail Corridor Evaluation
- SR 54/SR 56 Express Bus/Managed Lanes Transit Corridor Evaluation
- USF to Wesley Chapel Rail Transit/Bus Rapid Transit Corridor Evaluation
- Sarasota Bus Rapid Transit Extension to Palmetto/Bradenton Alternative Analysis
- Westshore to Crystal River/Inverness Transit Corridor Evaluation
- I-75 Wesley Chapel to Bradenton Transit Corridor Evaluation
- Short-term Regional Transit Enhancements Study
- Westshore Intermodal Center Project

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. BACS is a non-profit, regional commuter assistance program agency serving the Department's District Seven since 1992. Its purpose is to promote and encourage transportation options to the single occupant vehicle within the five-county area of West Central Florida (Hillsborough, Pinellas, Pasco, Hernando and Citrus Counties). The merger 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. A close-out audit of BACS is nearing completion for the non-profit dissolution process in accordance with Chapter 617, Florida Statutes. Additionally, 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, as directed by the TBARTA Board during its February 2011 workshop. 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 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. In Pinellas County, TBARTA has responded to a request from the Pinellas Suncoast Transit

Authority Board (PSTA) 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 HART Alternatives Analysis.

Trolley in Downtown Tampa Supporting Network.

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 VPSI, Inc. VPSI provides vanpool vehicles, auto liability, comprehensive and collision coverage, all scheduled preventative maintenance and repairs, and customer support for the vanpool groups. 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 (amended December 19, 2008). 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, 2009 was performed. The Independent Auditor's Report, dated September 24, 2010, 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. In the Independent Auditor's Management Letter, the auditors did not identify any management recommendations for improvement. A subsequent event note in the FY 2009 financial statements indicated that the total assets and liabilities merged into TBARTA as a result of the April 30, 2010 BACS merger totaled approximately $406 thousand and $69 thousand, respectively. The FY 2010 independent financial statement audit is currently underway.

Public Records and Open Meetings

The adopted Bylaws require that the Board and Committees of TBARTA comply with the requirements of Chapters 286, 119 and 120, Florida Statutes. TBARTA reported that there have been no violations or allegations of non-compliance. A review of agendas and Board meeting minutes, as posted on TBARTA's website www.tbarta.com, showed that the agendas and minutes appear to be in compliance with statute and policy. Each monthly Board agenda package includes a list of upcoming Board, CAC, TMC, Executive Committee, and other TBARTA meetings. Commission staff also reviewed Board meeting advertisements posted in the Florida Administrative Weekly, and it appears that required notice of public meetings is in compliance with TBARTA policy and Florida Statutes. At the October 2009 Board meeting, General Counsel provided a briefing on public records and sunshine laws in the context of the proper use of social networking sites. General Counsel also provided additional training on ethics, sunshine laws and public records at the December 2010 Board meeting.

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.

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, 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 TBARTA is meeting all of its statutory responsibilities and the governance criteria established by the Commission.

TBARTA adopted a Regional Transportation Master Plan for the seven-county Tampa Bay Region in May 2009. Activities required to update the Master Plan by July 1, 2011, continue. Through Joint Participation Agreements with the Department, the Department advanced funds to TBARTA, from a $2 million appropriation, to pay initial administrative expenses. As of September 30, 2010, approximately $800 thousand of the $2 million appropriation has been expended. The FY 2009 independent financial statement audit reflected an unqualified opinion. No recommendations for improvement were noted in the Auditor's Management Letter. The FY 2010 financial statement audit is currently underway. 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 April 30, 2010 merger, BACS assets and liabilities of approximately $406 thousand and $69 thousand, respectively, were merged into TBARTA.

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 2010 Findings

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Summary of Fiscal Year 2010 Findings

Miami-Dade Expressway Authority (MDX)

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

MDX met or exceeded 15 of the 16 applicable management objectives established for performance measures. The performance measure objective not met was for safety.

Operating indicator trend analysis showed that Fiscal Year (FY) 2010 infrastructure assets decreased $6 million over FY 2009, despite additions of nearly $8 million in completed construction projects. The decrease in infrastructure is attributed to nearly $14 million in FY 2010 depreciation expenses. FY 2010 construction in progress increased $111 million primarily due to continued reconstruction of three interchanges, infrastructure improvements for Open Road Tolling (ORT) on SR 924 and construction of an auxiliary lane on SR 836. FY 2010 revenue decreased 1.0 percent over FY 2009 levels. MDX attributed this decrease to economic conditions adversely impacted by the housing market and rising unemployment. Routine maintenance costs for FY 2010 increased $1.4 million, or 30.9 percent, primarily due to increases in roadway and plaza maintenance, ITS maintenance and structural inspections. FY 2010 toll operations costs decreased $3.0 million, or 13.3 percent, over FY 2009 due to a new contract for toll plaza personnel and a decrease in *SunPass* processing and transponder costs assessed to MDX by the Department's Turnpike Enterprise. In addition, FY 2010 administration costs decreased $1.5 million, or 20.2 percent, primarily due to reclassifying transponder costs to toll collection costs, partially offset by a reduction in MDX indirect cost allocation.

In the area of governance, the FY 2010 independent financial statement audit reflected an unqualified opinion. Two recommendations for improvement were provided in the Auditor's Management Letter relating to an audit of the Account Management Toll Enforcement Center's third party service provider and improved communication of the MDX Whistleblower policy. For procurement, Commission staff noted that the Executive Director is authorized to approve a Supplemental Agreement for a single contract up to $2 million, and extend contract time without limits for those contracts with amounts not exceeding the Executive Directors delegated authority, without prior approval of a Standing Committee or the MDX Board. All Supplemental Agreements approved by the Executive Director are included as part of the monthly reporting to the Standing Committee and Board. Although Board meeting notices are posted on the Authority's website, in FY 2010 MDX failed to advertise the meetings pursuant to Section 189.417, Florida Statutes.

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 MDX, there were no instances noted of noncompliance with applicable laws or regulations in the areas of ethics, conflicts of interest, public records, open meetings, bond compliance and other governance criteria established by the Commission except for public meeting advertising as noted above.

The Commission recognizes the positive performance results and strong governance demonstrated by MDX and encourages MDX to continue to develop and pursue an action plan to reduce highway fatalities.

Orlando-Orange County Expressway Authority (OOCEA)

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

OOCEA met or exceeded 15 of the 16 applicable management objectives established for performance measures. The performance measure objective not met was for minority participation. Improvement was noted for the safety and debt service coverage (bonded/commercial debt) objectives. These objectives were not met in FY 2009 but were met in FY 2010.

Operating indicator trend analysis showed that FY 2010 infrastructure assets increased by $298 million primarily due to completion of the widening of 2.3 miles of SR 408, and the addition of two new interchanges on SR 417. Renewal and replacement costs decreased in FY 2010 primarily due to projects starting later than anticipated and bids coming in lower than expected. FY 2010 revenue grew by $47 million, or 23 percent, over FY 2009 levels despite a decrease of 1.5 percent in toll transactions. This is a result of a toll rate increase implemented on April 5, 2009, whereby tolls increased by $0.25 at mainline plazas and most ramps. The toll rate increase impacted approximately 3 months of FY 2009, whereas all 12 months of FY 2010 were impacted. Total operating expenses increased by 5 percent in FY 2010, primarily due to an increase in depreciation expenses due to additional assets placed in service in FY 2010.

In the area of governance, the OOCEA Board amended the Code of Ethics policy based on recommendations contained in the 2010 Ethics Policy Compliance Review conducted by Internal Audit. The FY 2010 independent financial statement audit reflected an unqualified opinion. OOCEA is currently implementing recommendations for improvement provided in the Auditor's Management Letter relating to automated depreciation calculations within its accounting system.

OOCEA significantly increased the number of internal audits and reviews and has instituted many reforms based on recommendations contained therein. An outside consulting firm provides Internal Audit support services to OOCEA's Audit Committee and Board and independently verifies and reports the status of all audit/review recommendations. The status of all recommendations for OOCEA improvements that have not yet been implemented is provided in Appendix C. The following list identifies audits and reviews that were issued subsequent to FY 2009.

- Report of Citizens' Advisory Committee (July 2009) - Provided recommendations to the Board on issues related to additional cost controls or sources of revenue, additional audits required and staffing of the Authority
- Governance Audit of OOCEA (October 2009) - Assessed Board governance in relation to best practices and recommended enhancements to the Board for implementation
- Purchasing Spend Review (February 2010) - Analyzed expenditure data to identify and recover financial leakage and identified

anomalies in the data and trends that may indicate opportunities for improvement in the purchase-to-payment process

- Change Management Review (February 2010) - Evaluated the effectiveness of key controls related to information technology change management, software development life cycle and segregation of duties

- 2010 Ethics Policy Compliance Review (June 2010) - Evaluated the Code of Ethics policy against best practices and reviewed the Authority's compliance with the existing ethics policy

- Information Technology Audit (July 2010) - Compared OOCEA's practices and procedures to the Payment Card Industry (PCI) Data Security Standard (DSS) - report is exempt from public records disclosure

- TransCore Contract Review (November 2010) - Validated costs incurred under the TransCore software maintenance contract

- 2010 Contracts Audit (January 2011) - Audited contracts for a sample of large engineering, maintenance, operations, and/or construction projects and performed a review of potential fraud risk areas associated with vendor performance for selected contracts.

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 OOCEA, there were no instances noted of noncompliance with applicable laws or regulations in the areas of public records, open meetings, bond compliance and other governance criteria established by the Commission. As previously noted, the Commission recommends that voting conflict of interest disclosures be filed in a timely manner.

The Commission recognizes OOCEA for its ongoing efforts to address operational findings and recommendations contained in the numerous audits and reviews of the Authority. The increase in internal audits is a direct result of OOCEA's actions to identify areas for improvement. The Commission further recognizes the positive performance results demonstrated by OOCEA .

Santa Rosa Bay Bridge Authority (SRBBA)

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

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

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. To date, the Board met three times in FY 2011 but does not currently have a quorum necessary to conduct business. Within the last six months, six members have resigned from the SRBBA Board.

SRBBA met or exceeded six 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 technical default on its bonds, and it is forecasted that SRBBA revenue will continue to be insufficient to make required debt service payments. Based on current revenue forecasts, that include the January 5, 2011 toll rate increase, continued draws on the debt service reserve fund are projected to deplete the fund on July 1, 2011 (FY 2011) when the next scheduled semi-annual bond payment is made, whereby SRBBA will be in default on its bonds.

Operating indicator trend analysis showed that FY 2010 toll revenue and toll transactions on the Garcon Point Bridge decreased by 3.8 percent and 3.9 percent, respectively, from FY 2009 levels. The decrease in traffic and revenue can partially be attributed to the sluggish economy following the recession. Revenue was also negatively impacted by the BP oil spill. 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. 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. Two of the three rating agencies further downgraded SRBBA bonds in FY 2010.

In the area of governance, SRBBA has not had a required independent financial statement audit performed for several years. Although quarterly financial statements are being prepared, the statements are not being submitted to the Trustee as required in the bond resolution. Because the Board did not meet in over one year, required Board approval of the quarterly financial statements was not obtained. As a result of the SRBBA Board not meeting, it did not enforce provisions of the Lease-Purchase Agreement relating to the Department's obligations in connection with the system. However, during the Commission's review, no instances of Department noncompliance were noted. In addition, SRBBA bond covenants require a Determination Resolution, and the Continuing Disclosure Agreement requires a Material Event Notice to be filed with the Trustee. The required Determination Resolution and Material Event Notice for July 2009, January 2010 and July 2010 were not properly filed. The Board did not review the June 2009 and December 2009 Traffic Consultant's recommendations for revisions to the toll schedule to enable SRBBA to comply with Section 5.02(c) of the bond resolution. It was also noted that public records requests and various correspondence was not always responded to by SRBBA in a timely manner. Finally, in November 2010, the SEC requested numerous SRBBA documents and requested that the SRBBA Chairman and Vice Chairman testify before the SEC. Requested documents were provided and no further information regarding the SEC inquiry is available at this time.

Based on the Commission's review of Board meeting minutes, SRBBA policies and procedures, Florida Statutes, Accountant's Compilation Report, Bond Covenants, and other documentation provided by 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 is not meeting, Commission staff finds there is inadequate governance of SRBBA. The Commission further recognizes that SRBBA is projected to default on its bonds on July 1, 2011 and will continue to keep the Governor and Legislature apprised of the situation. The Commission will continue to monitor SRBBA and the operations of the Garcon Point Bridge and coordinate with the Department on any issues that arise.

Tampa-Hillsborough County Expressway Authority (THEA)

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

THEA met or exceeded 10 of the 13 applicable management objectives established for performance measures. The three performance measure objectives not met include: cost to collect a toll transaction; debt service coverage - bonded/ commercial debt; and, debt service coverage - comprehensive debt. Some performance measures not met in the areas of finance and operations result from finance and business rules as defined in the existing Lease-Purchase Agreement and are not entirely under THEA's control. Improvement was noted for the bridge condition rating and safety objectives in FY 2010.

Operating indicator trend analysis showed that infrastructure assets decreased by $67 million in FY 2009 due to a reduction in additional Reversible Express Lanes (REL) project costs related to design errors that were capitalized. In FY 2009 THEA recovered approximately $75 million from a mediation settlement related to the design errors that became evident during construction of the REL project. In January 2011 (FY 2011), THEA utilized $60 million from the settlement to defease a portion of the THEA Revenue Bonds, Series 2002 and Series 2005. FY 2010 total operating expenses decreased by $1.5 million, or 8 percent, over FY 2009 primarily due to decreases in toll collection and routine maintenance. FY 2010 routine maintenance expenses decreased by 14 percent over FY 2009 due to a decrease in expenses related to bridge inspections. FY 2010 toll collection expenses decreased by $1.0 million, or 15 percent, due to a decrease in Enterprise Work Program charges for data center operations, and a decrease in transponder costs and property insurance. FY 2010 revenue decreased approximately 1 percent over FY 2009, primarily due to the sluggish economy following the recession.

In the area of governance, the FY 2010 independent financial statement audit reflected an unqualified opinion. No recommendations for improvement were noted in the Auditor's Management Letter.

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 private toll collection services and implementing All Electronic Tolling on the entire Expressway System in order to reduce costs. The Commission encourages THEA to continue to develop and pursue action plans to help meet established performance measure objectives.

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 noted errors in data previously reported to the Commission, primarily related to operating expenses and operating revenues. As a result, data for FY 2006 through FY 2009 was restated to reflect actual performance.

LYNX met or exceeded 6 of the 12 fixed route objectives established for performance measures. The six fixed route measures that require improvement include: operating expense per revenue mile, operating expense per revenue hour, operating expense per passenger trip, operating expense per passenger mile, revenue miles between failures, and revenue miles versus vehicle miles. 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 2010 operating expenses decreased 3.2 percent, while operating revenues increased 2.7 percent over FY 2009. Although passenger trips increased 4.3 percent over FY 2009, average trip length decreased by 0.6 miles, resulting in a decrease of 6.1 percent in passenger miles. Revenue miles increased 2.7 percent in FY 2010, while revenue hours remained static. The farebox recovery ratio increased from 23.1 percent in FY 2009 to 24.9 percent in FY 2010, while the average fare of $0.85 remained the same.

In the area of governance, the FY 2010 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 noted one item related to the Federal Transit Administration (FTA) Job Access-Reverse Commute and New Freedom Programs. LYNX is currently amending subrecipient contracts, obtaining Central Contractor Registration and enhancing procedures to ensure compliance.

The FTA FY 2010 Triennial Review of LYNX indicated that no deficiencies were found with FTA requirements in 19 of the 24 areas examined. The report did identify deficiencies in the areas of Satisfactory Continuing Control, Procurement, Buy

America, Drug and Alcohol Program and ARRA. On March 15, 2011, FTA advised LYNX that corrective actions taken by the Authority had satisfactorily resolved all findings and that the report is closed.

Although meeting notices are posted on the Authority's website and at the main administration building, LYNX failed to advertise Board meetings pursuant to Section 189.417, Florida Statutes. In May 2011, LYNX corrected the oversight and properly advertised Board meetings.

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 except for public meeting advertising as noted above.

The Commission encourages LYNX to develop and establish a course of action focused on improving performance to achieve objectives.

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 9 of the 12 objectives established for performance measures for bus. The three measures that require improvement include: operating expense per revenue mile, operating expense per revenue hour and ratio of operating revenue to operating expense. JTA met or exceeded 6 of the 12 performance measures for Skyway. The six measures that require improvement include: operating expense per revenue mile, per revenue hour, per passenger trip, and per passenger mile; ratio of operating revenue to operating expense; and, revenue miles between failures. JTA met or exceeded 4 of the 4 applicable performance measures for Highways.

JTA continues to provide fixed route bus service to the community it serves and does so with a great deal of consistency over a variety of operating parameters. FY 2010 operating expenses increased 2.4 percent, while operating revenues decreased 4.1 percent over FY 2009. Despite a reduction in revenue hours and miles, JTA maintained weekday ridership with the same weekday span of service. Passenger trips increased 1.8 percent, and average trip length increased from 5.2 miles to 5.8 miles, resulting in a 13.1 percent increase in passenger miles. In light of less than acceptable operating revenue per operating expense, the Commission encourages JTA to focus on reducing expenditures.

Gradual declines in JTA's Skyway ridership, which began in FY 2006, hit an all-time low in FY 2009. FY 2009 ridership was negatively impacted by a fire at the Riverplace Station. Although FY 2010 ridership improved over FY 2009, it is the second lowest ridership reported by JTA. Ridership appears to have reached a level that has yielded less than acceptable operating costs in most parameters. The farebox recovery ratio of 4.2 percent, is the all-time low reported by JTA. The Skyway fleet is approaching an average age of 12 years. The

Commission encourages JTA to examine efforts to grow Skyway's ridership in order to enhance the system's productivity and to focus on efforts to minimize vehicle system failures.

