



LYNX Finance & Audit Committee

A G E N D A

March 18, 2015

2:00PM

LYNX Central Station

Second Floor Room #215

- Call to Order
- Approval of Prior Meeting Minutes
- Overview of FY2014 Annual Audit Results
- Overview of the FY2016 Preliminary Operating Budget
- Health Insurance Cost Containment - Self-Insurance Evaluation
- Adjournment

LYNX
Central Florida Regional Transportation Authority
Finance & Audit Committee Meeting Minutes

PLACE: **LYNX Central Station**
 455 N. Garland Avenue
 Conference Room, 2nd. Floor
 Orlando, FL 32801

DATE: **January 15, 2015**

TIME: **10:00 AM**

Members in Attendance:

Chris McCullion, City of Orlando
Ray Walls, Orange County
Michael Kurek, Osceola County
Edward Bass, Seminole County

LYNX Staff in Attendance:

John Lewis, Chief Executive Officer
Blanche Sherman, Director of Finance

Members Absent:

Lisa Buscher, FDOT

1. Call to Order/Introduction

Blanche Sherman, Director of Finance called the meeting to order at 10:00 AM.

2. Approval of Prior Meeting Minutes

Blanche Sherman asked for approval of the prior meeting minutes. **Motion** was made and seconded to approve the Minutes of the November 5, 2014 Finance & Audit Committee. The Motion passed unanimously.

3. Audit Agenda Items

✓ **Election of Officers**

Blanche Sherman presided over the election of officers.

Michael Kurek made a Motion to nominate Chris McCullion as Chairperson of LYNX' Finance & Audit Committee. The Motion received a second.

Hearing no other nominations, Blanche asked for the vote.

Motion to elect Chris McCullion as Chairperson of LYNX' 2015 Finance & Audit Committee passed unanimously.

Ray Walls made a Motion to nominate Ray Walls as Vice Chairperson of LYNX' Finance & Audit Committee. The Motion received a second.

Hearing no other nominations, Blanche called for the vote.

Motion to elect Ray Walls as Vice Chairperson of LYNX' 2015 Finance & Audit Committee passed unanimously.

✓ **FY2016 Budget Development Assumptions**

Chris McCullion, Chairperson, called on Blanche Sherman to discuss the FY2016 Budget Development Assumptions.

Blanche provided a brief overview of the Powerpoint presentation that is going to LYNX' Oversight Committee (formerly Audit Committee) in January 2015. The key budget assumptions discussed as part of the budget development process were as follows:

- FY2016 funding based on LYNX adopted Funding Model

Beginning in 2014, LYNX' Board formally adopted the funding model to determine allocation of funding for LYNX' funding partners. Prior to 2014, the model was last used in 2007. If the Committee wants an opportunity to go over the funding model, it will be provided.

- Maintain current Preventative Maintenance funding level

LYNX seeks to maintain the preventative maintenance funding level, currently at \$6.7 million, which covers eligible operating expenses and reduces the capital dollars available to meet capital needs for items such as buses.

- Maximize current service levels through efficiencies

Service changes three times a year are basically minor changes to increase efficiency of service but stay within the 2% threshold.

- Apply additional Flex (NeighborLink) services, where appropriate

NeighborLink service has increased over the past two years with Intercession City in Osceola County, Goldsboro in Seminole County and recently adding service in Maitland. Using a 35' foot bus rather than a 40' bus is more efficient and cost effective within the neighborhoods.

- Maximize use of anticipated Advertising Revenue

The anticipated advertising revenue amount is \$1.7 million in FY2014 with \$1.7 million budgeted. The amounts are \$1.8 million budgeted in FY2015 and \$2 million anticipated in FY2016. The advertising revenue is doing very well, increasing with 80-90% of buses covered. Overall, this includes some revenues and expenses. With the CNG efforts, the anticipated royalties from third party sales will be incorporated in the budget.

Blanche then discussed the key budget assumptions for expenses.

- Salary increases consistent with Funding Partners

The process is to find out what LYNX' funding partners are doing and develop a consensus. For last year this was around 3%. Chris McCullion mentioned that this conversation came up at the Expressway Authority. Over the last five years, the funding partners have gone different directions making this a complicated process. Blanche discussed FDOT not giving increases for five years and one year giving a lump sum. Michael Kurek discussed Osceola County giving a lump sum in December and recently a 2 1/2% cost of living increase.

- Anticipated impact of a new Union contract

In the FY2016 budget, LYNX will be beginning Union negotiations on the Amalgamated Transit Union (ATU) Local 1596 contract with bus operators and the mechanics. Susan Black, LYNX General Manager, mentioned that LYNX would be starting management meetings soon. Chris asked if there was anything being scheduled or anything known at this point about the union contract for next year. Blanche stated that the only thing known at this time are the pension plan issues that are still on the table pending a date being set for arbitration.

Chris asked if the health insurance program would be part of the negotiations. Blanche stated that it could and LYNX will be evaluating going self-insured to determine the most cost effective way to provide health insurance. Susan stated that health insurance was a hot topic this year because the change over and sign up for health insurance benefits coincided with the wage re-opener. Blanche and John dealt with this through the town hall meeting and the change for this year was resolved.

Susan mentioned that moving forward LYNX will be making the best decisions for the agency on plan type changes and spoke about the complex national issue of understanding the health care industry and being able to communicate that to the bus operators.

With no further questions, Blanche continued to the next budget assumption.

- Impacts of conversion to Compressed Natural Gas (CNG)

There will be thirty-five (35) buses over a nine month period and anticipated \$0.085 cents/gallon royalty on third party sales.

- Continuation of Fuel Hedging Program, as appropriate

The diesel and unleaded fuel will continue to be hedged along with the CNG. Even though there are very low prices for diesel and unleaded fuel, the diesel fuel is budgeted at \$3.17/gallon and the hedged price is \$2.89/gallon. For unleaded fuel, \$2.97/gallon is budgeted and the hedged price is \$2.60. The objective for hedging is to stabilize the budget and LYNX is still under budget.

Questions included how far out LYNX hedged and what portion of fuel is hedged. Blanche stated that this year LYNX is hedged out through 2015 and she is looking at closing some hedges for 2016. Fuel is hedged at 75% with the other 25% subject to market changes. There have been savings on the 25% with the exception of the fuel from Kissimmee at the Osceola site.

Today LYNX is paying \$1.92 for diesel and \$1.47 for unleaded.

- Continued application of reductions based on LYNX ownership of paratransit vehicles

The paratransit contract is in its fourth year. LYNX wants to contain costs by owning the vehicles. The total vehicle requirements are 190 with LYNX owning 154 vehicles. LYNX is still continuing to replace vehicles to contain the costs.

- Continuation of Bio-diesel Program, as appropriate

The bio-diesel 80/20 program is continuing. LYNX is paying \$1.92 for diesel and \$2.04 for bio-diesel.

Blanche continued on to the Pending Items. These are not necessarily incorporated in the preliminary budget until final information and/or concurrence is obtained.

- Fare increase in FY2016 (?)

The last fare increase was in January 2009. LYNX is working in conjunction with SunRail with a plan to go one year without a fare increase and consider a fare increase for the next year. LYNX will be working with SunRail but can do the increase independently. A change in fare could be challenging with the SunRail system issues.

Blanche discussed the handout given to Committee members with information comparing LYNX to its peers. The longer sheet shows LYNX at the top for Farebox Recovery at 32% based on National Transit Database (NTD) data from FY2012. Fare increase factors considered are where LYNX stands in comparison to its peers especially in the state of Florida and whether there is a dedicated funding source which LYNX does not have. A \$0.25 increase generates \$1.2 - \$1.4 million additional revenue annually.

Ray Walls asked if this has been broached with the Board. Blanche responded that it has not. This is part of the process every year.

Blanche discussed the shorter sheet which is a comparison of full fare and other passes including express service. LYNX is looking at express service and has implemented a

pilot on the Link 208 with SunRail feeder services outsourced using Mears and a different type of bus with amenities such as wireless connection. The objective is to have the fare cover the costs. Pat Christiansen, LYNX General Counsel, summarized the Osceola County extension as travel to the ultimate SunRail destination in Osceola County as an extension from where SunRail currently ends run by Mears and then when SunRail gets extended will no longer be needed. Blanche mentioned that this was an opportunity for LYNX to use this feeder service as a pilot. John Lewis wants to do other pilots which will be brought before the Committee and the Board of Directors.

Blanche spoke about LYNX wanting to look at how the fares are for this service to set the level of fares needed for express service to cover the costs. The information discussed is what is considered and reviewed as part of an independent fare equity process.

➤ Toll Revenue Credits (?)

Toll revenue credits are used for a soft match on LYNX' capital items with \$7 million used last year. Every year the availability of the credits has to be confirmed with the grant staff at FDOT. If the credits are no longer allowed, LYNX will have to use local capital dollars for matching. Federal dollars are spent at 80% with 20% matching which will be matched with local dollars if state dollars are not available.

Ray Walls asked for an explanation of toll revenue credits. Blanche stated that LYNX applies to the State for the toll revenue credits. A portion of the credits are allocated to LYNX. LYNX applies credits as LYNX spends federal dollars to support the matching requirements. For example, LYNX takes the 80-90% federal dollars to buy the number of buses the actual federal dollars will cover.

Chris McCullion asked if this was an actual transfer of revenue. Blanche stated that there is no actual transfer, only on paper. The toll revenue credits are a soft match and not cash.

➤ Funding Partner approved COA Recommendations

Last year, LYNX went through a Comprehensive Operational Analysis (COA) which is still on the table. The Planning department meets monthly with a regional working group to address service issues and to reach out to funding partners about any COA findings they may want to address. Any recommendations for new service changes come through that regional working group and then through the Finance & Audit Committee to be incorporated in the upcoming budget.

➤ Impacts of SunRail Phase 2 expansion

LYNX will be considering the SunRail Phase 2 expansion and once it has concurrence will include the impacts of the expansion. LYNX is meeting with FDOT on a regular basis to discuss potential feeder service.

➤ Expansion of Express Bus Pilot

In addition to what was discussed above, John Lewis wants to look at doing something with UCF.

Blanche then discussed the future items.

- Continue to review the type of fixed route vehicles used in future operations
LYNX is always looking at the type of vehicles to operate LYNX' services- articulated buses, hybrid for LYMMO, 35 and 40 foot buses in addition to low floor arbob vehicles for Neighborlink and CNG buses.
- Consideration of public/private partnership (satellite facilities/BRT)
A new project is the P3 effort with the CNG. Also, LYNX is looking at satellite facilities in Seminole and Osceola Counties with a P3 effort. For the BRT project, LYNX has done Alternative Analysis on SR 50 and US192.

Edward Bass asked about consideration of the public/private partnership wanting to know what is entailed in the satellite facilities. Blanche spoke about the operating facilities that are being leased from the City of Kissimmee with 40-60 buses being fueled from the City. The Kissimmee location has no heavy maintenance being performed at that facility. LYNX is currently buying diesel fuel there at a much higher price. LYNX is in conversation with the City of Kissimmee about a more permanent site. However, LYNX has a debt capacity of \$10 million and LYNX is close to that limit.

Ray Walls and Michael Kurek asked why the price is higher and how much higher. Blanche spoke about LYNX buying fuel from the City of Kissimmee not Osceola County. The current price is \$2.38 being charged to LYNX by Kissimmee versus \$1.92 being paid by LYNX. LYNX plans are to have a more permanent facility. LYNX is working with the City of Kissimmee on changing how the fuel is handled.

Blanche gave a brief overview of the budget calendar which is a very aggressive schedule including going to the Oversight Committee in January, a preliminary budget presentation on March 26, funding request letters to funding partners in May, starting budget presentations with Orange, Seminole and Osceola Counties in June, July and August, final Board action in September and the budget year beginning on October 1.

Chris McCullion asked if there was any action required. Blanche stated this is for information purposes only and asked for any comments. Ray Walls mentioned wanting to see the funding model including how it is used and how the variables are put in.

Chris McCullion called on Pat Christiansen to comment on the CNG Bus Lease.

Pat Christiansen first commented on the funding partner agreements before going to the next agenda item. Orange County has proposed some changes to the agreement. Historically, LYNX had a funding agreement with each of its funding partners which ran with the fiscal year. The validity of those agreements would run out on September 30. Entering into a new agreement took a long time during which time LYNX was not getting any money. The funding partners wouldn't pay until there was an approved, signed agreement. Three or four years ago, the idea to incorporate a continuation of payments by the funding partners after

September 30 based on what was done the year before to level out the cash flow for LYNX was adopted in a standard form for all the partners. An addendum would be attached for any differences most notably the amount being paid and various route services.

Orange County has come up with some changes in the standard funding agreement including suggesting incorporating, by definition, the funding model and how LYNX comes up with funding for the particular year. The funding model that was adopted by the LYNX Board a few years ago gets tweaked each year.

One of the comments from Orange County is that the funding model must be approved by the LYNX Finance & Audit Committee. Pat stated that the more appropriate approval is by the LYNX Board with the funding model to be run through the Finance & Audit Committee.

Once the agreement is entered into, every funding partner pays in twelve (12) equal installments beginning on the first day of each month starting on October 1. If the funding agreement is not signed by October 1, the delta or difference is picked up when the agreement is signed.

To handle the inconsistency of paying by October 1 but not paying without receiving an invoice which is to be paid within thirty (30) days, Blanche Sherman sends an invoice thirty (30) days in advance. In theory, LYNX will get paid by the first of the month for the services in that month.

Pat discussed the current process where the funding partner continues to pay at the prior level until the funding agreement is done with the excess picked up at that time. If at any time the funding partner does not want to pay the delta, the County provides that LYNX may at its discretion utilize reserves or reduce the level of services. The County has indicated that the use of reserves be limited to that portion of the reserves held by the funding partner as allocated. This is not what LYNX does. There is one "pot" of reserves. Blanche stated that reserves cannot be used without Board authorization. She did indicate that reserves are used temporarily to cover the increase when being paid at last year's rate.

Ray Walls discussed the intent for that language. For example, the model says \$45 million but the County is only going to pay LYNX \$40 million because that is all they can afford. The intent was not to prohibit LYNX from taking money out of reserves to subsidize Orange County that maybe Osceola, Orlando, or Seminole put into reserves. The intent is to make sure everyone is paying their fair share.

Blanche stated that the reserves are not allocated by funding partner but build up over time. Ray commented that certain levels of funding mean some funding partners pay more into those reserves than others. Blanche commented this depends on how the reserves are accumulated.

Pat stated that, generally speaking, the only issue is the delay in getting the agreements signed. Staff works out the budgets ahead of time. LYNX' Board approves the agreements in September. The funding partners approve them in September or October.

At this time, all the funding partners have signed or will be signing the previous funding agreement and are paying at the current rate with the exception of Orange County. Orange County is working on a revised agreement and paying under the previous rate.

The other item is for LYNX is to provide information to the funding partners quarterly on who pays what and what is being paid. Blanche mentioned that this is being done currently. Pat spoke about no action being required of this committee. The changes will be taken to the Oversight Committee and then the changes will be incorporated into all next year's agreements.

Chris asked if there was anything else and then asked Pat Christiansen to provide a CNG update.

✓ **Compressed Natural Gas (CNG) Bus Lease**

Pat Christiansen provided an update on the material changes in the CNG that have occurred since the last meeting which is summarized below.

Nopetro had a deadline to buy the property north of the John Young Parkway facility by December 31. That purchase did not occur but Nopetro has an extension to January 31.

LYNX is dealing with two agreements. One is the fuel agreement where Nopetro buys the land, builds fueling lanes and LYNX buys CNG fuel at that location. The related agreement is where Nopetro makes modifications to the LYNX operating facility so they can service CNG buses. The revised draft was sent back to the Nopetro lawyers and is 99% there with respect to the fuel agreement.

The material changes to the fuel agreement are as follows:

1) Three (3) rather than the original four (4) fueling lanes. LYNX has agreed to the three (3) lanes with the provision that a fourth lane will be added if reasonably necessary to fuel LYNX buses in a timely manner. LYNX will start with thirty-five (35) buses and add twenty-five (25) per year. Three (3) fueling lanes are more than enough to fuel 150 buses over the five (5) years.