In the area of Governance, the FY 2009 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 noted that corrective action was taken by JTA to address last year's management recommendations. The auditors identified two management recommendations regarding Capitalization of Costs and JTM Pension Plans. In addition, in May 2010, the Department's Office of Inspector General (OIG) conducted a review of a Joint Participation Agreement (JPA) between the Department and JTA that provided block grant funding for JTA's operating and administrative expenses. The OIG review identified numerous deficiencies. JTA management indicated that they did not concur with all of the findings, but all issues have been addressed, and the Department has agreed that no recovery of grant funds from JTA is warranted. Also, the U.S. Department of Transportation conducted a review of American Recovery and Reinvestment Act (ARRA) grant funded programs and projects carried out by JTA during FY 2010. The ARRA review examined eight areas and no deficiencies were found with FTA requirements in any of the eight areas.

During the Commission review, it was noted that an individual filed a lawsuit alleging that his request for JTA public records was not provided in a timely manner. However, a final order was issued by the judge in the case which discharged the lawsuit because the public records request had been completed. JTA management indicated that the apparent delay in responding to the public documents request was due to deferrals made by the individual who filed the lawsuit.

Although Board meeting notices are posted on the Authority's website and at its headquarters, JTA did not advertise the Board meetings in a manner consistent with the provisions of Section 189.417, Florida Statues. JTA's General Counsel indicated that the public meeting notice provisions of Section 189.417, Florida Statutes, is not applicable to JTA. The Commission recommends that JTA consider amending its policy to require that Board meetings be advertised in a manner consistent with the provisions of Section 189.417, Florida Statutes. The Commission further recommends that JTA consider expanding the public Board meeting information posted on its website www.jtafla.com.

Based on the Commission's review of Board meeting minutes, JTA policies and procedures, Florida Statutes, Financial Statements, and other documentation and legal opinions 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.

South Florida Regional Transportation Authority (SFRTA/Tri-Rail)

SFRTA is a full-service public transportation authority operating within a 5,128-square-mile service area throughout Broward, Miami-Dade, and Palm Beach counties. SFRTA continues to expand its service parameters and relies on fare revenues,

federal and state grants, and significant financial support from its local partners to fund commuter rail operations.

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

SFRTA met or exceeded 8 of the 11 applicable objectives established for performance measures. The three measures that require improvement include: average headway, operating revenue per operating expense and response time to customer complaints.

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 2010 operating expenses declined 0.2 percent, while operating revenue increased 4.6 percent over FY 2009. The farebox recovery ratio increased to 22.9 percent (a 6.0 percent increase) as did the average fare, which grew from $2.31 to $2.85 (a 23.4 percent increase). FY 2010 average weekday ridership decreased 8.2 percent over FY 2008 and 15.9 percent over FY 2009 due to deteriorating economic conditions, lower gas prices and the impact of the June 2009 fare increase. SFRTA logged 14.6 percent less passenger trips and passenger miles in FY 2010. Revenue hours increased 10.2 percent, while revenue miles decreased 3.0 percent. To improve the operating revenue per operating expense ratio, SFRTA is encouraged to focus on containing operating costs. In addition, the Commission suggests that SFRTA continue its plans to improve average headway and to respond to customer complaints in a timely fashion.

In the area of Governance, the FY 2010 annual 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 did not identify any management recommendations for improvement and noted that corrective action was taken by SFRTA to address all management recommendations contained in last year's report. In October 2010, the Department's OIG concluded reviews of two JPA's between the Department and SFRTA. The OIG Attestation Reports did not identify any deficiencies regarding SFRTA and the JPA's. 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.

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 encourages SFRTA to develop and establish a course of action focused on improving performance to achieve objectives.

Northwest Florida Transportation Corridor Authority (NFTCA)

The Commission review of NFTCA was conducted with the cooperation and assistance of NFTCA staff and relied heavily on documentation and assertions provided by the Authority. The Commission's approach primarily consisted of a review of agendas and minutes of Board meetings,

funding agreements, 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 most of its statutory responsibilities and the governance criteria established by the Commission. However, the updated 2010 Master Plan was not presented to governing bodies and legislative delegation members as required. Although NFTCA General Counsel provides guidance at Board meetings and at the individual request of Board members, no formal training related to Ethics and Sunshine Laws was provided to Board members in FY 2010. The Commission recommends that Ethics and Sunshine Law training be provided to all new Board members and refresher courses be provided to the NFTCA Board annually.

NFTCA adopted an updated 2010 Master Plan in May 2010. An independent audit of NFTCA financial statements for FY 2009 (and prior years since inception of NFTCA) has been completed and the FY 2010 audit is currently underway. The FY 2009 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. NFTCA indicated that the two findings will be addressed under a new administrative services contract executed subsequent to the release of the FY 2009 audit. A planning-level Feasibility Study for a portion of the Northwest Florida Bypass (formerly Eglin Bypass) is currently being conducted by the Department that will include an assessment of the financial feasibility of the tolled corridor. In July 2010, NFTCA executed a two year agreement with the Department that will provide $1.1 million in Federal funding for NFTCA 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. NFTCA also redesigned its website in order to provide more information to the public.

Southwest Florida Expressway Authority (SWFEA)

The Commission review of SWFEA was conducted with the cooperation and assistance of SWFEA staff and relied heavily on documentation and assertions provided by the Authority. The Commission's approach primarily consisted of a review of agendas and minutes of Board meetings, policies and procedures that have been adopted by SWFEA, and a review of the audited financial statements. Limited tests of compliance with applicable statutes were performed and, based on those results, it was determined that SWFEA is meeting all its statutory responsibilities and governance criteria established by the Commission.

In FY 2009, SWFEA instituted a temporary slowdown in activities related to new tolled lanes on I-75 due to the economic downturn and resulting reduction in traffic on I-75. SWFEA significantly reduced operating costs to minimum levels necessary to maintain the entity as active and in compliance with applicable laws and regulations. In FY 2010, as a result of a very unfavorable traffic forecast, the Board directed SWFEA General Counsel to provide a report to the Board regarding the options and impacts that may arise in going forward with early termination of SWFEA. As a result, on June 9, 2010 the Board unanimously voted that SWFEA does not have a viable project and to start the dissolution process.

On March 10, 2011 (FY 2011), the SWFEA Board unanimously approved a dissolution resolution and approved numerous motions to finalize all Board actions required to dissolve. As a result, there will be no future Board meetings. Consultant and staff contracts will be terminated after close-out procedures are complete and a final audit is conducted. The Department has agreed to serve as the Registered Agent during the time it takes to dissolve SWFEA. Lee County and Collier County voted to dissolve SWFEA. SWFEA will return unspent proceeds from the TFRTF loans to the Department. The Department confirmed their intention to associate any unpaid debt due from SWFEA to the I-75 project.

The FY 2010 independent financial statement audit reflected an unqualified opinion with a "going concern" paragraph. The auditors noted $1.8 million in cumulative net losses since inception, and stated the Board had recommended dissolution to the participating counties and the State of Florida. On March 10, 2011, the Board approved and funded the final close-out audit of SWFEA. It is anticipated that the final audit will be completed by July 1, 2011.

Tampa Bay Area Regional Transportation Authority (TBARTA)

The Commission review of TBARTA was conducted with the cooperation and assistance of TBARTA staff 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, 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 TBARTA is meeting all of its statutory responsibilities and the governance criteria established by the Commission.

TBARTA adopted a Regional Transportation Master Plan for the seven-county Tampa Bay Region in May 2009. Activities required to update the Master Plan by July 1, 2011, continue. Through JPA's with the Department, the Department advanced funds to TBARTA, from a $2 million appropriation, to pay initial administrative expenses. As of September 30, 2010, approximately $800 thousand of the $2 million appropriation has been expended. The FY 2009 independent financial statement audit reflected an unqualified opinion. No recommendations for improvement were noted in the Auditor's Management Letter. The FY 2010 financial statement audit is currently underway. 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 April 30, 2010 merger, BACS assets and liabilities of approximately $406 thousand and $69 thousand, respectively, were merged into TBARTA.

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.

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PLAN FOR FISCAL YEAR 2011

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Plan for Fiscal Year 2011

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 is in place and plans to consider any enhancements or changes to performance measures, management objectives, operating indicators, governance areas, and reporting format during scheduled workshops and teleconferences. Activities for FY 2011 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 investigation.

The Commission intends to continue occasional monitoring of authority board or committee meetings during 2011 to gain first hand exposure

to the workings and culture of the authorities, which has proven to be invaluable in the past.

The approach to governance monitoring and performance measurement has been developed and will continue to be improved in close collaboration and coordination with the affected authorities. The Commission's establishment of performance measures and targets, having authorities report on other indicators of operations and budget, and monitoring governance will fulfill the Commission's statutory responsibility, while not interfering with day-to-day management of the authorities.

The Commission will monitor the 2011 legislature to identify any legislative changes that may affect its oversight role. It is anticipated the Commission will convene its authority performance measures committee after the legislative adjournment to assess refinements to this process. During the summer and fall of 2011, 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 2012 legislature that provides the status and findings of transportation authorities under its oversight.

APPENDIX A—LEGISLATIVE EXCERPTS

2009 LEGISLATURE

HB 5013—An act relating to transportation; amending S. 348.54, F.S.; approved by Governor Crist on May 27, 2009; effective date May 27, 2009.

HB 1021—An act relating to transportation; amending S. 120.52 F.S.; repeal of select sections of Part III, Chapter 343, F.S.; approved by Governor Crist on May 27, 2009; effective date July 1, 2009.

HB 1213—An act relating to the Jacksonville Transportation Authority; amending S. 349.02, F.S.; approved by Governor Crist on June 1, 2009; effective date July 1, 2009.

HB 1B—An act relating to transportation; amending S. 20.23, F.S.; creating Florida statewide passenger rail commission; approved by Governor Crist on December 16, 2009; effective date December 16, 2009. Special Legislative Session.

2010 LEGISLATURE

HB 1271—An act relating to transportation; amending S. 212.055, 341.051, 341.3025 and 343.64, F.S.; amending various sections of Tampa-Hillsborough County Expressway Authority Law and creating the Osceola County Expressway Authority; approved by Governor Crist on June 4, 2010; effective date July 1, 2010.

SB 2470—An act relating to regional transportation; creating the Northeast Florida Regional Transportation Study Commission; approved by Governor Crist on June 4, 2010; effective date July 1, 2010.

participate in the program must be established in an amount sufficient to offset the total cost to the department for the program, including contract costs. The department shall provide the services in the most efficient and cost-effective manner through department staff or by contracting for some or all of the services. The department shall adopt rules that set reasonable rates based upon factors such as population, traffic volume, market demand, and costs for annual permit fees. However, annual permit fees for sign locations inside an urban area, as defined in s. 334.03(32), may not exceed $5,000 and annual permit fees for sign locations outside an urban area, as defined in s. 334.03(32), may not exceed $2,500. After recovering program costs, the proceeds from the annual permit fees shall be deposited into the State Transportation Trust Fund and used for transportation purposes. ~~Such annual permit fee shall not exceed $1,250.~~

Section 6. Subsections (7) and (8) of section 348.54, Florida Statutes, are amended to read:

348.54 Powers of the authority.--Except as otherwise limited herein, the authority shall have the power:

(7) To borrow money and to make and issue negotiable bonds, notes, refunding bonds, and other evidences of indebtedness or obligations, either in temporary or definitive form, hereinafter in this chapter referred to as "bonds of the authority," for the purpose of financing all or part of the improvement or extension of the expressway system and appurtenant facilities, including all approaches, streets, roads, bridges, and avenues of access for the expressway system,

and for any other purpose authorized by this part, and to provide for the rights of the holders thereof.

(8) To secure the payment of bonds by a pledge of all or any portion of the revenues or such other moneys legally available therefor and of all or any portion of the Hillsborough County gasoline tax funds in the manner provided by this part; and in general to provide for the security of the bonds and the rights and remedies of the holders thereof. Interest upon the amount of gasoline tax funds to be repaid to the county pursuant to s. 348.60 shall be payable, at the highest rate applicable to any outstanding bonds of the authority, out of revenues and other available moneys not required to meet the authority's obligations to its bondholders. The authority shall have no power at any time or in any manner to pledge the credit or taxing power of the state or any political subdivision or agency thereof, including the city and the county, nor shall any of the authority's obligations be deemed to be obligations of the state or of any political subdivision or agency thereof, nor shall the state or any political subdivision or agency thereof, except the authority, be liable for the payment of the principal of or interest on such obligations.

Section 7. (1) The Department of Community Affairs, in consultation with the Department of Transportation, shall implement an Energy Economic Zone Pilot Program for the purpose of developing a model to help communities cultivate green economic development, encourage renewable electric energy generation, manufacture products that contribute to energy conservation and green jobs, and further implement chapter 2008-

2. As secondary criteria the department may consider:

a. Whether a road is used as an evacuation route.

b. Whether a road has high levels of agricultural travel.

c. Whether a road is considered a major arterial route.

d. Whether a road is considered a feeder road.

e. Whether a road is located in a fiscally constrained county, as defined in s. 218.67(1).

f.~~e.~~ Other criteria related to the impact of a project on the public road system or on the state or local economy as determined by the department.

Section 20. Paragraph (c) of subsection (4) of section 348.0003, Florida Statutes, is amended to read:

348.0003 Expressway authority; formation; membership.--

(4)

(c) Members of each expressway ~~an~~ authority, transportation authority, bridge authority, or toll authority, created pursuant to this chapter, chapter 343, or chapter 349 or any other legislative enactment shall ~~be required to~~ comply with the applicable financial disclosure requirements of s. 8, Art. II of the State Constitution. This paragraph does not subject any statutorily created authority, other than an expressway authority created under this part, to any other requirement of this part except the requirement of this paragraph.

Section 21. Subsection (1) of section 479.01, Florida Statutes, is amended to read:

479.01 Definitions.--As used in this chapter, the term:

(1) "Automatic changeable facing" means a facing that ~~which through a mechanical system~~ is capable of delivering two

metropolitan planning organization by June 30, 2010.

Section 27. (1) Part III of chapter 343, Florida Statutes, consisting of sections 343.71, 343.72, 343.73, 343.74, 343.75, 343.76, and 343.77, is repealed.

(2) Any assets or liabilities of the Tampa Bay Commuter Transit Authority are transferred to the Tampa Bay Area Regional Transportation Authority as created under s. 343.92, Florida Statutes.

Section 28. Paragraph (c) of subsection (4) of section 316.191, Florida Statutes, is amended to read:

316.191 Racing on highways.--

(4) Whenever a law enforcement officer determines that a person was engaged in a drag race or race, as described in subsection (1), the officer may immediately arrest and take such person into custody. The court may enter an order of impoundment or immobilization as a condition of incarceration or probation. Within 7 business days after the date the court issues the order of impoundment or immobilization, the clerk of the court must send notice by certified mail, return receipt requested, to the registered owner of the motor vehicle, if the registered owner is a person other than the defendant, and to each person of record claiming a lien against the motor vehicle.

(c) Any motor vehicle used in violation of subsection (2) may be impounded for a period of 30 ~~10~~ business days if a law enforcement officer has arrested and taken a person into custody pursuant to this subsection and the person being arrested is the registered owner or coowner of the motor vehicle. If the arresting officer finds that the criteria of this paragraph are

(6) The authority may exercise any of its powers, including eminent domain, to facilitate the development and construction of transportation projects pursuant to this section. The authority may pay all or part of the cost of operating and maintaining the facility or may provide services to the private entity, for which services it shall receive full or partial reimbursement.

(7) Except as provided in this section, this section is not intended to amend existing law by granting additional powers to or imposing further restrictions on the governmental entities with regard to regulating and entering into cooperative arrangements with the private sector for the planning, construction, and operation of transportation facilities.

Section 18. Paragraph (b) of subsection (2) of section 20.23, Florida Statutes, is amended to read:

20.23 Department of Transportation.--There is created a Department of Transportation which shall be a decentralized agency.

(2)

(b) The commission shall have the primary functions to:

1. Recommend major transportation policies for the Governor's approval, and assure that approved policies and any revisions thereto are properly executed.

2. Periodically review the status of the state transportation system including highway, transit, rail, seaport, intermodal development, and aviation components of the system and recommend improvements therein to the Governor and the Legislature.

3. Perform an in-depth evaluation of the annual department budget request, the Florida Transportation Plan, and the tentative work program for compliance with all applicable laws and established departmental policies. Except as specifically provided in s. 339.135(4)(c)2., (d), and (f), the commission may not consider individual construction projects, but shall consider methods of accomplishing the goals of the department in the most effective, efficient, and businesslike manner.

4. Monitor the financial status of the department on a regular basis to assure that the department is managing revenue and bond proceeds responsibly and in accordance with law and established policy.

5. Monitor on at least a quarterly basis, the efficiency, productivity, and management of the department, using performance and production standards developed by the commission pursuant to s. 334.045.

6. Perform an in-depth evaluation of the factors causing disruption of project schedules in the adopted work program and recommend to the Legislature and the Governor methods to eliminate or reduce the disruptive effects of these factors.

7. Recommend to the Governor and the Legislature improvements to the department's organization in order to streamline and optimize the efficiency of the department. In reviewing the department's organization, the commission shall determine if the current district organizational structure is responsive to Florida's changing economic and demographic development patterns. The initial report by the commission must be delivered to the Governor and Legislature by December 15,

2000, and each year thereafter, as appropriate. The commission may retain such experts as are reasonably necessary to effectuate this subparagraph, and the department shall pay the expenses of such experts.

8. Monitor the efficiency, productivity, and management of the authorities created under chapters 343, ~~and~~ 348, and 349, including any authority formed using the provisions of part I of chapter 348. The commission shall also conduct periodic reviews of each authority's operations and budget, acquisition of property, management of revenue and bond proceeds, and compliance with applicable laws and generally accepted accounting principles.

Section 19. Subsection (1) of section 334.30, Florida Statutes, is amended to read:

334.30 Public-private transportation facilities.--The Legislature finds and declares that there is a public need for the rapid construction of safe and efficient transportation facilities for the purpose of traveling within the state, and that it is in the public's interest to provide for the construction of additional safe, convenient, and economical transportation facilities.