2) LYNX will only be able to fuel its CNG buses at this station. Nopetro wants all the buses purchased over the next five (5) years to be CNG buses. LYNX has taken the position that only the buses which will be stationed in Orange County at the station will be CNG. LYNX has agreed to Nopetro's proposal with some modifications because John Lewis indicated a preference to buy CNG buses and if diesel buses are needed in Osceola County, they can be moved from Orange County. This is only for five years and 150 buses.

3) Extensive liquidated damage clauses have been incorporated based in part on LYNX buses not being timely fueled and in part on LYNX buses not being fueled at the station. Within two years when LYNX has seventy (70) buses, Nopetro will have to have alternate fueling capacity in case the station becomes inoperative. It could be a remote station within 3 miles

or 30 minutes or a fuel mule. Nopetro will have to provide alternative fueling for thirty (30) days for over 70 buses or seven (7) days for less than 70 buses or liquidated damages kick in.

4) Nopetro is going to provide a completion or supply bond. In the event Nopetro cannot complete the project, then the surety comes in and deals with the non-completion. A twenty year bond is not available for a surety. Nopetro will provide a two year bond which is automatically renewable. There will be monetary issues in that the surety will stand for paying damages to LYNX and Nopetro will have to pay liquidated damages. If Nopetro does not have a bond, there will be liquidated damages to get the bond.

Timing over the next day or so is to get final comments and then get the agreements wrapped up by this month. Nopetro will go ahead and buy the land. One other item incorporated is the right for LYNX, if LYNX is not getting fueled, to enter into the station and operate either with its own staff or by hiring someone to run it with any costs incurred to be offset against the price paid for the fuel.

Blanche Sherman confirmed that twenty-five (25) buses have been ordered and that she is working on ten (10) leased buses.

Chris McCullion asked if Pat got a copy of the Leon County agreement during this process. Pat stated that he did get a copy but it was substantially different because that it is a much smaller arrangement and on property owned by Leon County.

Chris asked about and Pat discussed the risk with Nopetro who does not have a balance sheet. Nopetro is a start-up company being backed by the Dimitri and Smith families. The Nopetro financial statements have been reviewed with an accountant. In Tallahassee, Nopetro was making money pretty quickly. LYNX' agreement provides for quarterly information on the station and the right to audit the fuel charges. LYNX will also get some limited financial information and copies of Nopetro's audited statements. Confirmation from Nopetro's auditors is required at the end of the year for any royalty payments. The risk is over the first two or three years. In five years, this becomes a real operation with an alternative fueling station up and running in two years and LYNX with 150 buses.

Chris called on Blanche to discuss the bus lease.

Blanche discussed the item on the leasing of the ten (10) buses and again mentioned that an order has been placed for twenty-five (25) CNG buses. Gillig is awaiting the order for the ten (10) leased buses. On September 25, the LYNX Board authorized going out for an Invitation for Bid (IFB). The IFB was issued on November 17. Three responses were received by December 17, PNC Bank, Municipal Services Group (MSG) and Bank of America. Within the three responses, two of the firms, PNC Bank and Bank of America, bid within the specifications provided for in the IFB which was a four or five year proposal with either a buyout or balloon payment at the end.

After a careful evaluation of the proposals, it was determined that the five (5) year proposal from Bank of America was the better one for LYNX with a 2.17% interest compared to

MSG's 2.60% interest rate which is \$194,000 less in interest payments over the term of the lease.

Once the lease is finalized, the interest rates will be locked in and LYNX can move forward.

Blanche discussed, in a brief conversation with Chris via e-mail prior to this meeting, the objective of not pursuing a long-term lease is to minimize the risk of not having enough capital dollars to cover the costs. In 2007, a seven year lease was signed. In 2008, the \$2 capital dollars went away and operating dollars were taken to cover the capital bus lease. LYNX wants to secure a short-term lease to minimize the risk of using the \$2 capital dollars LYNX receives in accordance with the funding the model. Also, LYNX continues to consider the risk of the availability of toll revenue credits in the future.

Chris discussed that LYNX could go longer and pay more interest with the revenue stream becoming less certain the longer out LYNX goes. This is a lease purchase agreement with LYNX intending to purchase the buses at the end of the five year lease and use them for the rest of their useful life. Blanche stated the useful life is nine to ten years. Chris spoke about the question if LYNX starts buying CNG buses and decides, based on economics, this is not the way to go, LYNX will still have a diversified fleet.

Chris and Blanche discussed the lease being locked in with ten (10) buses this year in addition to the twenty-five (25) that LYNX is buying. LYNX plans on buying rather than leasing CNG buses next year. Other than these ten (10) buses, the rest of the buses will be purchased with grant funding. The bus lease is being used to meet the thirty-five (35) bus requirement for the CNG contract.

Blanche mentioned the new Ladders of Opportunity grant that was recently awarded where LYNX can buy up to ten (10) articulated buses. This grant requires a local cash match which will be covered by the \$2 capital dollars. The \$2 capital dollars comes from the funding model and is based on \$2 per service hour for Orange, Osceola, and Seminole counties. Edward Bass asked if the \$2 is looked at or trued-up. Blanche mentioned it was evaluated as part of the adoption of the funding model.

Chris clarified that the recommendation is to go with the five year Bank of America proposal.

Edward asked if LYNX decided to choose the five year over the four year lease due to the larger balloon payment at the end of the four year lease. This was confirmed by Blanche.

Edward asked about seeing significant savings in the maintenance costs associated with the additional CNG buses in Fiscal Year 2016. Blanche stated that some savings will be seen but there have been delays in buying replacement buses due to funding. More savings will be seen once the buses are being replaced on the normal schedule.

Ray Walls made a Motion that the Finance & Audit Committee recommendation is to go with the five year Bank of America proposal. The Motion received a second.

Chris McCullion asked for a vote.

Motion that the Finance & Audit Committee recommendation is to go with the five year Bank of America proposal passed unanimously.

✓ **Other Business**

No other business was discussed.

The meeting was adjourned at 10:55 AM.

LYNX Finance & Audit Committee Agenda

Agenda Item #1

To: LYNX Finance & Audit Committee Members

From: Blanche W. Sherman, Director of Finance
Patti Bryant, Technical Contact

Phone: 407.841.2279 extension 6100

Item Name: Overview of FY2014 Annual Audit Results

Date: 03/18/2015

In accordance with Chapter 218.39, Florida Statutes, LYNX is required to have an annual financial audit performed by an independent certified public accountant.

The Single Audit Act Amendments of 1996 require state or local governments that receive at least \$500,000 in Federal financial assistance in a year to have an independent audit conducted for that year in accordance with the Office of Management and Budget (OMB) Circular A-133. The State of Florida recently enacted similar legislation, the Florida single Audit Act, related to audits of State financial assistance. Pursuant to these Acts, LYNX' independent certified public accountants, Cherry, Bekaert, L.L.P., have conducted the audit for the fiscal year ended September 30, 2014.

The auditors have issued an unmodified "clean" opinion on both financial and compliance audits. The auditor's Management Letter Comments and Management's responses will be included as a separate document accompanying the annual financial report. The results of operations and the annual audit will be explained in detail at the Oversight Committee meeting.

Mr. Robert Conrad, Partner with the firm of Cherry, Bakeart, L.L.P. will present results of the annual financial audit for the fiscal year ending September 30, 2014.

LYNX Finance & Audit Committee Agenda

Agenda Item #2

To: LYNX Finance & Audit Committee Members

From: Blanche W. Sherman, Director of Finance
Julie Caple, Technical Contact

Phone: 407.841.2279 extension 6100

Item Name: Overview of the FY2016 Preliminary Operating Budget

Date: 03/18/2015

BACKGROUND:

On January 15, 2015, staff presented a list of budget assumptions and the budget calendar to LYNX' Finance & Audit Committee for discussion and input. The FY2016 Preliminary Operating Budget was prepared based on the following key assumptions:

- FY2016 Funding based on the adopted LYNX Funding Model
- Maximize current service levels through efficiencies
- Apply additional Flex (NeighborLink) services, where appropriate
- Maintain current Preventative Maintenance funding level
- Maximize use of anticipated Advertising Revenue
- Potential Royalties from third party usage of Compressed Natural Gas (CNG)
- Salary increases consistent with Funding Partners
- Anticipated impact of a new Union contract
- Continuation of Fuel Hedging Program, as appropriate
- Impacts of conversion to Compressed Natural Gas (CNG)
- Continued application of reductions based on LYNX ownership of paratransit vehicles
- Continuation of Bio-diesel Program, as appropriate
- Evaluate LYNX' current Health Insurance Program for consideration of becoming self-insured

OVERVIEW:

The FY2016 Preliminary Operating Budget totals \$126,493,478 in revenues and \$126,493,478 in expenses. The Preliminary Operating Budget is funded by a combination of LYNX - generated revenue and federal, state and local dollars. These funds are used to fund personnel expenses,

LYNX Finance & Audit Committee Agenda

services, materials, supplies, taxes, utilities, casualty and liability expenses, purchased transportation expenses, leases and miscellaneous expenses. Again, this preliminary budget does not include a fare increase, additional Preventative Maintenance funding, ARRA funding, or the utilization of reserves.

Specifically, this budget includes funds from the following sources:

	FY2015	FY2016	Dollar Amount	%
	Amended	Preliminary	Change	Change
	Budget	Budget		
Fund Balance *	\$ 1,665,286	571,571	\$ (1,093,715)	-66%
Customer Fares	29,530,910	29,344,754	(186,156)	-1%
Contract Services	6,593,296	5,398,265	(1,195,031)	-18.1%
Advertising on Buses	1,875,000	2,050,000	175,000	9.3%
Advertising - Trade	30,000	30,000	-	0.0%
Interest & Other Income	417,000	462,853	45,853	11.0%
Federal	15,875,297	15,821,792	(53,505)	-0.3%
State	13,263,175	14,137,823	874,648	6.6%
Local	57,326,743	58,676,420	1,349,677	2.4%
Total Operating Revenue	\$ 126,576,707	\$126,493,478	\$ (83,229)	-0.1%

**Use of prepaid funding from Orange County, Osceola County, and City of Orlando for new Service Development routes.*

The funds are programmed to fund the following types of expenses:

	FY2015	FY2016	Dollar Amount	%
	Amended	Preliminary	Change	Change
	Budget	Budget		
Salaries/Wages/Fringes	\$ 70,796,959	\$ 73,142,628	\$ 2,345,669	3.3%
Other Services	11,138,951	10,861,200	(277,751)	-2.5%
Fuel	16,108,610	13,220,707	(2,887,903)	-17.9%
Materials & Supplies	7,411,652	8,284,043	872,391	11.8%
Utilities	1,439,337	1,454,571	15,234	1.1%
Casualty and Liability	1,399,850	1,524,850	125,000	8.9%
Taxes & Tags	409,841	434,605	24,764	6.0%
Purchased Transportation	16,929,333	16,259,095	(670,238)	-4.0%
Miscellaneous	676,674	826,779	150,105	22.2%
Leases	265,500	485,000	219,500	82.7%
Total Operating Expenses	\$126,576,707	\$ 126,493,478	\$ (83,229)	-0.1%

Based on discussions with the LYNX Board of Directors, County and City Commissioners, and staff, LYNX is continuing the utilization of its funding model to allocate each jurisdiction's share of the costs of operations in FY2016. Through use of the model, LYNX is able to properly fund its operation and the cost of services is appropriately distributed based on service supplied.

As a result of utilizing the funding model, the FY2016 local funding amounts have increased by 0.5%, as follows:

LYNX Finance & Audit Committee Agenda

LYNX FY2016 Preliminary Local Funding				
	FY2015 Amended Budget	Preliminary Regional Model Need for FY2016	Net Increase (Decrease)	Percentage Increase (Decrease)
Operating Funding				
Orange County	\$ 40,321,585 *	\$ 39,744,904 *	\$ (576,681)	-1.4%
Osceola County	5,479,172 *	5,931,221 *	452,049	8.3%
Seminole County	6,249,068	6,218,460	(30,608)	-0.5%
City of Orlando	3,895,598 *	4,046,660 *	151,062	3.9%
City of Orlando - LYMMO	2,060,215	2,305,411	245,196	11.9%
Subtotal	\$ 58,005,638	\$ 58,246,656	\$ 241,018	0.4%
St. Cloud	161,999	161,999	\$ -	0.0%
Altamonte Springs	120,900	120,900	-	0.0%
Sanford	93,000	93,000	-	0.0%
Lake County	242,180	259,990	17,810	7.4%
Subtotal	\$ 618,079	\$ 635,889	\$ 17,810	2.9%
Subtotal Operating Funding	\$ 58,623,717	\$ 58,882,545	\$ 258,828	0.4%
Capital Contributions				
Orange County	\$ 1,687,947	\$ 1,701,304	\$ 13,357	0.8%
Osceola County	193,753	203,270	9,517	4.9%
Seminole County	216,984	214,016	(2,968)	-1.4%
Subtotal	\$ 2,098,684	\$ 2,118,590	\$ 19,906	0.9%
Total Local Funds	\$ 60,722,401	\$ 61,001,135	\$ 278,734	0.5%

**Includes prepaid funding from Orange County, Osceola County, and City of Orlando for new Service Development routes.*

CONCLUSION:

LYNX' staff will be seeking direction from the Board to finalize the FY2016 Operating Budget. Based on the Board's direction, the FY2016 budget will be updated as necessary.

In accordance with the FY2016 budget calendar the proposed FY2016 budget will be presented to the funding partners. After which, the FY2016 budget will be presented to the Board of Directors for final consideration and approval in September of 2015.

LYNX Finance & Audit Committee Agenda

Agenda Item #3

To: LYNX Finance & Audit Committee Members

From: Blanche W. Sherman, Director of Finance
Donna Tefertiller, Technical Contact

Phone: 407.841.2279 extension 6100

Item Name: Health Insurance Cost Containment – Self-Insurance Evaluation

Date: 03/18/2015

History:

LYNX previously participated in the Orange County group medical program, but in FY2012 through FY2014, LYNX contracted separately for healthcare insurance. LYNX experienced savings between the budgeted healthcare costs and the actual costs of employee healthcare insurance. These savings were recognized by changing insurance providers and annually contracting for coverage. Initially LYNX chose coverage from Florida Blue in calendar year 2012 with a 16% decrease in premiums, but switched to coverage through Cigna in calendar year 2013 with a 4% increase in premiums, and maintained Cigna in 2014 with a 16% increase in premiums. During the FY2015 budget development, LYNX' health insurance brokers estimated an increase in our premiums of approximately fifteen percent (15%) for ten months of FY2015. However, LYNX staff was later provided with a new projection for health insurance totaling twenty percent (20%) over the current rates. Based on these proposed increases for health insurance and LYNX' fully-insured status, LYNX staff evaluated the medical insurance program to determine the most cost-effective manner in which to provide adequate health coverage including self-insurance.

In FY2015, as LYNX continued to monitor the trends and work with LYNX' broker to make a final determination of any anticipated changes for health insurance coverage, LYNX received the actual renewal quote from Cigna with a 28% increase in premiums. LYNX reviewed various plan design changes resulting in the elimination of the Health Reimbursement Account (HRA) plan type and creation of a Health Savings Account (HSA) "Local Plus" plan type with an increase in the deductibles and maximum out of pocket. In order to offset the impact of the increased deductibles and "out of pocket" levels, LYNX increased the employer HSA contributions. This plan design change resulted in a 7.4% increase in premiums, but with the increase in the employer HSA contributions, the increase was 1.1% higher than the dollar amount budgeted for FY2015. LYNX continued to negotiate with Cigna to further reduce the premiums. The initial reduction was from 7.4% to 3.1%, with the best and final premium rates

LYNX Finance & Audit Committee Agenda

resulting in a decrease of 1.9%. The 1.9% decrease in premiums with the increase in employer HSA contributions was projected to be within the dollar amount budgeted for FY2015.

Current Status:

Over the next few months, LYNX staff will continue to monitor the health insurance costs trends and actively evaluate the potential benefits of being self-insured as opposed to continuing as fully-insured. LYNX staff included a 26% rate increase in the FY2016 preliminary budget based on estimates provided by our insurance broker which resulted in an 11.5% budgetary increase.

Joshua Rubich, Area Vice President with the firm of Arthur J Gallagher & Co., will be presenting an introduction to self-insurance at the March 18, 2015 Finance and Audit Committee meeting. The presentation is attached.