(1) The department may receive or solicit proposals and, with legislative approval as evidenced by approval of the project in the department's work program, enter into agreements with private entities, or consortia thereof, for the building, operation, ownership, or financing of transportation facilities. The department may advance projects programmed in the adopted 5-year work program or projects increasing transportation capacity

and greater than $500 million in the 10-year Strategic Intermodal Plan using funds provided by public-private partnerships or private entities to be reimbursed from department funds for the project as programmed in the adopted work program. The department shall by rule establish an application fee for the submission of unsolicited proposals under this section. The fee must be sufficient to pay the costs of evaluating the proposals. The department may engage the services of private consultants to assist in the evaluation. Before approval, the department must determine that the proposed project:

(a) Is in the public's best interest;

(b) Would not require state funds to be used unless the project is on the State Highway System;

(c) Would have adequate safeguards in place to ensure that no additional costs or service disruptions would be realized by the traveling public and residents of the state in the event of default or cancellation of the agreement by the department;

(d) Would have adequate safeguards in place to ensure that the department or the private entity has the opportunity to add capacity to the proposed project and other transportation facilities serving similar origins and destinations; and

(e) Would be owned by the department upon completion or termination of the agreement.

The department shall ensure that all reasonable costs to the state, related to transportation facilities that are not part of the State Highway System, are borne by the private

entity. The department shall also ensure that all reasonable costs to the state and substantially affected local governments and utilities, related to the private transportation facility, are borne by the private entity for transportation facilities that are owned by private entities. For projects on the State Highway System, the department may use state resources to participate in funding and financing the project as provided for under the department's enabling legislation. Because the Legislature recognizes that private entities or consortia thereof would perform a governmental or public purpose or function when they enter into agreements with the department to design, build, operate, own, or finance transportation facilities, the transportation facilities, including leasehold interests thereof, are exempt from ad valorem taxes as provided in chapter 196 to the extent property is owned by the state or other government entity, and from intangible taxes as provided in chapter 199 and special assessments of the state, any city, town, county, special district, political subdivision of the state, or any other governmental entity. The private entities or consortia thereof are exempt from tax imposed by chapter 201 on all documents or obligations to pay money which arise out of the agreements to design, build, operate, own, lease, or finance transportation facilities. Any private entities or consortia thereof must pay any applicable corporate taxes as provided in chapters 220 and 221, and unemployment compensation taxes as provided in chapter 443, and sales and use tax as provided in chapter 212 shall be applicable. The private entities or consortia thereof must also register and collect the tax imposed

by chapter 212 on all their direct sales and leases that are subject to tax under chapter 212. The agreement between the private entity or consortia thereof and the department establishing a transportation facility under this chapter constitute documentation sufficient to claim any exemption under this section.

Section 20. The Department of Transportation shall direct a study to be conducted and funded by the authority created in chapter 349, Florida Statutes, for the purpose of recommending to the Legislature the framework for a regional transportation authority for the northeast region of Florida, composed of the following counties and each of the municipalities located therein: Baker, Clay, Duval, Flagler, Nassau, Putnam, and St. Johns. The study shall include, at a minimum, the existing powers and duties of the authority, as well as the additional powers and duties necessary for the agency to plan, design, finance, construct, operate, and maintain transportation facilities providing a safe, adequate, and efficient surface transportation network for the region, consistent with the statewide transportation network. In addition, the study shall address agency revenue sources, governance, coordination of work plans, and coordination with local comprehensive plans for all transportation facilities of the agency. Recommendations shall be delivered to the President of the Senate and Speaker of the House of Representatives no later than February 1, 2010.

Section 21. This act shall take effect July 1, 2009.

Section 1. Paragraph (b) of subsection (2) and present subsection (4) of section 20.23, Florida Statutes, are amended, present subsections (3) through (6) are renumbered as subsections (4) through (7), respectively, and a new subsection (3) is added to that section, to read:

20.23 Department of Transportation.—There is created a Department of Transportation which shall be a decentralized agency.

(2)

(b) The commission shall have the primary functions to:

1. Recommend major transportation policies for the Governor's approval, and assure that approved policies and any revisions thereto are properly executed.

2. Periodically review the status of the state transportation system including highway, transit, rail, seaport, intermodal development, and aviation components of the system and recommend improvements therein to the Governor and the Legislature.

3. Perform an in-depth evaluation of the annual department budget request, the Florida Transportation Plan, and the tentative work program for compliance with all applicable laws and established departmental policies. Except as specifically provided in s. 339.135(4)(c)2., (d), and (f), the commission may not consider individual construction projects, but shall consider methods of accomplishing the goals of the department in the most effective, efficient, and businesslike manner.

4. Monitor the financial status of the department on a regular basis to assure that the department is managing revenue

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

and bond proceeds responsibly and in accordance with law and established policy.

5. Monitor on at least a quarterly basis, the efficiency, productivity, and management of the department, using performance and production standards developed by the commission pursuant to s. 334.045.

6. Perform an in-depth evaluation of the factors causing disruption of project schedules in the adopted work program and recommend to the Legislature and the Governor methods to eliminate or reduce the disruptive effects of these factors.

7. Recommend to the Governor and the Legislature improvements to the department's organization in order to streamline and optimize the efficiency of the department. In reviewing the department's organization, the commission shall determine if the current district organizational structure is responsive to Florida's changing economic and demographic development patterns. The initial report by the commission must be delivered to the Governor and Legislature by December 15, 2000, and each year thereafter, as appropriate. The commission may retain such experts as are reasonably necessary to effectuate this subparagraph, and the department shall pay the expenses of such experts.

8. Monitor the efficiency, productivity, and management of the authorities created under chapters ~~343,~~ 348~~,~~ and 349, including any authority formed using the provisions of part I of chapter 348 and any authority formed under chapter 343 which is not monitored under subsection (3). The commission shall also conduct periodic reviews of each authority's operations and

budget, acquisition of property, management of revenue and bond proceeds, and compliance with applicable laws and generally accepted accounting principles.

(3) There is created the Florida Statewide Passenger Rail Commission.

(a)1. The commission shall consist of nine voting members appointed as follows:

a. Three members shall be appointed by the Governor, one of whom must have a background in the area of environmental concerns, one of whom must have a legislative background, and one of whom must have a general business background.

b. Three members shall be appointed by the President of the Senate, one of whom must have a background in civil engineering, one of whom must have a background in transportation construction, and one of whom must have a general business background.

c. Three members shall be appointed by the Speaker of the House of Representatives, one of whom must have a legal background, one of whom must have a background in financial matters, and one of whom must have a general business background.

2. The initial term of each member appointed by the Governor shall be for 4 years. The initial term of each member appointed by the President of the Senate shall be for 3 years. The initial term of each member appointed by the Speaker of the House of Representatives shall be for 2 years. Succeeding terms for all members shall be for 4 years.

3. A vacancy occurring during a term shall be filled by

the respective appointing authority in the same manner as the original appointment and only for the balance of the unexpired term. An appointment to fill a vacancy shall be made within 60 days after the occurrence of the vacancy.

4. The commission shall elect one of its members as chair of the commission. The chair shall hold office at the will of the commission. Five members of the commission shall constitute a quorum, and the vote of five members shall be necessary for any action taken by the commission. The commission may meet upon the constitution of a quorum. A vacancy in the commission does not impair the right of a quorum to exercise all rights and perform all duties of the commission.

5. The members of the commission are not entitled to compensation but are entitled to reimbursement for travel and other necessary expenses as provided in s. 112.061.

(b) The commission shall have the primary functions of:

1. Monitoring the efficiency, productivity, and management of all publicly funded passenger rail systems in the state, including, but not limited to, any authority created under chapter 343, chapter 349, or chapter 163 if the authority receives public funds for the provision of passenger rail service. The commission shall advise each monitored authority of its findings and recommendations. The commission shall also conduct periodic reviews of each monitored authority's passenger rail and associated transit operations and budget, acquisition of property, management of revenue and bond proceeds, and compliance with applicable laws and generally accepted accounting principles. The commission may seek the assistance of

the Auditor General in conducting such reviews and shall report the findings of such reviews to the Legislature. This paragraph does not preclude the Florida Transportation Commission from conducting its performance and work program monitoring responsibilities.

2. Advising the department on policies and strategies used in planning, designing, building, operating, financing, and maintaining a coordinated statewide system of passenger rail services.

3. Evaluating passenger rail policies and providing advice and recommendations to the Legislature on passenger rail operations in the state.

(c) The commission or a member of the commission may not enter into the day-to-day operation of the department or a monitored authority and is specifically prohibited from taking part in:

1. The awarding of contracts.

2. The selection of a consultant or contractor or the prequalification of any individual consultant or contractor. However, the commission may recommend to the secretary standards and policies governing the procedure for selection and prequalification of consultants and contractors.

3. The selection of a route for a specific project.

4. The specific location of a transportation facility.

5. The acquisition of rights-of-way.

6. The employment, promotion, demotion, suspension, transfer, or discharge of any department personnel.

7. The granting, denial, suspension, or revocation of any

reductions shall not negatively impact safety or maintenance or project contingency percentage levels as of April 21, 2009. This subparagraph expires July 1, 2010.

5. Notwithstanding subparagraphs 1. and 2. and ss. 206.46(3) and 334.044(26), and for fiscal years 2009-2010 through 2013-2014 only, the department shall annually allocate up to $15 million of the first proceeds of the increased revenues estimated by the November 2009 Revenue Estimating Conference to be deposited into the State Transportation Trust Fund to provide for the portion of the transfer of funds included in s. 343.58(4)(a)1.a. or s. 343.58(4)(a)2.a., whichever is applicable. The transfer of funds included in s. 343.58(4) shall not negatively impact projects included in fiscal years 2009-2010 through 2013-2014 of the work program as of July 1, 2009, as amended pursuant to subsection (7). This subparagraph expires July 1, 2014.

Section 4. Section 343.58, Florida Statutes, is amended to read:

343.58 County funding for the South Florida Regional Transportation Authority.—

(1) Each county served by the South Florida Regional Transportation Authority must dedicate and transfer not less than $2.67 million to the authority annually. The recurring annual $2.67 million must be dedicated by the governing body of each county before October 31 of each fiscal year. These funds may be used for capital, operations, and maintenance.

(2) At least $45 million of a state-authorized, local option recurring funding source available to Broward, Miami-

Dade, and Palm Beach counties is directed to the authority to fund its capital, operating, and maintenance expenses. The funding source shall be dedicated to the authority only if Broward, Miami-Dade, and Palm Beach counties impose the local option funding source.

(3) In addition, each county shall continue to annually fund the operations of the South Florida Regional Transportation Authority in an amount not less than $1.565 million. Revenue raised pursuant to this subsection shall also be considered a dedicated funding source.

(4) Notwithstanding any other provision of law to the contrary and effective July 1, 2010, the department shall transfer annually from the State Transportation Trust Fund to the South Florida Regional Transportation Authority the amounts specified in subparagraph (a)1. or subparagraph (a)2.

(a)1. If the authority becomes responsible for maintaining and dispatching the South Florida Rail Corridor:

a. $15 million from the State Transportation Trust Fund to the South Florida Regional Transportation Authority for operations, maintenance, and dispatch; and

b. An amount no less than the work program commitments equal to $27.1 million for fiscal year 2010-2011, as of July 1, 2009, for operating assistance to the authority and corridor track maintenance and contract maintenance for the South Florida Rail Corridor.

2. If the authority does not become responsible for maintaining and dispatching the South Florida Rail Corridor:

a. $13.3 million from the State Transportation Trust Fund

to the South Florida Regional Transportation Authority for operations; and

b. An amount no less than the work program commitments equal to $17.3 million for fiscal year 2010-2011, as of July 1, 2009, for operating assistance to the authority.

(b) Funding required by this subsection may not be provided from the funds dedicated to the Florida Rail Enterprise under s. 201.15(1)(c)1.d.

(5)~~(4)~~ The current funding obligations under subsections (1), ~~and~~ (3), and (4) shall cease upon commencement of the collection of funding from the funding source under subsection (2). If the funding under subsection (2) is discontinued for any reason, the funding obligations under subsections (1) and (3) shall resume when collection from the funding source under subsection (2) ceases. Payment by the counties shall be on a pro rata basis the first year following cessation of the funding under subsection (2). The authority shall refund a pro rata share of the payments for the current fiscal year made pursuant to the current funding obligations under subsections (1) and (3) as soon as reasonably practicable after it begins to receive funds under subsection (2). If, by December 31, 2015, the South Florida Regional Transportation Authority has not received federal matching funds based upon the dedication of funds under subsection (1), subsection (1) shall be repealed.

Section 5. Section 341.301, Florida Statutes, is amended to read:

341.301 Definitions; ss. 341.302-341.303 ~~ss. 341.302 and 341.303~~.—As used in ss. 341.302-341.303 ~~ss. 341.302 and 341.303~~,

persons holding legal or equitable interest in the motor vehicle; amending s. 479.156, F.S.; conforming cross-references; providing an effective date.

Be It Enacted by the Legislature of the State of Florida:

Section 1. Subsection (1) of section 212.055, Florida Statutes, is amended to read:

212.055 Discretionary sales surtaxes; legislative intent; authorization and use of proceeds.—It is the legislative intent that any authorization for imposition of a discretionary sales surtax shall be published in the Florida Statutes as a subsection of this section, irrespective of the duration of the levy. Each enactment shall specify the types of counties authorized to levy; the rate or rates which may be imposed; the maximum length of time the surtax may be imposed, if any; the procedure which must be followed to secure voter approval, if required; the purpose for which the proceeds may be expended; and such other requirements as the Legislature may provide. Taxable transactions and administrative procedures shall be as provided in s. 212.054.

(1) CHARTER COUNTY AND REGIONAL TRANSPORTATION SYSTEM SURTAX.—

(a) Each charter county that has adopted a charter, ~~and~~ each county the government of which is consolidated with that of one or more municipalities, and each county that is within or under an interlocal agreement with a regional transportation or transit authority created under chapter 343 or chapter 349 may

levy a discretionary sales surtax, subject to approval by a majority vote of the electorate of the county or by a charter amendment approved by a majority vote of the electorate of the county.

(b) The rate shall be up to 1 percent.

(c) The proposal to adopt a discretionary sales surtax as provided in this subsection and to create a trust fund within the county accounts shall be placed on the ballot in accordance with law at a time to be set at the discretion of the governing body.

(d) Proceeds from the surtax shall be applied to as many or as few of the uses enumerated below in whatever combination the county commission deems appropriate:

1. Deposited by the county in the trust fund and shall be used for the purposes of development, construction, equipment, maintenance, operation, supportive services, including a countywide bus system, on-demand transportation services, and related costs of a fixed guideway rapid transit system;

2. Remitted by the governing body of the county to an expressway, transit, or transportation authority created by law to be used, at the discretion of such authority, for the development, construction, operation, or maintenance of roads or bridges in the county, for the operation and maintenance of a bus system, for the operation and maintenance of on-demand transportation services, for the payment of principal and interest on existing bonds issued for the construction of such roads or bridges, and, upon approval by the county commission, such proceeds may be pledged for bonds issued to refinance

existing bonds or new bonds issued for the construction of such roads or bridges;

3. Used by the ~~charter~~ county for the development, construction, operation, and maintenance of roads and bridges in the county; for the expansion, operation, and maintenance of bus and fixed guideway systems; for the expansion, operation, and maintenance of on-demand transportation services; and for the payment of principal and interest on bonds issued for the construction of fixed guideway rapid transit systems, bus systems, roads, or bridges; and such proceeds may be pledged by the governing body of the county for bonds issued to refinance existing bonds or new bonds issued for the construction of such fixed guideway rapid transit systems, bus systems, roads, or bridges and no more than 25 percent used for nontransit uses; and

4. Used by the ~~charter~~ county for the planning, development, construction, operation, and maintenance of roads and bridges in the county; for the planning, development, expansion, operation, and maintenance of bus and fixed guideway systems; for the planning, development, construction, operation, and maintenance of on-demand transportation services; and for the payment of principal and interest on bonds issued for the construction of fixed guideway rapid transit systems, bus systems, roads, or bridges; and such proceeds may be pledged by the governing body of the county for bonds issued to refinance existing bonds or new bonds issued for the construction of such fixed guideway rapid transit systems, bus systems, roads, or bridges. Pursuant to an interlocal agreement entered into

pursuant to chapter 163, the governing body of the ~~charter~~ county may distribute proceeds from the tax to a municipality, or an expressway or transportation authority created by law to be expended for the purpose authorized by this paragraph. Any ~~charter~~ county that has entered into interlocal agreements for distribution of proceeds to one or more municipalities in the county shall revise such interlocal agreements no less than every 5 years in order to include any municipalities that have been created since the prior interlocal agreements were executed.

(e) As used in this subsection, the term "on-demand transportation services" means transportation provided between flexible points of origin and destination selected by individual users with such service being provided at a time that is agreed upon by the user and the provider of the service and that is not fixed-schedule or fixed-route in nature.

Section 2. Paragraph (b) of subsection (3) of section 310.0015, Florida Statutes, is amended to read:

310.0015 Piloting regulation; general provisions.—

(3) The rate-setting process, the issuance of licenses only in numbers deemed necessary or prudent by the board, and other aspects of the economic regulation of piloting established in this chapter are intended to protect the public from the adverse effects of unrestricted competition which would result from an unlimited number of licensed pilots being allowed to market their services on the basis of lower prices rather than safety concerns. This system of regulation benefits and protects the public interest by maximizing safety, avoiding uneconomic

the payment, collection, and enforcement of tolls, as authorized in chapters 316, 318, 320, 322, and 338, including, but not limited to, rules for the implementation of video or other image billing and variable pricing ~~guaranteed toll accounts~~.