Arthur J. Gallagher & Co.
BUSINESS WITHOUT BARRIERS™

Introduction to Self-Insurance

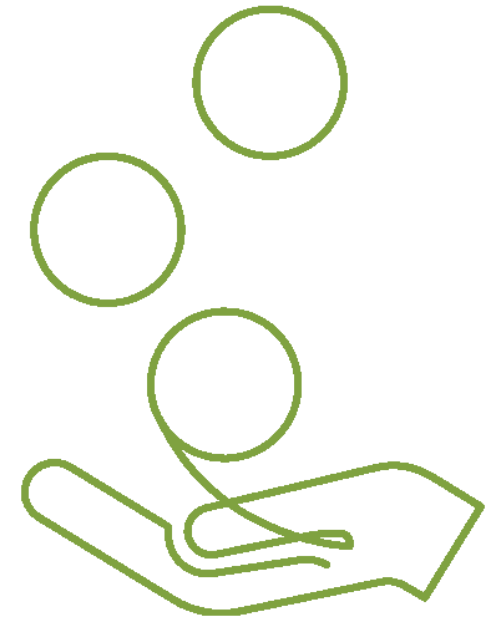
JOSHUA RUBICH, AREA VICE PRESIDENT
ERIC SCOTT, AREA PRESIDENT



FEBRUARY 16, 2015

Contents / Agenda

- Mechanics of moving to Self Insurance
- Fixed Costs
- Claims Factors
- Stop Loss
- Self Insurance Visual
- Pros and Cons
- Other Cost Saving Components
- Self Insurance Vs. Fully Insurance Cost Comparison
 - 2012, 2013, 2014



This information is intended as only a summary of the results of this analysis. Data contained here is from what are considered reliable sources; however, neither Gallagher Benefit Services, Inc., Arthur J. Gallagher & Co, nor any affiliated company guarantees its accuracy, completeness, and/or reliability. In the event that a discrepancy exists between the original source material(s) and the supplemental summary document, the original source material(s) shall govern.

The “Mechanics” of Moving from Fully-Insured to Self-Funding

- Change from paying monthly premiums to paying claims – cash flow/budgeting
- Banking arrangement
 - Set up a new bank account to pay claims
 - Reconciliation of bank account
- HIPAA Training / requirements and Privacy Policy
- Restatement of Plan Document (SPD)
- IBNR Reporting
- Annual Budget Projection and Rate Setting
- 6055 and 6056 Reporting
 - 6055 will be done by fully insured carrier
- Transitional Reinsurance and PCORI Fee (currently paid by fully insured carrier)
- 112.08 FL Statute Actuarial Filing (Gallagher will complete)

Fixed Costs

Administration:

- Per Employee per Month (PEPM) cost charge by the TPA (Cigna) for their services to include:
 - Providing a network, large case management, negotiating discounts, paying claims, reporting

Reinsurance/Stop Loss Premium

Individual*

- Premium paid to reinsurance carrier to protect you from a catastrophic claim or series of claims on one individual (\$250,000 per calendar year, for example)

Reinsurance/Stop Loss Premium

Aggregate*

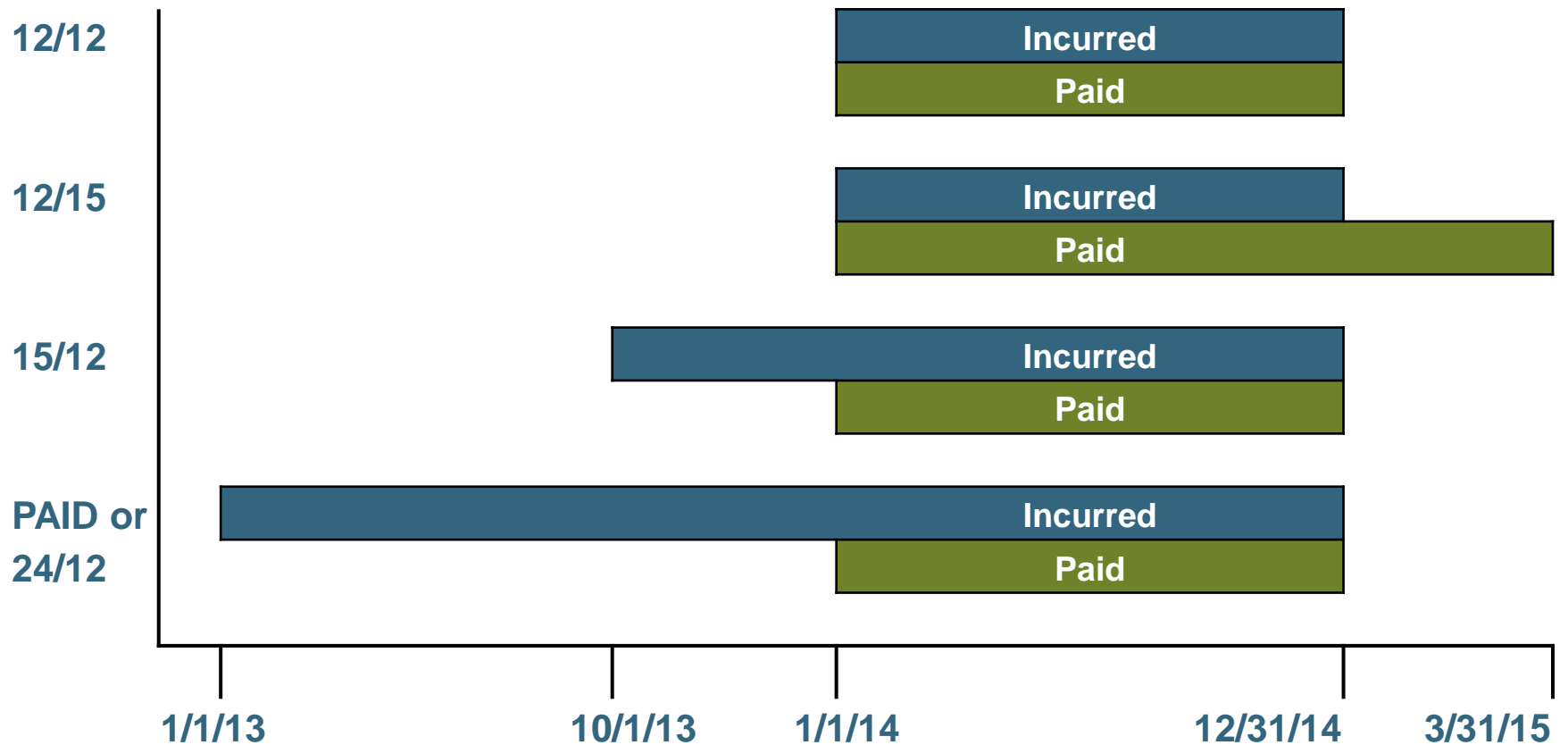
- Premium paid to reinsurance carrier to protect you in the event of an unfavorable year. The aggregate is based on employee population and typically includes a corridor of 120%-125% of expected claims.