Section 25. Subsection (7) is added to section 341.051, Florida Statutes, to read:

341.051 Administration and financing of public transit and intercity bus service programs and projects.—

(7) INTEROPERABLE FARE COLLECTION SYSTEMS.—

(a) The Legislature recognizes the importance of encouraging the seamless use of local and regional public transportation systems by residents of and visitors to the state wherever possible. The paramount concern is to encourage the implementation of fare collection systems that are interoperable and compatible with multiple public transportation systems throughout the state.

(b) Notwithstanding any other provision of law to the contrary, in order to facilitate the ease of transfer from one public transportation system to another, any public transit system which connects directly with a new public rail system put into service after December 1, 2010, and which is adding a new fare media system or is upgrading its existing fare media system shall use a universally accepted contactless fare media that is compatible with the American Public Transportation Association's Contactless Fare Media System Standard or the applicable bankcard contactless media standards and allows users to purchase fares at a single point of sale with coin, cash, or credit card. This paragraph does not require the use of a

universally accepted contactless fare media for the paratransit element of any transit system or by any public transit system that does not share one or more points of origin or destination with a public rail system.

For purposes of this section, the term "net operating costs" means all operating costs of a project less any federal funds, fares, or other sources of income to the project.

Section 26. Subsection (7) of section 341.3025, Florida Statutes, is renumbered as subsection (8), and a new subsection (7) is added to that section to read:

341.3025 Multicounty public rail system fares and enforcement.—

(7)(a) The Legislature recognizes the importance of encouraging the seamless use of local and regional public transportation systems by residents of and visitors to the state wherever possible. The paramount concern is to encourage the implementation of fare collection systems that are interoperable and compatible with multiple public transportation systems throughout the state.

(b) Notwithstanding any other provision of law to the contrary, in order to facilitate the ease of transfer from one public transportation system to another, any new public rail system that is constructed after December 1, 2010, by the state, an agency of the state, a regional transportation authority, or one or more counties or municipalities shall use a universally accepted contactless fare media that is compatible with the American Public Transportation Association's Contactless Fare

Media System Standard or the applicable bankcard contactless media standards and allows users to purchase fares at a single point of sale with coin, cash, or credit card. Additionally, any existing public rail system that is adding a new fare media system or is upgrading its existing fare media system shall use a universally accepted contactless fare media that is compatible with the American Public Transportation Association's Contactless Fare Media System Standard or the applicable bankcard contactless media standards and allows users to purchase fares at a single point of sale with coin, cash, or credit card.

Section 27. Paragraph (q) is added to subsection (2) of section 343.64, Florida Statutes, to read:

343.64 Powers and duties.—

(2) The authority may exercise all powers necessary, appurtenant, convenient, or incidental to the carrying out of the aforesaid purposes, including, but not limited to, the following rights and powers:

(q) Notwithstanding s. 343.65, to borrow money in a principal amount not to exceed $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.

Section 28. Subsection (3) of section 348.51, Florida Statutes, is amended to read:

348.51 Definitions.—The following terms whenever used or referred to in this part shall have the following meanings, except in those instances where the context clearly indicates

otherwise:

(3) "Bonds" means and includes the notes, bonds, refunding bonds, or other evidences of indebtedness or obligations, in either temporary or definitive form, which ~~of~~ the authority is authorized to issue ~~issued~~ pursuant to this part.

Section 29. Section 348.545, Florida Statutes, is amended to read:

348.545 Facility improvement; bond financing authority.—Pursuant to s. 11(f), Art. VII of the State Constitution, the Legislature hereby approves for bond financing by the Tampa-Hillsborough County Expressway Authority improvements to toll collection facilities, interchanges to the legislatively approved expressway system, and any other facility appurtenant, necessary, or incidental to the approved system. Subject to terms and conditions of applicable revenue bond resolutions and covenants, such costs ~~financing~~ may be financed in whole or in part by revenue bonds issued pursuant to s. 348.56(1)(a) or (b), whether currently issued or issued in the future, or by a combination of such bonds.

Section 30. Subsections (1) and (2) of section 348.56, Florida Statutes, are amended to read:

348.56 Bonds of the authority.—

(1)(a) Bonds may be issued on behalf of the authority pursuant to the State Bond Act.

(b) Alternatively, the authority shall have the power and is hereby authorized from time to time to issue bonds in such principal amount as, in the opinion of the authority, shall be necessary to provide sufficient moneys for achieving its

corporate purposes, including construction, reconstruction, improvement, extension, repair, maintenance and operation of the expressway system, the cost of acquisition of all real property, interest on bonds during construction and for a reasonable period thereafter, establishment of reserves to secure bonds, and all other expenditures of the authority incident to and necessary or convenient to carry out its corporate purposes and powers.

(2)(a) Bonds <u>issued by the authority pursuant to paragraph (1)(a) or paragraph (1)(b)</u> shall be authorized by resolution of the members of the authority and shall bear such date or dates, mature at such time or times, not exceeding 40 years from their respective dates, bear interest at such rate or rates, not exceeding the maximum rate fixed by general law for authorities, be in such denominations, be in such form, either coupon or fully registered, carry such registration, exchangeability and interchangeability privileges, be payable in such medium of payment and at such place or places, be subject to such terms of redemption and be entitled to such priorities of lien on the revenues, other available moneys, and the Hillsborough County gasoline tax funds as such resolution or any resolution subsequent thereto may provide. The bonds shall be executed either by manual or facsimile signature by such officers as the authority shall determine, provided that such bonds shall bear at least one signature which is manually executed thereon. The coupons attached to such bonds shall bear the facsimile signature or signatures of such officer or officers as shall be designated by the authority. Such bonds shall have the seal of

the authority affixed, imprinted, reproduced, or lithographed thereon.

(b) The bonds issued pursuant to paragraph (1)(a) or paragraph (1)(b) shall be sold at public sale in the same manner provided in the State Bond Act~~, and the net interest cost to the authority on such bonds shall not exceed the maximum rate fixed by general law for authorities. If all bids received on the public sale are rejected, the authority may then proceed to negotiate for the sale of the bonds at a net interest cost which shall be less than the lowest net interest cost stated in the bids rejected at the public sale~~. However, if the authority determines, by official action at a public meeting, that a negotiated sale of such bonds is in the best interest of the authority, the authority may negotiate the sale of such bonds with the underwriter or underwriters designated by the authority and the Division of Bond Finance within the State Board of Administration with respect to bonds issued pursuant to paragraph (1)(a) or solely by the authority with respect to bonds issued pursuant to paragraph (1)(b). The authority's determination to negotiate the sale of such bonds may be based, in part, upon the written advice of the authority's financial adviser. Pending the preparation of definitive bonds, temporary bonds or interim certificates may be issued to the purchaser or purchasers of such bonds and may contain such terms and conditions as the authority may determine.

Section 31. Section 348.565, Florida Statutes, is amended to read:

348.565 Revenue bonds for specified projects.—The existing

facilities that constitute the Tampa-Hillsborough County Expressway System are hereby approved to be refinanced by ~~the issuance of~~ revenue bonds issued by the Division of Bond Finance of the State Board of Administration pursuant to s. 11(f), Art. VII of the State Constitution and the State Bond Act or by revenue bonds issued by the authority pursuant to s. 348.56(1)(b). In addition, the following projects of the Tampa-Hillsborough County Expressway Authority are approved to be financed or refinanced by the issuance of revenue bonds in accordance with this part and ~~pursuant to~~ s. 11(f), Art. VII of the State Constitution:

(1) Brandon area feeder roads.

(2) Capital improvements to the expressway system, including safety and operational improvements and toll collection equipment.

(3) Lee Roy Selmon Crosstown Expressway System widening.

(4) The connector highway linking the Lee Roy Selmon Crosstown Expressway to Interstate 4.

Section 32. Subsection (1) of section 348.57, Florida Statutes, is amended to read:

348.57 Refunding bonds.—

(1) Subject to public notice as provided in s. 348.54, the authority is authorized to provide by resolution for the issuance from time to time of bonds pursuant to s. 348.56(1)(b) for the purpose of refunding any bonds then outstanding regardless of whether the bonds being refunded were issued by the authority pursuant to this chapter or on behalf of the authority pursuant to the State Bond Act. The authority is

further authorized to provide by resolution for the issuance of bonds for the combined purpose of:

(a) Paying the cost of constructing, reconstructing, improving, extending, repairing, maintaining and operating the expressway system.

(b) Refunding bonds then outstanding. The authorization, sale and issuance of such obligations, the maturities and other details thereof, the rights and remedies of the holders thereof, and the rights, powers, privileges, duties and obligations of the authority with respect to the same shall be governed by the foregoing provisions of this part insofar as the same may be applicable.

Section 33. Section 348.70, Florida Statutes, is amended to read:

348.70 This part complete and additional authority.—

(1) The powers conferred by this part shall be in addition and supplemental to the existing respective powers of the authority, the department, the county, and the city, if any, and this part shall not be construed as repealing any of the provisions of any other law, general, special, or local, but shall be deemed to supersede such other law or laws in the exercise of the powers provided in this part insofar as such other law or laws are inconsistent with the provisions of this part and to provide a complete method for the exercise of the powers granted herein. The construction, reconstruction, improvement, extension, repair, maintenance, and operation of the expressway system, and the issuance of bonds hereunder to finance all or part of the cost thereof, may be accomplished

upon compliance with the provisions of this part without regard to or necessity for compliance with the provisions, limitations, or restrictions contained in any other general, special, or local law, including, but not limited to, s. 215.821, and no approval of any bonds issued under this part by the qualified electors or qualified electors who are freeholders in the state or in the county or in the city or in any other political subdivision of the state shall be required for the issuance of such bonds.

(2) This part does not repeal, rescind, or modify any other law or laws relating to the State Board of Administration, the Department of Transportation, or the Division of Bond Finance of the State Board of Administration, but shall supersede such other law or laws as are inconsistent with the provisions of this part, including, but not limited to, s. 215.821.

Section 34. Part XI of chapter 348, Florida Statutes, consisting of sections 348.9950, 348.9951, 348.9952, 348.9953, 348.9954, 348.9955, 348.9956, 348.9957, 348.9958, 348.9959, 348.9960, and 348.9961, is created to read:

348.9950 Short title.—This part may be cited as the "Osceola County Expressway Authority Law."

348.9951 Definitions.—Terms used in this part, except where the context clearly indicates otherwise, shall have the same meanings as those defined in the Florida Expressway Authority Act.

348.9952 Osceola County Expressway Authority.—

(1) There is created a body politic and corporate, an

agency of the state, to be known as the Osceola County Expressway Authority.

(2)(a) The governing body of the authority shall consist of six members. Five members, at least one of whom must be a member of a racial or ethnic minority group, must be residents of Osceola County, three of whom shall be appointed by the governing body of the county and two of whom shall be appointed by the Governor. The sixth member shall be the district secretary of the department serving in the district that includes Osceola County, who shall serve as an ex officio, nonvoting member. The term of each appointed member shall be for 4 years, except that the first term of the initial members appointed by the Governor shall be 2 years each. Each appointed member shall hold office until his or her successor has been appointed and has qualified. A vacancy occurring during a term shall be filled only for the balance of the unexpired term. Each appointed member of the authority shall be a person of outstanding reputation for integrity, responsibility, and business ability, but a person who is an officer or employee of any municipality or of Osceola County in any other capacity may not be an appointed member of the authority. A member of the authority is eligible for reappointment.

(b) Members of the authority may be removed from office by the Governor for misconduct, malfeasance, or nonfeasance in office.

(3)(a) The authority shall elect one of its members as chair. The authority shall also elect a secretary and a treasurer, who may be members of the authority. The chair,

secretary, and treasurer shall hold such offices at the will of the authority.

(b) Three members of the authority constitute a quorum, and the vote of three members is necessary for any action taken by the authority. A vacancy in the authority does not impair the right of a quorum of the authority to exercise all of the rights and perform all of the duties of the authority.

(4)(a) The authority may employ an executive secretary, an executive director, its own counsel and legal staff, technical experts, engineers, and other employees, permanent or temporary, as it may require, and may determine the qualifications and fix the compensation of such persons, firms, or corporations. Additionally, the authority may employ a fiscal agent or agents. However, the authority shall solicit sealed proposals from at least three persons, firms, or corporations for the performance of any services as fiscal agents. The authority may delegate to one or more of its agents or employees such of its power as it deems necessary to carry out the purposes of this part, subject always to the supervision and control of the authority.

(b) Members of the authority are entitled to receive from the authority their travel and other necessary expenses incurred in connection with the business of the authority as provided in s. 112.061, but members shall not draw salaries or other compensation.

(c) 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.

(d) The authority shall cooperate with and participate in

any efforts to establish a regional expressway authority.

(e) Notwithstanding any other provision of law, including s. 339.175(3), the authority is not entitled to voting membership in a metropolitan planning organization in which Osceola County, or any of the municipalities therein, are also voting members.

348.9953 Purposes and powers.—The purposes and powers of the authority shall be the same as those identified in the Florida Expressway Authority Act. In implementing this act, the authority shall institute procedures to encourage the awarding of contracts for professional services and construction to certified minority business enterprises as defined in s. 288.703. The authority shall develop and implement activities to encourage the participation of certified minority business enterprises in the contracting process.

348.9954 Bonds.—Bonds may be issued on behalf of the authority as provided by the State Bond Act and subject to the provisions of the Florida Expressway Authority Act.

348.9955 Lease-purchase agreement.—The authority may enter into lease-purchase agreements with the department as provided in the Florida Expressway Authority Act.

348.9956 Department may be appointed agent of authority for construction.—The authority may appoint the department as its agent as provided in the Florida Expressway Authority Act.

348.9957 Acquisition of lands and property.—The authority may acquire such rights, title, or interest in private or public property and such property rights, including easements, rights of access, air, view, and light by gift, devise, purchase, or

condemnation by eminent domain proceedings, as the authority may deem necessary for the purposes of this part and subject to the provisions of the Florida Expressway Authority Act.

348.9958 Cooperation with other units, boards, agencies, and individuals.—Any county, municipality, drainage district, road and bridge district, school district, or other political subdivision, board, commission, or individual in or of the state may make and enter into any contract, lease, conveyance, partnership, or other agreement with the authority within the provisions and for purposes of this part. The authority may make and enter into any contract, lease, conveyance, partnership, or other agreement with any political subdivision, agency, or instrumentality of the state or any federal agency, corporation, or individual for the purpose of carrying out the provisions of this part.

348.9959 Legislative intent; covenant of the state.—It is the intent of the Legislature that the state pledge to and agree with any person, firm, corporation, or federal or state agency subscribing to or acquiring the bonds to be issued by the authority for the purposes of this part that the state will not limit or alter the rights hereby vested in the authority and the department until all bonds at any time issued together with the interest thereon are fully paid and discharged insofar as the same affects the rights of the holders of bonds issued hereunder. It is also the intent of the Legislature that the state further pledge to and agree with the United States that in the event any federal agency shall construct or contribute any funds for the completion, extension, or improvement of the

Osceola County Expressway System, or any part or portion thereof, the state will not alter or limit the rights and powers of the authority and the department in any manner that would be inconsistent with the continued maintenance and operation of the Osceola County Expressway System, or the completion, extension, or improvement thereof, or that would be inconsistent with the due performance of any agreements between the authority and any such federal agency. The authority and the department shall continue to have and may exercise all powers herein granted so long as the same shall be necessary or desirable for the carrying out of the purposes of this part and the purposes of the United States in the completion, extension, or improvement of the Osceola County Expressway System or any part or portion thereof.

348.9960 Exemption from taxation.—

(1) As provided under and limited by the Florida Expressway Authority Act, the Osceola County Expressway Authority is not required to pay taxes or assessments of any kind or nature whatsoever upon any property acquired by it or used by it for such purpose or upon revenues at any time received by it.

(2) The bonds issued by or on behalf of the authority, their transfer, and the income therefrom, including any profits made on the sale thereof, shall at all times be free from taxation of any kind by the state or by any political subdivision or other taxing agency or instrumentality thereof. The exemption granted by this subsection does not apply to any tax imposed under chapter 220 on interest, income, or profits on

debt obligations owned by corporations.

348.9961 Automatic dissolution.—If, before January 1, 2020, the authority has not encumbered any funds to further its purposes and powers as authorized in s. 348.9953 to establish the system, the Osceola County Expressway Authority is dissolved.

Section 35. Subsection (6) of section 369.317, Florida Statutes, is amended to read:

369.317 Wekiva Parkway.—

(6) The Orlando-Orange County Expressway Authority is hereby granted the authority to act as a third-party acquisition agent, pursuant to s. 259.041 on behalf of the Board of Trustees or chapter 373 on behalf of the governing board of the St. Johns River Water Management District, for the acquisition of all necessary lands, property and all interests in property identified herein, including fee simple or less-than-fee simple interests. The lands subject to this authority are identified in paragraph 10.a., State of Florida, Office of the Governor, Executive Order 03-112 of July 1, 2003, and in Recommendation 16 of the Wekiva Basin Area Task Force created by Executive Order 2002-259, such lands otherwise known as Neighborhood Lakes, a 1,587+/-acre parcel located in Orange and Lake Counties within Sections 27, 28, 33, and 34 of Township 19 South, Range 28 East, and Sections 3, 4, 5, and 9 of Township 20 South, Range 28 East; Seminole Woods/Swamp, a 5,353+/-acre parcel located in Lake County within Section 37, Township 19 South, Range 28 East; New Garden Coal; a 1,605+/-acre parcel in Lake County within Sections 23, 25, 26, 35, and 36, Township 19 South, Range 28

Legislature concerning advance-funding the costs of capacity projects in its member counties; providing for funding of the study; providing an effective date.

WHEREAS, pursuant to House Bill 1213, 2009, the Department of Transportation directed the Jacksonville Transportation Authority to prepare a report to recommend to the Legislature the framework for a regional transportation authority for the northeast region of the state comprised of Baker, Clay, Duval, Flagler, Nassau, Putnam, and St. Johns Counties, and

WHEREAS, the report was completed and received by the Legislature on February 1, 2010, and

WHEREAS, based upon the recommendations of the report, it is necessary and appropriate to create a study commission to continue the work commenced, NOW, THEREFORE,

Be It Enacted by the Legislature of the State of Florida:

Section 1. Northeast Florida Regional Transportation Study Commission.-

(1) There is created the Northeast Florida Regional Transportation Study Commission, which shall be composed of 20 members designated and to be appointed as follows:

(a) Two citizens of Baker County appointed by the Board of County Commissioners of Baker County.