*Advance funding options are available for the specific and aggregate contracts

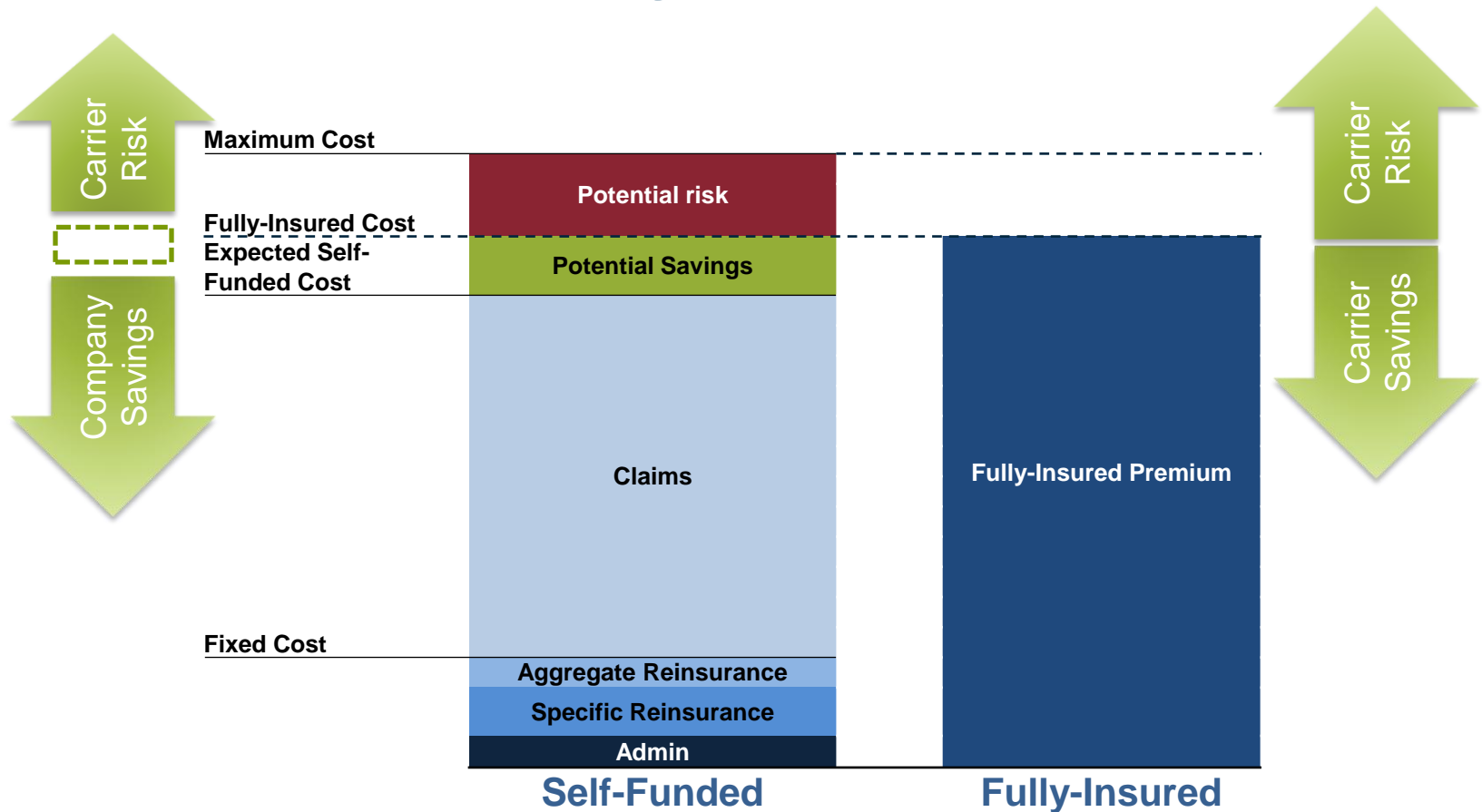
Stop Loss Contracts

- Contract Basis:
 - Determines the Contract Period
 - Specific contracts are generally offered on an incurred and paid basis or a paid basis
 - Only eligible expenses that were both and incurred and paid in the specified contract period are covered

Stop Loss Contracts



Components of Cost: Self-Funded vs Fully-Insured





Lynx - Cigna ASO and Stoploss Options

January 1, 2015

Stop Loss Carrier		Cigna Stoploss		Cigna Stoploss			
Plan		Option 1	Option 2	Option 3	Option 4		
Contract Type		12 / 12	12 / 36	12 / 12	12 / 36		
Lines of Coverage		Med & Rx	Med & Rx	Med & Rx	Med & Rx		
Total Enrollment (Employees)		956					
Fixed Cost Factors	Stop Loss	Specific (Individual) Stop Loss					
		Deductible	\$250,000	\$250,000	\$300,000	\$300,000	
		Rate per Employee	\$30.24	\$39.84	\$24.61	\$32.43	
		Monthly Specific Premium	\$28,909	\$38,087	\$23,527	\$31,003	
		Aggregate Stop Loss					
		Rate per Employee	\$4.88	\$5.37	\$5.01	\$5.51	
		Monthly Aggregate Premium	\$4,667	\$5,134	\$4,791	\$5,268	
		Total Stop Loss (Specific + Aggregate)					
		Rate per Employee	\$35.12	\$45.21	\$29.62	\$37.94	
	Monthly Stop Loss Premium	\$33,576	\$43,221	\$28,318	\$36,271		
	Admin	Claims Administration					
		Rate per Employee	\$54.13	\$54.13	\$54.13	\$54.13	
		Monthly Administration Cost	\$51,748	\$51,748	\$51,748	\$51,748	
	Total	Total Fixed Cost (Stop Loss + Claims Administration)					
		Rate per Employee	\$89.25	\$99.34	\$83.75	\$92.07	
Monthly Fixed Cost		\$85,325	\$94,969	\$80,066	\$88,019		
Annual Fixed Cost		\$1,023,894	\$1,139,628	\$960,794	\$1,056,227		
Claims Factors	Expected & Aggregate	Expected Claims					
		Per Employee	\$614.55	\$679.07	\$625.00	\$690.62	
		Monthly Expected Claims	\$587,512	\$649,193	\$597,499	\$660,229	
	Total Monthly Expected Costs						
	Aggregate Claims						
	Aggregate Corridor	125%	125%	125%	125%		
	Per Employee	\$768.19	\$848.84	\$781.25	\$863.27		
	Monthly Aggregate Claims	\$734,390	\$811,491	\$746,874	\$825,286		
	Total Monthly Aggregate Costs						
\$819,714							
HCR	Total	Health Care Reform Fees					
		Per Member per Month	1,467	\$3.83	\$3.83	\$3.83	\$3.83
		Total Monthly HCR Fees		\$5,619	\$5,619	\$5,619	\$5,619
Total Annual Expected Costs		\$8,141,458	\$8,997,366	\$8,198,210	\$9,046,400		
Total Annual Aggregate Costs		\$9,903,993	\$10,944,944	\$9,990,708	\$11,027,087		
Notes		Includes a \$400k laser. Potential for an additional \$150k in costs. Aggregate factors based upon enrollment in fully insured Option 2		Includes a \$400k laser. Potential for an additional \$150k in costs. Aggregate factors based upon enrollment in fully insured Option 2			

Pros and Cons of Self-Funding: Financial

Pros

- Minimize annual rate increases
- Reduces insurer's profits
- Lower retention and risk charges
- LYNX holds and invests reserves
- Cash flow
- Reduce state premium tax that is built into premiums
- Remove PPACA insurer fee (2-3%)
- Remove state mandates/requirements

Cons

- LYNX assumes greater risk
- Inconsistent monthly costs
- Not ideal for companies experiencing lay offs or downsizing
- LYNX pays PCORI and TRF
- Accruals for outstanding claims (GBS to provide IBNR annually)

Pros and Cons of Self-Funding: Administrative

Pros

- LYNX controls the plan
- Less likely to change carrier/TPA and networks to obtain better rates
- Increased flexibility in benefit plan design
- LYNX owns the claims data and receives more extensive reports and detailed analysis

Cons

- Additional cash flow management
- 6055 Reporting
- LYNX may receive appeals (infrequently) but can pay additional administration fee to transfer fiduciary responsibility with most administrators

Administrative Fees

Self Insured vs. Fully Insured

	Self Insured	Fully Insured
Healthcare Reform	½ - 1% of total claims	3-4% of premium
Administrative Fees	5-8% of total claims	11-13% of premium
Stop Loss (pooling charges)	5-8% of total claims	6-8% of premium
Total Charges	10.5-17%	20-25%

The above information is a range of costs associated with self insured and fully insured plans. Actual costs may vary based on actual claims paid.

Other Cost Saving Options with Self Funding



Rx Carve Outs

- Alternate vendors provide Rx with no “spread” or “margin” yielding to lower claim costs. Approximately 10% of Rx claims or 2% of total claims.



Imaging Carve Outs

- Concierge service scheduling Imaging service at lower cost and best in class providers.