(b) Two citizens of Clay County appointed by the Board of County Commissioners of Clay County.

(c) Four citizens of Duval County appointed by the City Council of the City of Jacksonville.

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(d) Two citizens of Flagler County appointed by the Board of County Commissioners of Flagler County.

(e) Two citizens of Nassau County appointed by the Board of County Commissioners of Nassau County.

(f) Two citizens of Putnam County appointed by the Board of County Commissioners of Putnam County.

(g) Two citizens of St. Johns County appointed by the Board of County Commissioners of St. Johns County.

(h) The chair of the Jacksonville Transportation Authority, who shall serve as chair of the commission.

(i) The Department of Transportation's district secretary serving in district II, who shall be a nonvoting member of the commission.

(j) The chair of the Northeast Florida Regional Council, who shall be a nonvoting member of the commission.

(k) The chair of the North Florida Transportation Planning Organization, who shall be a nonvoting member of the commission.

(2)(a) Members shall serve until the work of the commission is completed and the commission is terminated, except that persons serving under paragraphs (1)(h)-(k) shall cease membership if they no longer serve in the position indicated in paragraphs (1)(h)-(k) and shall be replaced by the person replacing them in such position.

(b) Members of the commission shall serve without compensation but shall be reimbursed for all necessary expenses in the performance of their duties, including travel expenses, in accordance with s. 112.061, Florida Statutes.

(c) A county commission, or the city council in the case of Duval County, may remove or suspend a member appointed by it for

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cause, including, but not limited to, failure to attend two or more meetings of the commission during any 9-month period.

(3) The staff of the Jacksonville Transportation Authority shall act as staff to the commission and, subject to the appropriation of funding by the board of the Jacksonville Transportation Authority and such other funds as the commission may receive, shall supply such information, assistance, and facilities as are deemed necessary for the commission to carry out its duties under this act.

(4) The commission shall have such committees with such membership, duties, and other matters as the chair shall determine. Members of such committees need not be members of the commission and may include persons from airport authorities, port authorities, rail or other transportation industries, and others. All committees shall report to the commission at each commission meeting and shall present their final reports for consideration by the commission in accordance with the direction of the chair.

(5)(a) The commission shall meet at the times and locations as the chair shall determine. There shall be regular monthly meetings, to the extent reasonably convenient, that are held in one or more central locations; however, at least one meeting must be held in each of the counties throughout the region. Each meeting must include provision for public comments.

(b) The commission shall make available to the public its meeting minutes, reports, and recommendations upon request and, to the extent feasible, shall publish its reports and recommendations electronically. The Jacksonville Transportation Authority shall make its Internet website available to the

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commission for such purposes.

(6) By December 31, 2012, the commission shall prepare and submit to the Governor, the President of the Senate, and the Speaker of the House of Representatives a report detailing its findings and making specific legislative recommendations, including a regional transportation elements plan, the defining characteristics of transportation elements of regional significance, and an implementation plan for undertaking a regional transportation elements plan, and which may include the establishment of the regional transportation authority, draft legislation consistent with this section, and any other recommendations it deems appropriate.

(7) A county's membership in the commission, and the participation of a county's appointees in the work of the commission, is not intended to constitute the consent of the county to inclusion within the jurisdiction of a regional transportation authority.

(8) This section shall expire and the commission shall terminate upon delivery of the final report required in subsection (6).

Section 2. Subsection (1) of section 8 of chapter 2009-89, Laws of Florida, is amended to read:

Section 8. (1) The Northwest Florida Regional Transportation Planning Organization, an interlocal agency under part I of chapter 163, Florida Statutes, is authorized to study the feasibility of advance-funding the costs of capacity projects in its member counties and making recommendations to the Legislature by February 1, 2011 ~~2010~~. The Department of Transportation may assist the organization in conducting the

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

study. The study shall be funded by the Northwest Florida Regional Transportation Planning Organization from its existing resources and by such other funds that may be provided from its constituent counties.

Section 3. This act shall take effect July 1, 2010.

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

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APPENDIX B—AUTHORITY DATA

Performance Measures Florida Transportation Commission 2010

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	2006	2007	2008	2009	2010
Growth in Value of Transportation Assets		$ 552,205,185	$ 679,114,786	$ 744,392,739	$ 854,981,450	$ 969,421,861
Land Acquisition		101,349,843	121,501,562	241,303,659	250,621,556	260,087,004
Infrastructure Assets		111,737,295	129,683,111	289,036,903	324,296,911	318,265,641
Construction in Progress		339,118,047	427,930,113	214,052,177	280,062,983	391,069,216
Preservation of Transportation Assets		$ 5,621,381	$ 11,204,080	$ 3,904,474	$ 4,598,681	$ 6,021,728
Renewal & Replacement of Infrastructure		-	-	-	-	-
Routine Maintenance of Infrastructure		5,621,381	11,204,080	3,904,474	4,598,681	6,021,728
SHS Maintenance Condition Rating	90	88.2	90.7	90.1	90.7	90.9
Pavement Condition Rating						
SHS Lane Miles rated "excellent or good"	> 85%	96.7%	95.9%	93.7%	89.1%	91.8%
Bridge Condition Rating						
Bridge Structures rated "excellent or good"	> 95%	96.5%	97.5%	98.4%	98.4%	98.4%
SHS Bridge Structures with posted weight restrictions	0%	0.0%	0.0%	0.0%	0.0%	0.0%
Toll Collection Transactions						
Electronic Transactions	> 75% by 6/30/12	60.2%	64.2%	72.7%	74.8%	75.8%
Revenue from Electronic Transactions		53.1%	57.7%	62.8%	65.7%	68.2%
Annual Revenue Growth						
Toll & Operating Revenue		31.8%	6.9%	40.7%	-2.5%	-1.0%
Revenue Variance						
Actual Revenue with "recovery of fines"		99.0%	98.4%	99.2%	100.0%	99.7%
Actual Revenue without "recovery of fines"	< 4% (96%)	96.8%	96.4%	96.1%	97.0%	97.5%
Safety						
Fatalities per 100 million vehicle miles traveled	> 10% below 5 yr. avg. (.55)	1.163	0.786	0.614	0.562	N/A
Customer Service						
Customers satisfied with level of service	> 90%	95.6%	95.8%	95.4%	94.6%	NA

Operations & Budget:

	Objective	2006	2007	2008	2009	2010
Consultant Contracts						
Final Cost % increase above Original Award	< 5%	0.0%	-2.3%	2.2%	-20.2%	2.1%
Construction Contracts						
Completed within 20% above original contract time	≥ 80%	80.0%	75.0%	80.0%	100.0%	100.0%
Completed within 10% above original contract amount	≥ 90%	100.0%	50.0%	80.0%	100.0%	100.0%
Cost to Collect a Toll Transaction						
Cost to Collect a Transaction (net of exclusions)	< $0.16	$0.11	$0.12	$0.13	$0.14	$0.12
Operating Efficiency						
Toll Collection Expense as a % of Operating Expense		30.5%	28.8%	38.9%	40.5%	35.8%
Routine Maintenance Expense as a % of Operating Expense		16.6%	25.9%	7.6%	8.3%	11.0%
Administrative Expense as a % of Operating Expense		15.9%	13.5%	10.8%	13.4%	10.9%
Operating Expense as a % of Operating Revenue		43.7%	52.1%	44.2%	48.9%	48.4%
Annual OM&A Forecast Variance						
Actual OM&A Expenses to Annual Budget	< 110%	80.6%	98.8%	91.1%	91.4%	94.8%
Rating Agency Performance						
Operations & Maintenance Expense as a % of Total Revenue		20.6%	28.5%	20.5%	23.8%	22.7%

Applicable Laws:

	Objective	2006	2007	2008	2009	2010
Minority Participation						
M/WBE & SBE Utilization as a % of Total Expenditures	> 90% of agency target:	21.5%	24.0%	19.9%	14.2%	21.4%

Performance Measures Florida Transportation Commission 2010

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	2006	2007	2008	2009	2010
Debit Service Coverage						
Bonded/Commercial Debt ((Rev-Interest)-(Toll+Maint))/Comm Debt	> 1.5	1.91	1.82	1.64	1.59	1.56
Comprehensive Debt ((Rev-Interest)-(Toll+Maint))/All Debt	> 1.2	1.91	1.82	1.36	1.37	1.40
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	2006	2007	2008	2009	2010
Right-of-Way						
Agency Appraisals		$ 2,492,500	$ 5,095,300	$ 1,420,000	$ 392,000	$ 2,200,000
Initial Offers		$ 2,383,500	$ 4,969,080	$ 1,420,000	$ 500,500	$ 1,868,483
Owners Appraisals		$ -	$ 3,790,000	$ 2,959,288	$ 2,528,000	$ 1,868,483
Final Settlements		$ 3,087,000	$ 6,418,000	$ 2,250,000	$ 1,305,980	$ 1,868,483

Performance Measures Florida Transportation Commission 2010

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	2006	2007	2008	2009	2010
Growth in Value of Transportation Assets		$ 1,939,317,000	$ 2,282,878,000	$ 2,580,258,000	$ 2,820,113,000	$ 2,859,868,000
Land Acquisition		416,438,000	423,270,000	434,210,000	529,446,000	535,489,000
Infrastructure Assets		1,122,691,000	1,196,661,000	1,445,300,000	1,798,514,000	2,096,290,000
Construction in Progress		400,188,000	662,947,000	700,748,000	492,153,000	228,089,000
Preservation of Transportation Assets		$ 24,431,000	$ 37,216,000	$ 25,000,000	$ 15,002,000	$ 14,099,000
Renewal & Replacement of Infrastructure		13,407,000	24,734,000	10,532,000	1,307,000	522,000
Routine Maintenance of Infrastructure		11,024,000	12,482,000	14,468,000	13,695,000	13,577,000
SHS Maintenance Condition Rating	90	90.0	89.0	92.0	94.0	92.0
Pavement Condition Rating						
SHS Lane Miles rated "excellent or good"	> 85%	78.8%	84.9%	98.4%	100.0%	98.6%
Bridge Condition Rating						
Bridge Structures rated "excellent or good"	> 95%	100.0%	100.0%	99.2%	100.0%	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	61.7%	65.9%	68.6%	70.7%	73.3%
Revenue from Electronic Transactions		59.9%	64.2%	67.0%	69.0%	71.8%
Annual Revenue Growth						
Toll & Operating Revenue		8.9%	5.5%	1.1%	0.2%	22.7%
Revenue Variance						
Actual Revenue with "recovery of fines"		97.6%	97.6%	97.5%	97.3%	97.4%
Actual Revenue without "recovery of fines"	< 4% (96%)	97.3%	97.2%	97.3%	97.0%	97.2%
Safety						
Fatalities per 100 million vehicle miles traveled	> 10% below 5 yr. avg. (.55)	0.643	0.223	0.651	0.456	N/A
Customer Service						
Customers satisfied with level of service	> 90%	98.8%	N/A	91.0%	N/A	N/A

Operations & Budget:

	Objective	2006	2007	2008	2009	2010
Consultant Contracts						
Final Cost % increase above Original Award	< 5%	24.7%	25.2%	-2.5%	2.9%	-6.3%
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%	90.0%	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		43.6%	36.8%	40.6%	45.8%	44.0%
Routine Maintenance Expense as a % of Operating Expense		14.4%	13.6%	16.5%	19.5%	18.3%
Administrative Expense as a % of Operating Expense		9.3%	6.4%	6.4%	7.5%	7.0%
Operating Expense as a % of Operating Revenue		39.3%	44.7%	42.2%	33.8%	29.0%
Annual OM&A Forecast Variance						
Actual OM&A Expenses to Annual Budget	< 110%	89.2%	83.1%	89.7%	96.4%	94.6%
Rating Agency Performance						
Operations & Maintenance Expense as a % of Total Revenue		22.8%	22.5%	24.1%	22.1%	18.1%

Applicable Laws:

	Objective	2006	2007	2008	2009	2010
Minority Participation						
M/WBE & SBE Utilization as a % of Total Expenditures	> 90% of agency target:	15.9%	15.1%	16.5%	16.4%	9.7%

Performance Measures Florida Transportation Commission 2010

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	2006	2007	2008	2009	2010
Debit Service Coverage						
Bonded/Commercial Debt ((Rev-Interest)-(Toll+Maint))/Comm Debt	> 1.5	1.52	1.59	1.30	1.47	1.74
Comprehensive Debt ((Rev-Interest)-(Toll+Maint))/All Debt	> 1.2	1.52	1.57	1.28	1.45	1.73
Authority Compliance with Bond Covenants for Debt Service Coverage	Yes	Yes	Yes	Yes	Yes	Yes
Underlying Bond Ratings from Agencies						
S&P Bond Rating		A	A	A	A	A
Moody's Bond Rating		A1	A1	A1	A1	A1
Fitch Bond Rating		A	A	A	A	A

Property Acquisition:

	Objective	2006	2007	2008	2009	2010
Right-of-Way						
Agency Appraisals		$ 32,240,654	$ 38,379,665	$ 22,096,248	$ 14,972,300	$ 5,764,738
Initial Offers		$ -	$ 14,423,493	$ 22,096,248	$ 7,587,422	$ 4,020,640
Owners Appraisals		$ -	$ 18,176,809	$ -	$ 13,551,210	$ -
Final Settlements		$ 33,681,121	$ 45,707,728	$ 30,577,263	$ 20,594,598	$ 7,566,819

Performance Measures Florida Transportation Commission 2010

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	2006	2007	2008	2009	2010
Growth in Value of Transportation Assets[1]		$ 107,841,427	$ 107,772,448	$ 107,703,469	$ 107,634,490	$ -
Land Acquisition[1]		-	-	-	-	-
Infrastructure Assets[1]		107,841,427	107,772,448	107,703,469	107,634,490	-
Construction in Progress[1]		-	-	-	-	-
Preservation of Transportation Assets		$ 89,734	$ 118,224	$ 123,611	$ 98,387	$ 135,305
Renewal & Replacement of Infrastructure		-	-	-	-	-
Routine Maintenance of Infrastructure		89,734	118,224	123,611	98,387	135,305
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	30.1%	32.4%	35.4%	35.1%	35.7%
Revenue from Electronic Transactions		27.6%	29.2%	32.2%	32.5%	33.0%
Annual Revenue Growth						
Toll & Operating Revenue		8.6%	-4.1%	-0.5%	-8.4%	-3.8%
Revenue Variance						
Actual Revenue with "recovery of fines"		95.7%	96.9%	95.9%	96.0%	96.9%
Actual Revenue without "recovery of fines"	< 4% (96%)	95.7%	96.9%	95.9%	96.0%	96.9%
Safety						
Fatalities per 100 million vehicle miles traveled	> 10% below 5 yr. avg. (.55)	0.0	0.0	0.0	0.0	N/A
Customer Service						
Customers satisfied with level of service	> 90%	95.6%	95.8%	95.4%	94.6%	N/A

Operations & Budget:

	Objective	2006	2007	2008	2009	2010
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	$0.49	$0.61	$0.71	$0.63	$0.62
Operating Efficiency						
Toll Collection Expense as a % of Operating Expense		88.4%	86.2%	80.6%	84.3%	84.4%
Routine Maintenance Expense as a % of Operating Expense		9.2%	10.0%	9.5%	8.3%	11.9%
Administrative Expense as a % of Operating Expense		0.0%	0.0%	0.0%	0.0%	0.0%
Operating Expense as a % of Operating Revenue		19.6%	24.7%	27.3%	27.0%	26.9%
Annual OM&A Forecast Variance						
Actual OM&A Expenses to Annual Budget	< 110%	88.2%	106.3%	96.7%	82.4%	99.4%
Rating Agency Performance						
Operations & Maintenance Expense as a % of Total Revenue		19.1%	23.8%	24.6%	25.1%	26.0%

Applicable Laws:

	Objective	2006	2007	2008	2009	2010
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 2010

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	2006	2007	2008	2009	2010
Debt Service Coverage						
Bonded/Commercial Debt ((Rev-Interest)-(Toll+Maint))/Comm Debt	> 1.5	0.78	0.68	0.59	0.52	0.47
Comprehensive Debt ((Rev-Interest)-(Toll+Maint))/All Debt	> 1.2	0.78	0.68	0.59	0.52	0.47
Authority Compliance with Bond Covenants for Debt Service Coverage	Yes	No	No	No	No	No
Underlying Bond Ratings from Agencies						
S&P Bond Rating		B-	B-	B-	CC	CC
Moody's Bond Rating		B1	B1	B2	B3	Caa3
Fitch Bond Rating		BB-	BB-	BB-	CCC	C

Property Acquisition:

	Objective	2006	2007	2008	2009	2010
Right-of-Way						
Agency Appraisals		$ -	$ -	$ -	$ -	$ -
Initial Offers		$ -	$ -	$ -	$ -	$ -
Owners Appraisals		$ -	$ -	$ -	$ -	$ -
Final Settlements		$ -	$ -	$ -	$ -	$ -

[1]Land Acquisition, Infrastructure Assets, and Construction in Progress amounts based on the Authority's Federal FY (October 1 through September 30). All other data based on the State FY (July 1 through June 30).

Performance Measures Florida Transportation Commission 2010

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	2006	2007	2008	2009	2010
Growth in Value of Transportation Assets		$ 665,128,334	$ 670,744,462	$ 674,797,333	$ 609,065,708	$ 608,395,000
Land Acquisition		91,036,618	91,037,064	91,037,064	91,037,064	91,037,064
Infrastructure Assets		137,388,423	571,918,661	576,018,569	509,038,603	501,321,191
Construction in Progress		436,703,293	7,788,737	7,741,700	8,990,041	16,036,745
Preservation of Transportation Assets		$ 1,534,702	$ 2,346,663	$ 3,530,188	$ 4,022,050	$ 3,523,872
Renewal & Replacement of Infrastructure		185,719	261,733	-	-	49,037
Routine Maintenance of Infrastructure		1,348,983	2,084,930	3,530,188	4,022,050	3,474,835
SHS Maintenance Condition Rating	90	89.0	86.0	87.7	90.0	91.5
Pavement Condition Rating						
SHS Lane Miles rated "excellent or good"	> 85%	100.0%	100.0%	100.0%	98.1%	100.0%
Bridge Condition Rating						
Bridge Structures rated "excellent or good"	> 95%	86.2%	86.2%	86.2%	86.2%	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	57.4%	64.0%	68.8%	72.0%	74.3%
Revenue from Electronic Transactions		55.5%	64.7%	70.1%	73.3%	75.0%
Annual Revenue Growth						
Toll & Operating Revenue		5.5%	27.2%	11.1%	-2.7%	-0.8%
Revenue Variance						
Actual Revenue with "recovery of fines"		95.8%	96.0%	95.6%	96.5%	96.8%
Actual Revenue without "recovery of fines"	< 4% (96%)	95.6%	95.9%	95.2%	96.2%	96.6%
Safety						
Fatalities per 100 million vehicle miles traveled	> 10% below 5 yr. avg. (.55)	0.514	0.000	1.699	0.000	N/A
Customer Service						
Customers satisfied with level of service	> 90%	95.6%	95.8%	95.4%	94.6%	N/A

Operations & Budget:

	Objective	2006	2007	2008	2009	2010
Consultant Contracts						
Final Cost % increase above Original Award	< 5%	19.9%	8.4%	N/A	-17.6%	N/A
Construction Contracts						
Completed within 20% above original contract time	≥ 80%	0.0%	N/A	N/A	100.0%	N/A
Completed within 10% above original contract amount	≥ 90%	50.0%	N/A	N/A	100.0%	N/A
Cost to Collect a Toll Transaction						
Cost to Collect a Transaction (net of exclusions)	< $0.16	$0.15	$0.16	$0.17	$0.18	$0.16
Operating Efficiency						
Toll Collection Expense as a % of Operating Expense		56.8%	46.2%	38.2%	39.3%	36.6%
Routine Maintenance Expense as a % of Operating Expense		14.2%	15.1%	20.6%	23.2%	21.9%
Administrative Expense as a % of Operating Expense		13.0%	14.1%	16.0%	12.1%	13.6%
Operating Expense as a % of Operating Revenue		32.4%	37.0%	41.3%	43.1%	39.7%
Annual OM&A Forecast Variance						
Actual OM&A Expenses to Annual Budget	< 110%	90.1%	97.7%	92.5%	94.7%	92.1%
Rating Agency Performance						
Operations & Maintenance Expense as a % of Total Revenue		23.0%	22.7%	24.3%	26.9%	23.2%

Applicable Laws:

	Objective	2006	2007	2008	2009	2010
Minority Participation						
M/WBE & SBE Utilization as a % of Total Expenditures	> 90% of agency target:	5.5%	4.7%	13.9%	28.0%	15.8%

Performance Measures Florida Transportation Commission 2010

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	2006	2007	2008	2009	2010
Debit Service Coverage						
Bonded/Commercial Debt ((Rev-Interest)-(Toll+Maint))/Comm Debt	> 1.5	1.30	1.16	1.28	1.13	1.16
Comprehensive Debt ((Rev-Interest)-(Toll+Maint))/All Debt	> 1.2	1.24	1.15	1.13	1.07	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	2006	2007	2008	2009	2010
Right-of-Way						
Agency Appraisals		$ -	$ -	$ -	$ -	$ -
Initial Offers		$ -	$ -	$ -	$ -	$ -
Owners Appraisals		$ -	$ -	$ -	$ -	$ -
Final Settlements		$ -	$ -	$ -	$ -	$ -

Performance Measures Florida Transportation Commission 2010

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	2006	2007	2008	2009	2010
Average Headway (minutes)						
Average time for vehicle to complete its portion of total route miles one time	<30 Minutes	28.8	25.4	25.8	24.0	28.3
Operating Expense Per Revenue Mile						
Operating expense divided by revenue miles	<$5.30	$ 5.44	$ 5.68	$ 6.06	$ 6.13	$ 5.78
Operating Expense Per Revenue Hour						
Operating expense divided by revenue hours	<$75	$76.55	$79.84	$84.19	$84.71	$82.01
Operating Revenue Per Operating Expense						
Revenue generated through operation of the transit authority divided by operating expense	>30%	38.4%	38.2%	36.1%	37.6%	39.9%
Operating Expense Per Passenger Trip						
Operating expenses divided by annual ridership	<$3	$ 3.00	$ 3.16	$ 3.44	$ 3.67	$ 3.41
Operating Expense Per Passenger Mile						
Operating expenses divided by passenger miles	<$0.47	$ 0.49	$ 0.55	$ 0.57	$ 0.61	$ 0.63
Revenue Miles Between Safety Incidents						
Revenue miles divided by safety incidents	>5% above 2009 (124,513)	95,058	129,103	118,001	118,584	131,642
Revenue Miles Between Failures						
Revenue miles divided by revenue vehicle system failures. A failure is classified as the breakdown of either a major or minor element of the revenue vehicle's mechanical system	>10,500	10,306	8,041	11,396	8,806	9,620
Revenue Miles versus Vehicle Miles						
Revenue miles divided by vehicle miles	>.90	0.92	0.91	0.90	0.88	0.88
Customer Service						
Average time from complaint to response	14 days	N/A	14	7	6	8
Customer complaints divided by boardings	<1 per 5,000 boardings	0.9	0.7	0.6	0.5	0.6
On-time Performance						
% trips end to end on time < 5 minutes late	>80%	N/A	83%	85%	86%	83%

Reportable Indicators

	2006	2007	2008	2009	2010
Operating Expense Per Capita (Potential Customer)					
Annual operating budget divided by the service area population	$ 48.11	$ 52.05	$ 59.08	$ 56.76	$ 46.78
Farebox Recovery Ratio					
Passenger fares divided by operating expenses	24.4%	22.6%	22.6%	23.1%	24.9%
Service Area Population					
Approximation of overall market size	1,536,900	1,536,900	1,536,900	1,536,900	1,805,921
Service Area Population Density					
Persons per square mile based on the service area population and size	605.6	605.6	605.6	605.6	711.5
Operating Expense					
Spending on operations, including administration, maintenance, and operation of service vehicles	$ 73,933,356	$ 79,998,520	$ 90,795,044	$ 87,231,880	$ 84,482,228
Operating Revenue					
Revenue generated through the operation of the transit authority	$ 28,412,754	$ 30,556,487	$ 32,818,381	$ 32,842,406	$ 33,730,496
Total Annual Revenue Miles					
Vehicle miles operated in active service (available to pick up revenue passengers)	13,593,266	14,072,186	14,986,072	14,230,128	14,612,279
Total Annual Revenue Hours					
Vehicle hours operated in active service	965,844	1,001,947	1,078,484	1,029,713	1,030,195
Total Revenue Vehicles					
Vehicles available to meet annual maximum service requirements	249	285	288	288	267
Peak Vehicles					
Vehicles operated to meet annual maximum (peak) service requirements	199	240	238	234	223

Performance Measures Florida Transportation Commission 2010

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

	2006	2007	2008	2009	2010
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%	15.8%	17.4%	18.8%	16.5%
Annual Passenger Trips					
Passenger boardings on transit vehicles	24,624,906	25,322,312	26,427,067	23,747,795	24,780,704
Average Trip Length					
Average length of passenger trip, generally derived through sampling	6.1	5.8	6.0	6.0	5.4
Annual Passenger Miles					
Passenger trips multiplied by average trip length	150,211,927	145,856,517	158,562,402	142,486,770	133,815,802
Weekday Span of Service (hours)					
Hours of transit service on a representative weekday from first service to last service for all modes	23.5	23.3	23.3	23.3	23.0
Average Fare					
Passenger fare revenues divided by passenger trips	$ 0.73	$ 0.71	$ 0.78	$ 0.85	$ 0.85
Passenger Trips Per Revenue Mile					
Passenger trips divided by revenue miles	1.81	1.80	1.76	1.67	1.70
Passenger Trips Per Revenue Hour					
Passenger trips divided by revenue hours	25.5	25.3	24.5	23.1	24.1
Passenger Trips Per Capita					
Passenger trips divided by service area population	16.0	16.5	17.2	15.5	13.7
Average Age of Fleet in Years					
Average age of fleet in years	5.7	5.7	3.8	3.6	4.1
Unrestricted Cash Balance - Financial Indicator					
End of year cash balance from financial statement	$ 5,620,701	$ 19,693,978	$ 20,084,510	$ 25,746,155	$ 23,476,890
Weekday Ridership					
Average ridership on weekdays	78,779	81,445	82,825	75,810	79,035
Capital Commitment to System Preservation and System Expansion					
% of capital spent on system preservation	N/A	95%	89%	84%	100%
% of capital spent on system expansion	N/A	5%	11%	16%	0%
Intermodal Connectivity					
Number of intermodal transfer points available	5	5	5	6	5

Note: In FY 2010, LYNX noted errors in data previously reported to the Commission, primarily related to operating expenses and operating revenues. As a result, data for FY 2006 through FY 2009 was restated to reflect actual performance.

Performance Measures Florida Transportation Commission 2010

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	2006	2007	2008	2009	2010
Average Headway (minutes)						
Average time for vehicle to complete its portion of total route miles one time	<30 Minutes	15.5	18.2	20.8	18.9	17.7
Operating Expense Per Revenue Mile						
Operating expense divided by revenue miles	<$6.50	$ 5.44	$ 6.33	$ 6.92	$ 6.03	$ 6.59
Operating Expense Per Revenue Hour						
Operating expense divided by revenue hours	<$91.00	$ 88.39	$ 96.26	$ 104.77	$ 90.91	$ 98.28
Operating Revenue Per Operating Expense						
All revenue generated through operation of the transit authority divided by operating expense	>20%	16.5%	13.2%	14.1%	18.3%	17.2%
Operating Expense Per Passenger Trip						
Operating expenses divided by annual ridership	<$5.30	$ 5.14	$ 6.00	$ 6.42	$ 5.24	$ 5.26
Operating Expense Per Passenger Mile						
Operating expense divided by passenger miles	<$1.00	$ 0.87	$ 1.02	$ 1.21	$ 1.01	$ 0.91
Revenue Miles Between Safety Incidents						
Revenue miles divided by safety incidents for bus	>5% above 2009 (227,975)	824,800	1,927,760	477,345	217,119	231,844
Revenue Miles Between Failures						
Revenue miles divided by revenue vehicle system failures. A failure is classified as the breakdown of either a major or minor element of the revenue vehicle's mechanical system	>10,500	16,524	13,849	8,302	8,327	12,292
Revenue Miles versus Vehicle Miles						
Revenue miles divided by vehicle miles	>.90	0.99	0.96	0.96	0.97	0.95
Customer Service						
Average time from complaint to response	14 Days	11	10	8	7	7
Customer complaints divided by boardings	<1 per 5,000 boardings	0.5	0.5	0.5	0.8	0.9
On-time Performance						
% trips end to end on time < 5 minutes late	>80%	75.0%	77.0%	80.0%	80.0%	81.1%

Reportable Indicators

	2006	2007	2008	2009	2010
Operating Expense Per Capita (Potential Customer)					
Annual operating budget divided by the service area population	$ 65.13	$ 73.70	$ 77.61	$ 63.10	$ 64.43
Farebox Recovery Ratio					
Passenger fares divided by operating expenses	13.6%	12.0%	12.7%	15.4%	15.6%
Service Area Population					
Approximation of overall market size	827,453	827,453	850,962	850,962	853,300
Service Area Population Density					
Persons per square mile based on the service area population and size	3,419.2	3,419.2	3,516.4	3,516.4	3,080.5
Operating Expense					
Spending on operations, including administration, maintenance, and operation of service vehicles	$ 53,889,759	$ 60,981,288	$ 66,045,992	$ 53,695,432	$ 54,979,921
Operating Revenue					
Revenues generated through the operation of the transit authority	$ 8,907,076	$ 8,031,294	$ 9,281,644	$ 9,837,889	$ 9,435,655
Total Annual Revenue Miles					
Vehicle miles operated in active service (available to pick up revenue passengers)	9,897,600	9,638,800	9,546,900	8,901,889	8,346,395
Total Annual Revenue Hours					
Vehicle hours operated in active service	609,700	633,500	630,400	590,626	559,406
Total Revenue Vehicles					
Vehicles available to meet annual maximum service requirements	217	183	184	182	154
Peak Vehicles					
Vehicles operated to meet annual maximum (peak) service requirements	179	179	147	135	135

Performance Measures Florida Transportation Commission 2010

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

	2006	2007	2008	2009	2010
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	17.5%	2.2%	20.1%	25.8%	12.3%
Annual Passenger Trips					
Passenger boardings on transit vehicles	10,489,396	10,171,201	10,290,987	10,253,890	10,443,111
Average Trip Length					
Average length of passenger trip, generally derived through sampling	5.9	5.9	5.3	5.2	5.8
Annual Passenger Miles					
Passenger trips multiplied by average trip length	61,663,176	59,798,506	54,542,231	53,320,228	60,297,003
Weekday Span of Service (hours)					
Hours of transit service on a representative weekday from first service to last service for all modes	21.4	21.2	21.3	21.9	21.9
Average Fare					
Passenger fare revenues divided by passenger trips	$ 0.70	$ 0.72	$ 0.82	$ 0.81	$ 0.82
Passenger Trips Per Revenue Mile					
Passenger trips divided by revenue miles	1.06	1.06	1.08	1.15	1.25
Passenger Trips Per Revenue Hour					
Passenger trips divided by revenue hours	17.2	16.1	16.3	17.4	18.7
Passenger Trips Per Capita					
Passenger trips divided by service area population	12.7	12.3	12.1	12.0	12.2
Average Age of Fleet in Years					
Average age of fleet in years	7.6	7.0	7.9	6.8	6.6
Unrestricted Cash Balance - Financial Indicator					
End of year cash balance from financial statement	$ 9,519,346	$ 6,317,816	$ 6,536,357	$ 11,005,843	$ 1,890,958
Weekday Ridership					
Average ridership on weekdays	36,051	34,948	34,927	34,872	35,484
Capital Commitment to System Preservation and System Expansion					
% of capital spent on system preservation	70%	21%	34%	100%	100%
% of capital spent on system expansion	30%	79%	66%	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.

Performance Measures Florida Transportation Commission 2010

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	2006	2007	2008	2009	2010
Average Headway (minutes)						
Average time for train to complete its portion of total route miles one time	<6 Minutes	3.5	3.5	3.5	3.5	3.4
Operating Expense Per Revenue Mile						
Operating expense divided by revenue miles	<$23.00	$ 22.30	$ 18.14	$ 27.32	$ 30.49	$ 32.74
Operating Expense per Revenue Hour						
Operating expense divided by revenue hours	<$310.00	$ 295.31	$ 242.65	$ 366.36	$ 407.34	$ 439.55
Operating Revenue Per Operating Expense						
All revenue generated through operation of the transit authority divided by operating expense	>15%	9.1%	11.5%	8.3%	7.2%	6.4%
Operating Expense Per Passenger Trip						
Operating expenses divided by annual ridership	<$11.00	$ 9.10	$ 7.44	$ 12.69	$ 13.35	$ 11.51
Operating Expense Per Passenger Mile						
Operating expense divided by passenger miles	<$27.50	$ 23.86	$ 18.02	$ 31.72	$ 33.38	$ 28.31
Revenue Miles Between Safety Incidents						
Revenue miles divided by safety incidents for bus	>5% above 2009 (41,348)	64,900	63,550	46,660	39,379	55,113
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	8,374	25,420	33,329	8,950	9,726
Revenue Miles versus Vehicle Miles						
Revenue miles divided by vehicle miles	>.90	1.00	0.99	0.99	0.99	0.99
Customer Service						
Average time from complaint to response	14 Days	1	1	1	1	1
Customer complaints divided by boardings	<1 per 5,000 boardings	0.0	0.1	0.0	0.1	0.0
On-time Performance						
Successful cycles divided by scheduled cycles	>80%	98.0%	98.0%	98.0%	98.0%	98.2%

Reportable Indicators

	2006	2007	2008	2009	2010
Operating Expense Per Capita (Potential Customer)					
Annual operating budget divided by the service area population	$ 7.00	$ 5.57	$ 7.49	$ 7.06	$ 6.34
Farebox Recovery Ratio					
Passenger fares divided by operating expenses	5.6%	7.3%	5.6%	5.1%	4.2%
Service Area Population					
Approximation of overall market size	827,453	827,453	850,962	850,962	853,300
Service Area Population Density					
Persons per square mile based on the service area population and size	3,419.2	3,419.2	3,516.4	3,516.4	3,080.5
Operating Expense					
Spending on operations, including administration, maintenance, and operation of service vehicles	$ 5,788,146	$ 4,610,441	$ 6,374,693	$ 6,004,260	$ 5,413,928
Operating Revenue					
Revenues generated through the operation of the transit authority	$ 525,654	$ 530,015	$ 529,465	$ 431,327	$ 345,453
Total Annual Revenue Miles					
Vehicle miles operated in active service (available to pick up revenue passengers)	259,600	254,200	233,300	196,896	165,338
Total Annual Revenue Hours					
Vehicle hours operated in active service	19,600	19,000	17,400	14,740	12,317
Total Revenue Vehicles					
Vehicles available to meet annual maximum service requirements	10	10	10	10	10
Peak Vehicles					
Vehicles operated to meet annual maximum (peak) service requirements	7	7	7	7	7

Performance Measures Florida Transportation Commission 2010

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

	2006	2007	2008	2009	2010
Ratio of Revenue Vehicles to Peak Vehicles (spare ratio)					
Revenue vehicles, including spares, out-of-service vehicles, and vehicles in/awaiting maintenance, divided by the number of vehicles operated in maximum service	30.0%	30.0%	30.0%	30.0%	30.0%
Annual Passenger Trips					
Passenger boardings on transit vehicles	635,732	619,414	502,364	449,730	470,389
Average Trip Length					
Average length of passenger trip, generally derived through sampling	0.4	0.4	0.4	0.4	0.4
Annual Passenger Miles					
Passenger trips multiplied by average trip length	242,612	255,906	200,946	179,892	191,209
Weekday Span of Service (hours)					
Hours of transit service on a representative weekday from first service to last service for all modes	17.0	17.0	17.0	16.0	15.0
Average Fare					
Passenger fare revenues divided by passenger trips	$ 0.51	$ 0.54	$ 0.71	$ 0.68	$ 0.48
Passenger Trips Per Revenue Mile					
Passenger trips divided by revenue miles	2.45	2.44	2.15	2.28	2.85
Passenger Trips Per Revenue Hour					
Passenger trips divided by revenue hours	32.4	32.6	28.9	30.5	38.2
Passenger Trips Per Capita					
Passenger trips divided by service area population	0.8	0.7	0.6	0.5	0.6
Average Age of Fleet in Years					
Average age of fleet in years	7.6	8.6	9.6	10.6	11.6
Unrestricted Cash Balance - Financial Indicator					
End of year cash balance from financial statement	$ 4,593,354	$ 1,550,690	$ 4,893,359	$ 4,629,892	$ -
Weekday Ridership					
Average ridership on weekdays	2,000	1,800	1,736	1,559	1,674
Capital Commitment to System Preservation and System Expansion					
% of capital spent on system preservation	64%	95%	34%	100%	100%
% of capital spent on system expansion	36%	5%	66%	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.