Value Based Plan Designs

- Plan designs with the ability to “buy down” the deductible based upon participation in the wellness program

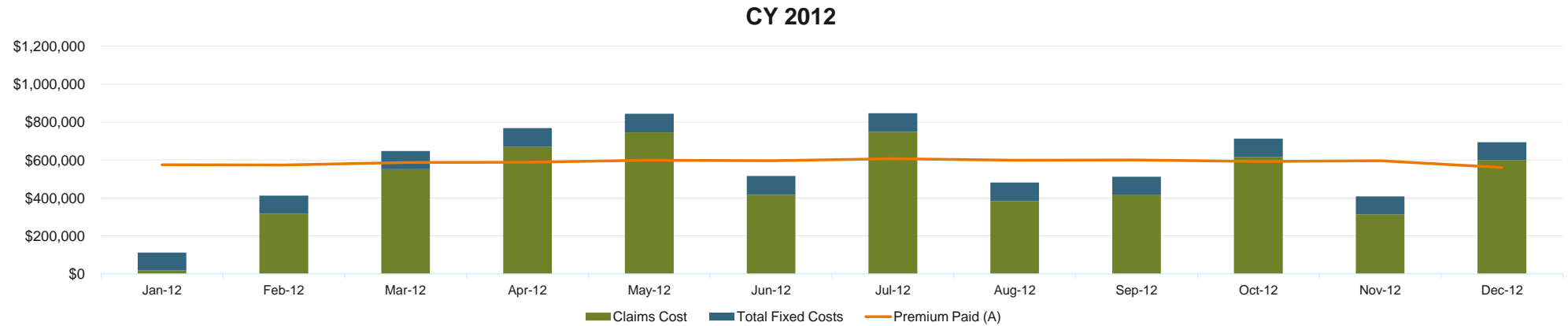
Lynx

Actual CY 2012 Fully-Insured Expenses vs. Illustrative CY 2012 Self-Funded Expenses

Paid Month	EEs	Actual Fully-Insured Experience				Approximate Costs Built into Fully Insured Premium				Illustrative Self-Funded Scenario					A-B	
		Paid Claims	(Claims over pooling point)	Total Claims	Premium Paid (A)	Admin	Stop Loss	Healthcare Refrom	Total Fixed Costs*	Admin Costs	Stop Loss Costs	Healthcare Reform Costs	Total Fixed Costs	Claims Cost		Total LYNX Costs (B)
Jan-12	861	\$18,335		\$18,335	\$574,884	\$74,735	\$29,894	\$0	\$104,629	\$33,786	\$60,347	\$0	\$94,133	\$18,335	\$112,468	\$462,416
Feb-12	870	\$316,587		\$316,587	\$574,022	\$74,623	\$29,849	\$0	\$104,472	\$34,139	\$60,978	\$0	\$95,117	\$316,587	\$411,704	\$162,318
Mar-12	882	\$551,205		\$551,205	\$587,375	\$76,359	\$30,544	\$0	\$106,902	\$34,610	\$61,819	\$0	\$96,429	\$551,205	\$647,634	(\$60,258)
Apr-12	891	\$751,666	(\$81,258)	\$670,408	\$588,647	\$76,524	\$30,610	\$0	\$107,134	\$34,963	\$62,450	\$0	\$97,413	\$670,408	\$767,821	(\$179,174)
May-12	897	\$826,561	(\$80,906)	\$745,655	\$598,990	\$77,869	\$31,147	\$0	\$109,016	\$35,198	\$62,871	\$0	\$98,069	\$745,655	\$843,724	(\$244,735)
Jun-12	910	\$416,441		\$416,441	\$596,514	\$77,547	\$31,019	\$0	\$108,565	\$35,708	\$63,782	\$0	\$99,490	\$416,441	\$515,931	\$80,583
Jul-12	908	\$801,312	(\$53,346)	\$747,966	\$607,167	\$78,932	\$31,573	\$0	\$110,504	\$35,630	\$63,642	\$0	\$99,272	\$747,966	\$847,238	(\$240,071)
Aug-12	903	\$382,722		\$382,722	\$599,518	\$77,937	\$31,175	\$0	\$109,112	\$35,434	\$63,291	\$0	\$98,725	\$382,722	\$481,447	\$118,071
Sep-12	887	\$414,613		\$414,613	\$600,435	\$78,057	\$31,223	\$0	\$109,279	\$34,806	\$62,170	\$0	\$96,976	\$414,613	\$511,589	\$88,846
Oct-12	881	\$636,515	(\$19,926)	\$616,589	\$592,108	\$76,974	\$30,790	\$0	\$107,764	\$34,570	\$61,749	\$0	\$96,320	\$616,589	\$712,908	(\$120,800)
Nov-12	870	\$1,149,775	(\$836,512)	\$313,263	\$595,864	\$77,462	\$30,985	\$0	\$108,447	\$34,139	\$60,978	\$0	\$95,117	\$313,263	\$408,380	\$187,484
Dec-12	866	\$599,520		\$599,520	\$560,613	\$72,880	\$29,152	\$0	\$102,032	\$33,982	\$60,698	\$0	\$94,680	\$599,520	\$694,199	(\$133,586)
Total	10626	\$6,865,251	(\$1,071,948)	\$5,793,303	\$7,076,138	\$919,898	\$367,959	\$0	\$1,287,857	\$416,964	\$744,776	\$0	\$1,161,741	\$5,793,303	\$6,955,044	\$121,094

Admin + Stop Loss is based on total fixed costs of \$109.33 PEPM per quotes obtained for the 2012 plan year assuming a \$150k pooling point. Florida Blue used a \$155k pooling point in their fully insured contract

* There is no need to add the total fixed costs to the premium paid. The numbers are already built into the premium not in addition to. This column is merely used to illustrate the difference in fixed costs between a fully insured and self insured program



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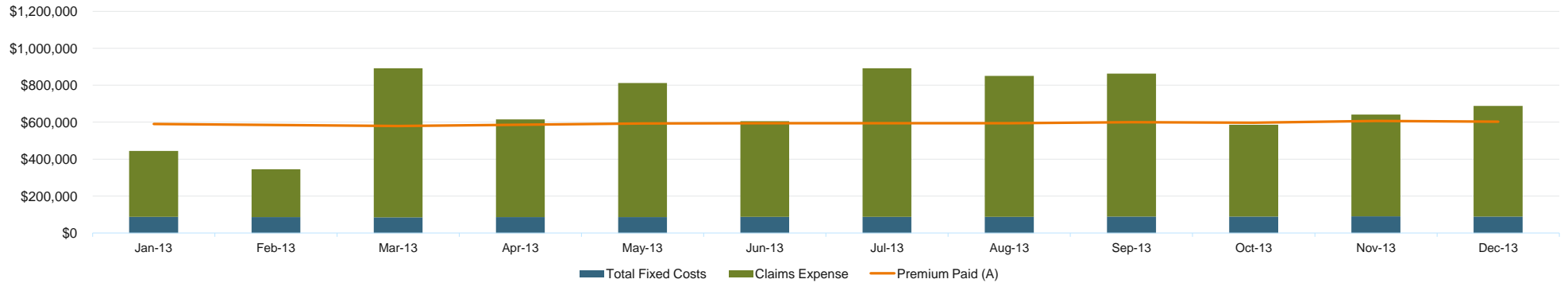
Actual CY 2013 Fully-Insured Expenses vs. Illustrative CY 2013 Self-Funded Expenses