Performance Measures Florida Transportation Commission 2010

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	2006	2007	2008	2009	2010
Consultant Contracts						
Final Cost % increase above Original Award	< 5%	-9.6%	-0.9%	-7.1%	-1.3%	-5.2%
Construction Contracts						
Completed within 20% above original contract time	≥ 80%	100.0%	100.0%	100.0%	100.0%	100.0%
Completed within 10% above original contract amount	≥ 90%	100.0%	100.0%	100.0%	100.0%	100.0%

Applicable Laws:

	Objective	2006	2007	2008	2009	2010
Minority Participation						
M/WBE & SBE Utilization as a % of Total Expenditures	> 90% of agency target:	16.7%	18.4%	14.0%	14.3%	14.3%

Property Acquisition:

	Objective	2006	2007	2008	2009	2010
Right-of-Way						
Agency Appraisals		$ 2,160,600	$ 5,811,230	$ 2,911,494	$ 2,087,600	$ 4,863,525
Initial Offers		$ 1,561,160	$ 4,308,815	$ 2,677,544	$ 1,566,300	$ 4,863,525
Owners Appraisals		$ 1,298,100	$ 9,204,156	$ 2,295,700	$ 5,670,376	$ 19,975,000
Final Settlements		$ 2,920,653	$ 6,783,850	$ 4,355,659	$ 3,842,275	$ 7,888,325

Performance Measures Florida Transportation Commission 2010

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	2006	2007	2008	2009	2010
Average Headway (minutes)						
Average time for train to complete its portion of total route miles one time	<30 Minutes	27.4	29.4	22.4	26.6	30.6
Operating Expense Per Revenue Mile						
Operating expense divided by revenue miles	<$18	$ 15.53	$ 16.15	$ 17.06	$ 15.12	$ 15.56
Operating Revenue Per Operating Expense						
Revenue generated through operation of the transit authority divided by operating expenses	>25%	17.4%	17.7%	18.8%	22.3%	23.3%
Operating Expense Per Passenger Trip						
Operating expenses divided by annual ridership	<$15	$ 12.16	$ 12.26	$ 12.61	$ 10.67	$ 12.48
Operating Expense Per Passenger Mile						
Operating expenses divided by passenger miles	<$0.45	$ 0.41	$ 0.43	$ 0.40	$ 0.37	$ 0.43
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	N/A	38,057	17,742	64,826	96,413
Revenue Miles versus Vehicle Miles						
Revenue miles divided by vehicle miles	>.93	0.89	0.94	0.97	0.98	0.97
Customer Service						
Average time from complaint to response	14 days	N/A	14	11	32	29
Customer complaints divided by boardings	<1 per 5,000 boardings	N/A	1.1	0.3	0.6	0.9
On-time Performance						
% trips end to end on time < 6 minutes late	>80%	77.6%	70.0%	78.4%	73.4%	86.3%

Reportable Indicators

	2006	2007	2008	2009	2010
Operating Expense Per Capita (Potential Customer)					
Annual operating budget divided by the service area population	$ 6.45	$ 7.54	$ 8.94	$ 8.20	$ 8.19
Farebox Recovery Ratio					
Passenger fares divided by operating expenses	16.7%	17.4%	17.9%	21.6%	22.9%
Service Area Population					
Approximation of overall market size	5,477,831	5,541,080	5,448,962	5,497,997	5,497,997
Service Area Population Density					
Persons per square mile based on the service area population and size	1,068	1,081	1,063	1,072	1,072
Operating Expense					
Spending on operations, including administration, maintenance, and operation of service vehicles	$ 35,358,863	$ 41,794,730	$ 48,726,979	$ 45,075,706	$ 45,007,680
Operating Revenue					
Revenue generated through the operation of the transit authority	$ 6,147,108	$ 7,412,341	$ 9,155,673	$ 10,045,435	$ 10,507,019
Total Annual Revenue Miles					
Vehicle miles operated in active service (available to pick up revenue passengers)	2,277,313	2,587,883	2,856,470	2,981,997	2,892,398
Total Annual Revenue Hours					
Vehicle hours operated in active service	88,467	100,481	76,620	87,315	96,240
Total Revenue Vehicles					
Vehicles available to meet annual maximum service requirements	48	63	47	47	47
Operating Expense Per Revenue Hour					
Cost of operating an hour of revenue service	$ 399.68	$ 415.95	$ 635.96	$ 516.24	$ 467.66
Peak Vehicles					
Vehicles operated to meet annual maximum (peak) service requirements	43	52	34	34	34

Performance Measures Florida Transportation Commission 2010

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

	2006	2007	2008	2009	2010
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	10.4%	17.5%	27.7%	27.7%	27.7%
Annual Passenger Trips					
Passenger boardings on transit vehicles	2,908,420	3,408,486	3,863,684	4,223,350	3,606,055
Average Trip Length					
Average length of passenger trip, generally derived through sampling	29.4	28.5	31.7	29.0	29.0
Annual Passenger Miles					
Passenger trips multiplied by average trip length	85,507,548	97,141,851	122,478,783	122,477,150	104,575,595
Weekday Span of Service (hours)					
Hours of transit service on a representative weekday from first service to last service for all modes	18.0	19.0	19.0	19.0	19.5
Average Fare					
Passenger fare revenues divided by passenger trips	$ 2.03	$ 2.13	$ 2.25	$ 2.31	$ 2.85
Passenger Trips Per Revenue Mile					
Passenger trips divided by revenue miles	1.28	1.32	1.35	1.42	1.25
Passenger Trips Per Revenue Hour					
Passenger trips divided by revenue hours	32.9	33.9	50.4	48.4	37.5
Passenger Trips Per Capita					
Passenger trips divided by service area population	0.53	0.62	0.71	0.77	0.66
Average Years Since Last Rebuild					
Locomotives (9)	2.9	5.2	6.2	7.2	8.2
Coaches (12)	8.0	6.2	7.2	8.2	9.2
Unrestricted Cash Balance - Financial Indicator					
End of year cash balance from financial statement	$ 413,212	$ 7,400,122	$ 9,043,899	$ 13,346,864	$ 16,534,534
Weekday Ridership					
Average ridership on weekdays	10,281	11,545	13,228	14,430	12,139
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
2007 Orange County Audit
2009 Toll Revenue Audit
2009 Citizen's Advisory Committee
2010 Ethics Audit
2010 Purchase Spend Audit
2011 Contracts Audit
2010 TransCore Audit

Prior Audit Recommendations Follow-Up
February 4, 2011

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Executive Summary

As part of the Fiscal Year 2011 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:

- 2007 Orange County Audit
- 2009 Toll Revenue Audit
- 2009 Citizen's Advisory Committee Recommendations
- 2010 Ethics Audit
- 2010 Purchase Spend Audit
- 2011 Contracts Audit
- 2010 TransCore Audit

Internal Audit last reviewed open audit recommendations in August 2010, on all audit reports and recommendations issued prior to the 2010 Ethics Audit. Results were reported to the Audit Committee at that time.

This review 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 or management did not concur as of February 4, 2011, 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 August 25, 2010	New Recommendations	Completed Since August 25, 2010	In Process / Not Done as of February 4, 2011*	Past Due
2007 Orange County Audit	1	0	0	1	1
2009 Toll Revenue Audit	7	0	6	1	0
2009 Citizen's Advisory Committee	7	0	3	4	2
2010 Ethics Audit	3	0	2	1	1
2010 Purchase Spend Audit	1	0	1	0	0
2011 Contracts Audit	0	9	2	7	0
2010 TransCore Audit	0	3	2	1	0
Total	**19**	**12**	**16**	**15**	**4**

* 15 recommendations are classified as "In Process" and 0 recommendations are "Not Done". Four of the open recommendations are "Past Due."

Past Due Observations

Audit	Observation	Page Number
2007 Orange County Audit	29. We recommend the Authority performs the following: A) Establishes and adopt a pay plan with ranges of pay that reflects the actual positions filled at the agency;	Page 4
2009 Citizen's Advisory Committee	**STAFFING MATTERS** 1. Freeze Salaries - Compared with other state and local entities, whose employees have similar job descriptions, the salaries at OOCEA tend to run high. Review current salary levels and job responsibilities and compare them to similar positions within state and local government. Develop a new salary administration process that considers these changes in view of any adjusted salary ranges and the level of experience and performance of each employee.	Page 12
	OTHER MATTERS 1. Continue Customer Satisfaction Survey and Compare Them Against a Current Benchmark - The benchmark format should become the standard for future surveys.	Page 13
2010 Ethics Audit	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.	Page 15

Orange County Comptroller
2007 Review of the Orlando - Orange County Expressway Authority
Status of Recommendations

Orange County Comptroller Recommendation	Management Response	Management Status at February 4, 2011	Management Verification / Explanation	Due Date	IA Evaluation
29. We recommend the Authority performs the following: A) Establishes and adopt a pay plan with ranges of pay that reflects the actual positions filled at the agency;	Concur	In Process (Past Due)	A salary survey was completed in May 2010 by Evergreen Solutions, LLC. It was determined that the survey did not have an acceptable amount of responses. For more than half of the attributes, there were 0-3 responses, which is lower than expected. The Audit Committee was informed of the situation. A new survey was conducted by Cody and Associates in late 2010 and is scheduled to be completed in February 2011. The draft report contained a recommended pay plan which will be adopted by the Authority in the near future.	Original: 3/31/2010 Revised: 6/30/2011	Concur

Audit of the Orlando - Orange County Expressway Authority
2009 Toll Revenue Audit
Status of Recommendations

KPMG Recommendation	Management Response	Management Status at February 4, 2011	Management Verification / Explanation	Due Date	IA Evaluation
C. Reviews over accuracy of treadles / loops. The following is recommended: 1. Implement the tests of hardware accuracy as a continuous monitoring process that targets different parts of the system during east test and require that hardware accuracy tests be conducted at set intervals, including when there is ongoing construction.	Concur	In Process	Due to budgetary constraints, we have not performed routine in-lane testing since July 2008. However the lanes are constantly monitored by plaza staff to assure proper operation. The treadles and loops automatically generate system alarms when problems are detected and repair technicians from the hardware maintenance contractor are notified. The hardware maintenance contractor's technicians provide 24 hour per day coverage to make sure problems are addressed as soon as possible. We agree that regularly scheduled in-lane testing is a good complement to the ongoing monitoring and when resources are available, we plan to resume when funds become available. The Authority is in process of hiring a systems analyst to perform this task on a regular basis.	7/1/2011	Concur

Audit of the Orlando - Orange County Expressway Authority
2009 Toll Revenue Audit
Status of Recommendations

KPMG Recommendation	Management Response	Management Status at February 4, 2011	Management Verification / Explanation	Due Date	IA Evaluation
E. Violations business rules. The following is recommended: 2. Consider engaging a peer analysis evaluation to compare OOCEA with other leading tolling organizations. This will allow the Authority to address the observation noted in this report, identify additional leading practices and implement them into their processes, and support the process to implement change.	Concur	Complete (On Going)	2) The Toll Operations Department teleconferences with Miami Dade Expressway Authority, Tampa Hillsborough Expressway Authority and Florida's Turnpike Enterprise on a regular basis to discuss, compare and improve interoperability, including violation business rules. Although each agency may not agree on the same approach to collect toll violations, all agencies agree that working together to minimize statewide differences in collection methods is an important goal.	N/A	Concur

Audit of the Orlando - Orange County Expressway Authority
2009 Toll Revenue Audit
Status of Recommendations

KPMG Recommendation	Management Response	Management Status at February 4, 2011	Management Verification / Explanation	Due Date	IA Evaluation
J. Third party policies and procedures governance. The following is recommended: 1. Review third party contracts and perform a gap analysis between existing indicators and the Authority's expectations and leading industry practice.	Concur	Complete	1) The Authority has begun reviewing third party contracts and performing gap analysis's between the Authority's expectations and leading industry practices.	N/A	Concur
2. Develop a performance matrix for those agreed upon indicators and rate contractor performance; if an indicator is not identified, consider renegotiating the contract to include them.	Concur	Complete	2) The Authority has developed a performance matrix and rates the contractor's performance.	N/A	Concur
3. Identify key business processes and practices and create formal documentation including policies and procedures. For policies and procedures that are already in place, assign an OOCEA staff member with the responsibility of understanding every component of the policy or procedure and with keeping the documentation current and updated.	Concur	Complete	3) The Authority has developed a plan, process and a person responsible for creating formal documentation of policies and procedures, based on resources and financial condition of the Authority.	N/A	Concur

Audit of the Orlando - Orange County Expressway Authority
2009 Toll Revenue Audit
Status of Recommendations

KPMG Recommendation	Management Response	Management Status at February 4, 2011	Management Verification / Explanation	Due Date	IA Evaluation
4. Consider converting the Authority's contracts to a more performance based model including high use of key indicators that will be reported to the Authority on a regular basis	Concur	On Going (Complete)	4) Currently, the ACS contract does have performance goals for many items; examples are call wait times, avg. talk time and avg. abandon call rate and these are reported to the Authority on a daily, weekly and monthly basis. The Authority has not been actively enforcing damages when these goals were are not attained. The reason is that shortly after the contract was executed we required ACS to reduce staffing in this contract to help the Authority with its financial challenges at the time. An approximate 10% reduction in staff was done. Once we did this it was not practical to hold ACS to standards when we had changed the contract terms by reducing staff. At the time we discussed with ACS that we would work towards these goals and actively manage the contract. Since that time we have changed in a number of ways Authority business rules which have substantially changed the conditions which the contract was originally issued. The Authority will continue to evaluate performance measures related to contracts.	N/A	Concur
K. Data analysis and business intelligence. The following is recommended: 1. Documentation that key decisions are supported by proper analysis such as cost-benefit analysis or ROI; supplement analysis with qualitative data.	Concur	Complete	1) The Authority agrees that key decisions with regards to toll operations should be supported with analysis such as cost-benefit, ROI and supplemented with qualitative data. A memo has been drafted specifying that key business decisions related to tolling should be supported.	Original: 6/30/2010 Revised: 1/31/2011	Concur

Citizen's Advisory Committee
July 2009 Recommendations
Status of Recommendations

Committee Recommendation	Management Response	Management Status at February 4, 2011	Management Verification / Explanation	Due Date	IA Evaluation
ADDITIONAL COST CONTROLS/SOURCES OF REVENUE					
1. Lease Current Building – Analyze the cost and potential return of redesigning current space requirements to consolidate and free up at least 20,000 square feet of office space that could be subleased.	Agree	Complete	The current building has been filled and no longer has room for leasing empty space. ACS hired more employees to handle the increase in calls from customers who have received unpaid toll notices. This has increased the number of people on the second floor. In addition, construction management contractors have been given cubicles on the 3rd floor. This has eliminated the need to rent trailers in the field. Lastly, a second attorney has been hired who has an office on the 3rd floor.	12/31/2010	Concur
2. Sell the Old Building - Continue to market the old building for sale and also analyze the potential for leasing it until the market improves.	Agree	Complete	The old building has been leased for 10 years to a group of physicians. The lease term was from 11/1/2010 - May 31, 2020.	12/31/2010	Concur

Citizen's Advisory Committee
July 2009 Recommendations
Status of Recommendations

Committee Recommendation	Management Response	Management Status at February 4, 2011	Management Verification / Explanation	Due Date	IA Evaluation
3. Consolidate Back Office Operations - Management should work with the Turnpike to analyze the potential costs and benefits of consolidating back office operations. Even if the Miami and Tampa expressway authorities do not join this effort, the potential savings for the Turnpike and OOCEA on a combined basis would be in the millions of dollars.	Agree	In Process	Florida toll agencies began discussions about consolidating back office operations a few months ago. All agencies agree that there are many difficult issues to work through to achieve a successful consolidation. If a consolidation plan is developed that reduces costs and improves service to our toll customers, management is committed to work toward merging back offices. Expected completion date December 31, 2013.	12/31/2013	Concur

Citizen's Advisory Committee
July 2009 Recommendations
Status of Recommendations

Committee Recommendation	Management Response	Management Status at February 4, 2011	Management Verification / Explanation	Due Date	IA Evaluation
9. Investigate Energy Management - Analyze total energy costs and explore creative ways to reduce and manage them.	Agree	Complete (On Going)	Technical memos were prepared to provide an analysis of energy efficient lighting for under bridge decks, under toll plaza canopies and roadway sign lighting. The analyses concluded there are definite advantages along with energy savings resulting from the use of LED light fixtures for lighting under bridge decks and under toll plaza canopies. The Authority recently implemented use of a more efficient sign light fixture and the marginal improvements resulting from changing to LED fixtures is not warranted at this time. We will continue to monitor the prices and improvements in LED sign light fixtures for potential use on the Expressway system. The new LED fixtures are being implemented on the Dallas Toll Plaza project as well as all upcoming plaza design projects. The existing under canopy light fixtures will be replaced with LED fixtures on the ramp plazas on the southern portion of SR 417 as part of a signing and lighting improvement project. The LED fixtures are being implemented where feasible on current bridge construction projects and will be included on applicable bridge design projects going forward.	N/A	Concur

Citizen's Advisory Committee
July 2009 Recommendations
Status of Recommendations

Committee Recommendation	Management Response	Management Status at February 4, 2011	Management Verification / Explanation	Due Date	IA Evaluation
STAFFING MATTERS					
1. Freeze Salaries - Compared with other state and local entities, whose employees have similar job descriptions, the salaries at OOCEA tend to run high. Review current salary levels and job responsibilities and compare them to similar positions within state and local government. Develop a new salary administration process that considers these changes in view of any adjusted salary ranges and the level of experience and performance of each employee.	Agree	In Process (Past Due)	A salary survey was completed in May 2010 by Evergreen Solutions, LLC. It was determined that the survey did not have an acceptable amount of responses. For more than half of the attributes, there were 0-3 responses, which is lower than expected. The Audit Committee was informed of the situation. A new survey was conducted by Cody and Associates in late 2010 and is scheduled to be completed in February 2011. The draft report contained a recommended pay plan which will be adopted by the Authority in the near future.	Original: 12/31/2010 Revised: 6/30/2011	Concur

Citizen's Advisory Committee
July 2009 Recommendations
Status of Recommendations

Committee Recommendation	Management Response	Management Status at February 4, 2011	Management Verification / Explanation	Due Date	IA Evaluation
OTHER MATTERS					
1. Continue Customer Satisfaction Survey and Compare Them Against a Current Benchmark - The benchmark format should become the standard for future surveys.	Agree	In Process (Past Due)	The customer satisfaction survey was completed in October 2010, however, not enough responses were received. A new survey is being conducted at this time.	Original: 12/31/2010 Revised: 5/31/2011	Concur
7. Create a Performance Reporting System - Develop specific performance reporting for OOCEA and provide periodic reporting (at least semiannually) to the Board of actual results against goals, historical performance and benchmarks. Performance reporting can be developed around how OOCEA competes for its share of: o Customers and revenue o Financing dollars o Public trust	Agree	In Process	The Authority reports to the Board annually on specific performance measures developed by the Florida Transportation Commission that cover agency performance in operating efficiency, maintenance, customer service, minority participation, ethics, debt management, bond covenant compliance, financial soundness, public records, open meetings, procurement, contract performance and governance. The Authority will also independently develop more performance indicators specifically designed to serve the governing Board.	3/31/2011	Concur

Ethics Audit
June 2010 Recommendations
Status of Recommendations

Internal Auditor Recommendation	Management Response	Management Status at February 4, 2011	Management Verification / Explanation	Due Date	IA Evaluation
2. Code of Ethics Procedural Improvements A. Procedures should be written and implemented for the aforementioned processes. The procedures should include the following: - The Authority employee responsible for ensuring the various disclosures are filed - Where disclosures are to be filed - To whom to file disclosures with at the Authority - Formal tracking of violations or disclosures for appropriate follow up and / or necessary state reporting requirements and penalties - Links or references to the necessary disclosure forms should be included to assist the user with easily locating the appropriate form to report conflicts of interest, voting conflicts, gifts for political contributions, or financial disclosures - The procedures should be written in conjunction with the development of Ethics Coordinator job description; however, the - Ethics Coordinator may not be the employee responsible for all of these areas.	Concur	Completed	The Ethics Policy adopted by the Authority Board on July 28, 2010 contains procedures that include: 1) the employee responsible for ensuring that the various disclosures are filed, 2) where disclosures are to be filed, 3) to whom to file disclosures with at the Authority, 4) tracking of violations or disclosures for appropriate follow-up, and, 5) links to necessary disclosure forms.	N/A	Concur
C. Procedures should be implemented to improve tracking and follow-up procedures for violations and disclosure reporting. When a Board member abstains from a vote due to a conflict of interest, an Authority employee should be responsible for notifying the Board member of the date the disclosure form is due and for remaining in contact with said Board member until the disclosure form is filed.	Concur	Completed	The Ethics Policy adopted by the Board clearly explains the roles and responsibilities of Board members and Authority employees for disclosing conflicts of interest and follow-up. Part 8 of the Ethics Policy, Ethics Violation and Enforcement, explains the procedures and penalties for each type of violation and the Florida Statutes and Administrative Code that control enforcement.	N/A	Concur

Ethics Audit
June 2010 Recommendations
Status of Recommendations

Internal Auditor Recommendation	Management Response	Management Status at February 4, 2011	Management Verification / Explanation	Due Date	IA Evaluation
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 Process (Past Due)	The mission statement and / or values have been updated to include ethics and are awaiting Executive Director approval. In addition, the mission statement will be incorporated into the Code of Ethics. The updated mission statement will be presented to the Board during the 30 year plan workshop.	Original: 8/31/2010 Revised: (12/31/2011)	Concur

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Purchase Spend Audit
February 2010 Recommendations
Status of Recommendations

Internal Auditor Recommendation	Management Response	Management Status at February 4, 2011	Management Verification / Explanation	Due Date	IA Evaluation
3. The accounts payable process could potentially be automated to yield cost saving The Authority should further explore the cost / benefit of using P-Cards, summary billing, EDI, and/or other means of automating A/P to reduce the manual processing of invoices for high volume, low dollar payments (e.g., invoices less than $1,000 or payments to vendors that typically submit invoices for less than $1,000).	Concur	Complete	Management agrees with the recommendation. The majority of the invoices that are less than $1,000 are for utility billings for the multiple locations and light poles located throughout the Expressway system. We do not believe paying these by P-Card would be more efficient. However, we do plan to work with our two largest utility providers which represent more than 2/3 of the invoices noted to determine if an automated invoice import system would be feasible and more efficient than manually keying in invoices. The OUC, one of the two utility vendors, began sending a summary bill to OOCEA in August 2010. The payment is not automated; however, the number of payments needed has been reduced to one. Progress Energy does not have the ability to send a billing summary. As a result OOCEA will no longer pursue this.	N/A	Concur

Contracts Audit
January 2011 Recommendations
Status of Recommendations

Internal Auditor Recommendation	Management Response	Management Status at February 4, 2011	Management Verification / Explanation	Due Date	IA Evaluation
1. The Authority should revise its policy to require the formal documentation of a decision to re-bid a contract or move forward with a contract when less than three bids or proposals are received. In addition, management should verify that the decision to not require a rebid when fewer than three bids are obtained is documented and placed with the contract documents.	Concur	In Process	The Procurement Procedures Manual for Level 5 procurements will be revised to address situations where less than three bids are received. Criteria will be established to formalize the decision-making process regarding whether to re-bid or award a contract. Documentation supporting the decision will be placed in the contract file. The Procurement Procedures Manual is currently being revised. This addition will be included in the final document that is expected to be ready for approval by the Executive Director.	2/28/2011	Concur
2. The Authority should require that the monthly procurement report be reviewed for completeness and approved by an individual that does not report to the Director of Procurement to remove the segregation of duties issue.	Concur	Complete	The Authority requires that the monthly procurement report be reviewed for completeness and approved by the Deputy Director of Finance.	N/A	Concur

Contracts Audit
January 2011 Recommendations
Status of Recommendations

Internal Auditor Recommendation	Management Response	Management Status at February 4, 2011	Management Verification / Explanation	Due Date	IA Evaluation
3. The Authority should update the ODMP procedures to include steps to apply and pay sales tax related to materials purchased when the assignability clause is executed. The Authority should also review the use of the assignability clause with General Counsel.	Concur	In Process	It should be noted that the Authority has yet to exercise an assignability clause for an ODMP; however, Authority staff understand that if a ODMP purchase order is assigned, the related sales tax savings would indeed be forfeited. The Construction Department will revise the ODMP section of the Authority's Construction Procedures and Administration Guide ("ACPAG") to include the following three (3) steps for exercising the assignability provision in Authority Contracts and ODMP Orders: 1. Consult General Counsel prior to exercising the assignability provision; Define the process and responsible individual at the Authority for returning or remitting forfeited sales tax savings; and, Clarify and document Contractor responsibilities for remitting forfeited future and/or previous sales tax savings when an ODMP order is assigned.	6/30/2011	Concur

Contracts Audit
January 2011 Recommendations
Status of Recommendations

Internal Auditor Recommendation	Management Response	Management Status at February 4, 2011	Management Verification / Explanation	Due Date	IA Evaluation
4. When the FTS contract expires in June 2011, for all future toll operations contracts the Authority should require a simplified rate structure and electronic timekeeping. This will reduce the Authority's overall cost (one FTE is employed by FTS to compile monthly invoices and support and other spend considerable time supporting the process).	Concur	In Process	As a part of the next RFP process the Authority will look to simplify the rate structures required of the contractor as well as require some acceptable form of electronic time keeping. Subsequent to the findings of this report, the FTS contract was extended for an additional year through the end of June 2012 due to some negotiated cost savings. Due to the extension of the FTS contract, this recommendation would not be able to be implemented prior to July 1, 2012 at the earliest as it is not part of the current contract requirements. However, based on OOCEA's desire to fulfill this request a discussion will be had with the current contractor of the possibility to implement these changes prior to the next RFP process.	7/1/2012	Concur

Contracts Audit
January 2011 Recommendations
Status of Recommendations

Internal Auditor Recommendation	Management Response	Management Status at February 4, 2011	Management Verification / Explanation	Due Date	IA Evaluation
5. The Authority should require and ensure the use of supplemental agreements for all contract changes regardless of the change to the required funding levels.	Concur	Complete	For the specific incident cited, a zero dollar supplemental agreement will be prepared and executed by the Authority and ACS revising the scope of services to allow for overtime to be charged with the approval of the Manager of Toll Operations and the Deputy Executive Director, Engineering, Operations, Maintenance and Construction. The Procurement Department will intensify its effort to ensure that the requirement that supplemental agreements be prepared for all contract changes, regardless of the funding level, is followed.	N/A	Concur

Contracts Audit
January 2011 Recommendations
Status of Recommendations

Internal Auditor Recommendation	Management Response	Management Status at February 4, 2011	Management Verification / Explanation	Due Date	IA Evaluation
6. The Authority should ensure the correct FDOT fuel price index is used for the monthly fuel price adjustments by processing fuel price adjustments at month-end to ensure the FDOT fuel price index is available. The Authority should also update contract terms to eliminate mid-month fuel price adjustments and only allow for month-end fuel prices adjustments.	Concur	In Process	The Authority will ascertain the exact amount owed to the Contractor for project 408-253B, issue an amendment to the final estimate for the project, and provide an amended final payment to the Contractor. The Authority will expand the section of Authority's Construction Procedures and Administration Guide ("ACPAG") related to Index Fuel Adjustments. An introduction letter from the Director of Construction will be added to the ACPAG that will emphasize the importance of accuracy in the administration of Authority Contracts. The Contract Specification for Bi-Monthly pay estimates will be amended to alert Contractors that fuel index adjustments will not be made more frequently than monthly and will be for the previous monthly pay period. The Authority's CEI's will also attach printouts of the Department's published fuel indices for the months being adjusted and the month the project was bid as backup for Review by the Director of Construction prior to submitting supplemental agreements involving Fuel Index Adjustments to the Board for approval.	6/30/2011	Concur

Contracts Audit
January 2011 Recommendations
Status of Recommendations

Internal Auditor Recommendation	Management Response	Management Status at February 4, 2011	Management Verification / Explanation	Due Date	IA Evaluation
7. The Authority should update TRIMS user access rules to prevent the approval of adjustments to private accounts in excess of $200 by CSC Supervisors and 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	PIN threshold adjustment Complete Password changes In Process	The PIN approval threshold can be adjusted so as to prohibit CSC Supervisors from approving any adjustments in excess of $200.00. The Authority also concurs that moving to a password based approval is in its best interest. However, the change to a password based approval key would be a fairly significant change to the existing system. The current system is currently being reviewed for replacement as part of the Toll System Replacement (TSR) project. Making these changes now may be waste of valuable IT resources if the current system were to be disposed of in the near term. Based on the outcome of the TSR project the Authority would make this change as a part of a newly procured system or would be developed and implemented in the existing system once it was determined that we would be retaining the existing system. The Authority's IT department has implemented a threshold change for PIN approval. Also Toll Operations requires passwords to be used for approvals in any new toll collection software procured by the Authority or its existing software if it is retained and that the password be changed on a regular basis by the system.	7/31/2013	Concur

Contracts Audit
January 2011 Recommendations
Status of Recommendations

Internal Auditor Recommendation	Management Response	Management Status at February 4, 2011	Management Verification / Explanation	Due Date	IA Evaluation
8. The Authority should consider conducting a detailed review or audit of the current QA procedures employed by ACS for reasonableness and effectiveness.	Concur	In Process	The entire process of QA should be reviewed and examined. In completing this review for reasonable and effectiveness, the Toll Operations department is also recommending that the QA portion of the ACS contract be dropped and that a new independent firm or new OOCEA staff position be identified to provide this service. The review for reasonableness can be incorporated during the process of identifying and procuring the new firm.	7/1/2011	Concur
9. The Authority should implement a formal policy and develop a standard TRIMS report to review E-PASS accounts without assigned transponders on a quarterly basis. Accounts without assigned transponders should be closed as deemed appropriate following the review.	Concur	In Process	This report can be reviewed on a monthly basis and incorporated into existing processes that are done on a monthly basis. Toll Operations will request that the IT Department produce a monthly report to identify accounts that do not have transponders assigned for an extended period of time.	4/1/2011	Concur

TransCore Audit
November 2010 Recommendations
Status of Recommendations

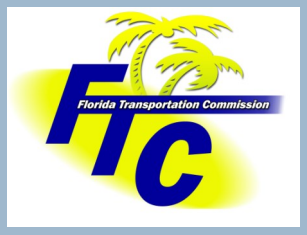
Caroline Binder Recommendation	Management Response	Management Status at February 4, 2011	Management Verification / Explanation	Due Date	IA Evaluation
1. We noted that for the months of May, June and July 2010, the weekly employee status reports were not submitted by TransCore at the same time as the invoice package. OOCEA's Director of Information Technology has had to request weekly employee status reports after the invoice package is submitted to OOCEA, which takes additional time and effort on the part of OOCEA. During our review of invoices, we noted that a weekly status report still had not been received for and employee (Jared Lapsley) for hours charged in June 2010. The weekly employee status reports should contain enough detail for OOCEA management to determine what tasks the TransCore employee has completed, which will provide support to the job code that is billed.	Concur	Complete	OOCEA required TransCore to provide the weekly status report for June 2010. The status report contained enough detail to determine what has been completed and the job code.	7/31/2011	Concur

TransCore Audit
November 2010 Recommendations
Status of Recommendations

Caroline Binder Recommendation	Management Response	Management Status at February 4, 2011	Management Verification / Explanation	Due Date	IA Evaluation
2. Jared Lapsley is a TransCore employee who began transitioning job duties from a software developer to project manager beginning May 2010. Mr. Lapsley charged 4 hours to the software developer code and 18 hours to the project manager code in May 2010. During June 2010, Mr. Lapsley charged 58 hours to the project manager code and zero hours to the software developer code. Upon review of the weekly employee status reports for May and June 2010, the majority of tasks documented by Mr. Lapsley describe software developer function and not as duties of a project manager resulting in $1,649 of questioned costs. OOCEA should request further support from TransCore to determine what tasks were completed by Mr. Lapsley during May and June 2010, in order to make a determination of his job duties and thus his proper billing rate.	Concur	Complete	OOCEA required TransCore to provide the weekly status report for June 2010. The status report contained enough detail to determine what has been completed and the job code.	7/31/2011	Concur

TransCore Audit
November 2010 Recommendations
Status of Recommendations

Caroline Binder Recommendation	Management Response	Management Status at February 4, 2011	Management Verification / Explanation	Due Date	IA Evaluation
3. The May, June and July 2010 invoices include hours charged to a code described as "Lane Hardware Support 1105060.270.03". This task description is part of the scope of services defined in the hardware maintenance contract (SMH-01). Upon review of the weekly status reports for each employee charging time to this task code, the documentation of services completed by Mike Mosteiro and Mathew Rancourt relate to host and plaza hardware support, which is a job task defined in the software maintenance status reports. Receive OOCEA all hourly 15 minute report emails along with violation reports and OOCEA ORT hourly report." This service is part of the plaza hardware support, thus any hours charges to the plaza hardware code is not disputed. Based upon the remaining description of tasks documented on the weekly employee status reports provided by Fred Walter and David Dunbar, it appears that the time charges by these employees is related to the hardware maintenance contract (SHM-01) scope of services. We reviewed copies of the eMOMs reports for May, June and July 2010, which is a system generated maintenance log that records repairs and maintenance tasks. These reports comment that both Fred Walter and David Dunbar performed lane hardware maintenance, such as fixing automated cash machines, which are services that should be charged under the hardware contract. This results in 272 hours and $19,706 in questioned costs.	Concur	In Process	TransCore accidently charged the wrong code for the work performed. A refund will be given to OOCEA.	7/31/2011	Concur



Florida Transportation Commission
605 Suwannee Street, MS 9
Tallahassee, Florida 32399-0450
Telephone: (850) 414-4105 | Facsimile: (850) 414-4234
www.ftc.state.fl.us