Paid Month	EEs	Actual Fully-Insured Experience					Approximate Costs Built into Fully Insured Premium				Illustrative Self-Funded Scenario						A-B
		Paid Claims (Florida Blue)	Paid Claims (Cigna)	(Claims over pooling point)	Total Claims	Premium Paid (A)	Admin	Stop Loss	Healthcare Reform	Total Fixed Costs*	Admin	Stop Loss	Healthcare Reform	Total Fixed Costs	Claims Expense	Total LYNX Expense (B)	
Jan-13	874	\$564,230	\$72,266	(\$279,631)	\$356,865	\$589,996	\$75,461	\$37,760	\$232	\$113,452	\$47,310	\$39,514	\$232	\$87,055	\$356,865	\$443,921	\$146,076
Feb-13	864	\$40,884	\$217,961		\$258,845	\$584,886	\$74,807	\$37,433	\$229	\$112,469	\$46,768	\$39,061	\$229	\$86,059	\$258,845	\$344,905	\$239,981
Mar-13	855	\$524,462	\$518,585	(\$236,460)	\$806,587	\$579,569	\$74,127	\$37,092	\$227	\$111,446	\$46,281	\$38,655	\$227	\$85,163	\$806,587	\$891,750	(\$312,181)
Apr-13	863	\$10,325	\$519,400		\$529,725	\$586,629	\$75,030	\$37,544	\$229	\$112,803	\$46,714	\$39,016	\$229	\$85,960	\$529,725	\$615,684	(\$29,055)
May-13	872		\$725,268		\$725,268	\$592,784	\$75,817	\$37,938	\$232	\$113,987	\$47,201	\$39,423	\$232	\$86,856	\$725,268	\$812,124	(\$219,340)
Jun-13	878		\$517,723		\$517,723	\$594,273	\$76,007	\$38,033	\$233	\$114,274	\$47,526	\$39,694	\$233	\$87,454	\$517,723	\$605,176	(\$10,904)
Jul-13	882		\$803,910		\$803,910	\$594,936	\$76,092	\$38,076	\$234	\$114,402	\$47,743	\$39,875	\$234	\$87,852	\$803,910	\$891,762	(\$296,827)
Aug-13	887		\$761,737		\$761,737	\$594,368	\$76,020	\$38,040	\$236	\$114,295	\$48,013	\$40,101	\$236	\$88,350	\$761,737	\$850,087	(\$255,718)
Sep-13	896		\$774,356		\$774,356	\$600,544	\$76,810	\$38,435	\$238	\$115,482	\$48,500	\$40,508	\$238	\$89,247	\$774,356	\$863,603	(\$263,058)
Oct-13	892		\$496,681		\$496,681	\$597,764	\$76,454	\$38,257	\$237	\$114,948	\$48,284	\$40,327	\$237	\$88,848	\$496,681	\$585,529	\$12,235
Nov-13	904		\$551,648		\$551,648	\$606,520	\$77,574	\$38,817	\$240	\$116,631	\$48,934	\$40,870	\$240	\$90,043	\$551,648	\$641,692	(\$35,172)
Dec-13	894		\$639,653	(\$40,205)	\$599,448	\$602,316	\$77,036	\$38,548	\$237	\$115,822	\$48,392	\$40,418	\$237	\$89,047	\$599,448	\$688,496	(\$86,179)
Total	10561	\$1,139,902	\$6,599,187	(\$556,296)	\$7,182,793	\$7,124,585	\$911,234	\$455,973	\$2,805	\$1,370,013	\$571,667	\$477,463	\$2,805	\$1,051,935	\$7,182,793	\$8,234,728	(\$1,110,142)

Admin + Stop Loss is based on total fixed costs of \$99.34 PEPM per quotes obtained for the 2015 plan year assuming a \$250k pooling point (Self-funded quotes were not obtained for 2013). Cigna used a \$250k pooling point in their fully insured contract

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CY 2013



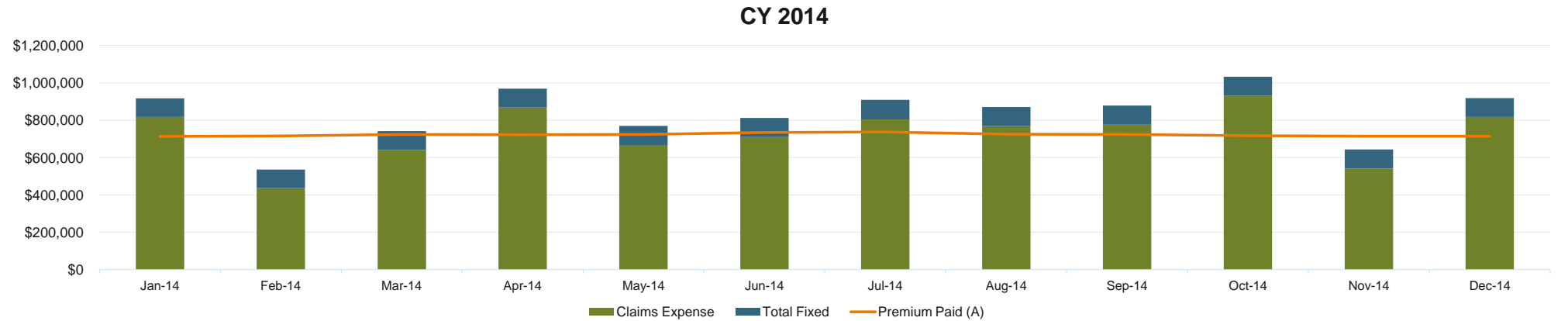
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Actual CY 2014 Fully-Insured Expenses vs. Illustrative CY 2014 Self-Funded Expenses

Paid Month	EEs	Actual Fully-Insured Experience				Internal Costs Built into Fully Insured Premium				Illustrative Self-Funded Scenario						A-B
		Paid Claims	(Claims over pooling point)	Total Claims	Premium Paid (A)	Admin	Stop Loss	Healthcare Reform	Total Fixed*	Admin	Stop Loss	Healthcare Reform	Total Fixed	Claims Expense	Total LYNX Expense (B)	
Jan-14	921	\$817,590		\$817,590	\$712,819	\$91,170	\$46,119	\$22,881	\$160,170	\$49,854	\$41,638	\$7,987	\$99,479	\$817,590	\$917,069	(\$204,250)
Feb-14	923	\$436,570		\$436,570	\$715,407	\$91,501	\$46,287	\$22,965	\$160,752	\$49,962	\$41,729	\$8,004	\$99,695	\$436,570	\$536,265	\$179,142
Mar-14	937	\$640,860		\$640,860	\$724,149	\$92,619	\$46,852	\$23,245	\$162,716	\$50,720	\$42,362	\$8,126	\$101,207	\$640,860	\$742,068	(\$17,919)
Apr-14	938	\$867,832		\$867,832	\$722,817	\$92,448	\$46,766	\$23,202	\$162,417	\$50,774	\$42,407	\$8,134	\$101,315	\$867,832	\$969,148	(\$246,331)
May-14	940	\$667,987		\$667,987	\$723,304	\$92,511	\$46,798	\$23,218	\$162,527	\$50,882	\$42,497	\$8,152	\$101,531	\$667,987	\$769,518	(\$46,214)
Jun-14	957	\$709,308		\$709,308	\$734,293	\$93,916	\$47,509	\$23,571	\$164,996	\$51,802	\$43,266	\$8,299	\$103,367	\$709,308	\$812,675	(\$78,382)
Jul-14	965	\$804,731		\$804,731	\$737,688	\$94,350	\$47,728	\$23,680	\$165,758	\$52,235	\$43,628	\$8,368	\$104,232	\$804,731	\$908,963	(\$171,275)
Aug-14	952	\$768,173		\$768,173	\$725,740	\$92,822	\$46,955	\$23,296	\$163,074	\$51,532	\$43,040	\$8,256	\$102,827	\$768,173	\$871,000	(\$145,260)
Sep-14	950	\$776,296		\$776,296	\$723,939	\$92,592	\$46,839	\$23,238	\$162,669	\$51,424	\$42,950	\$8,238	\$102,611	\$776,296	\$878,907	(\$154,968)
Oct-14	943	\$931,291		\$931,291	\$716,706	\$91,667	\$46,371	\$23,006	\$161,044	\$51,045	\$42,633	\$8,178	\$101,855	\$931,291	\$1,033,147	(\$316,441)
Nov-14	941	\$954,422	(\$412,636)	\$541,786	\$714,509	\$91,386	\$46,229	\$22,936	\$160,550	\$50,936	\$42,543	\$8,160	\$101,639	\$541,786	\$643,426	\$71,083
Dec-14	943	\$1,029,079	(\$212,225)	\$816,854	\$713,933	\$91,312	\$46,191	\$22,917	\$160,421	\$51,045	\$42,633	\$8,178	\$101,855	\$816,854	\$918,709	(\$204,776)
Total	11310	\$9,404,140	(\$624,861)	\$8,779,279	\$8,665,304	\$1,108,292	\$560,645	\$278,156	\$1,947,094	\$612,210	\$511,325	\$98,080	\$1,221,616	\$8,779,279	\$10,000,895	(\$1,335,591)

Admin + Stop Loss is based on total fixed costs of \$99.34 PEPM per quotes obtained for the 2015 plan year assuming a \$250k pooling point. (Self-funded quotes were not obtained for 2014). Cigna used a \$250k pooling contract in their fully insured contract

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